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

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Statement of Financial Position on September 30th 2018

	30-Sept-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 Bogdan Oslobeanu	Chairman of the Board of Directors Iuliana Mihaela Urda	Chief Financial Officer 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 Bogdan Oslobeanu	Chairman of the Board of Directors Iuliana Mihaela Urda	Chief Financial Officer 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 30-Sep-18	Balance as of 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) 30-Sep-18	Balance as of (RON) 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**

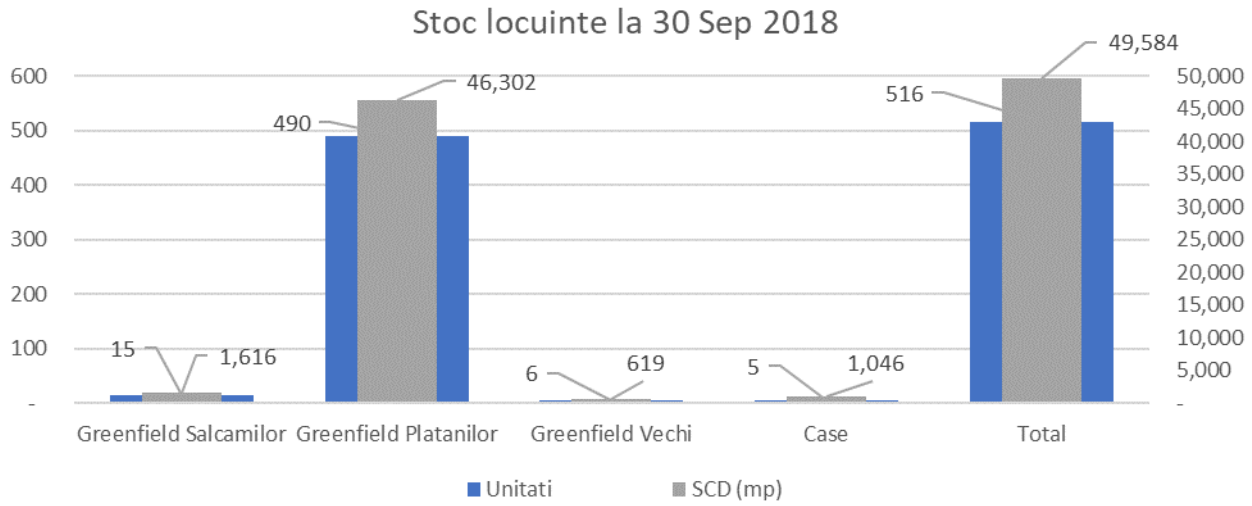
	Gross value	Book value
Granted loans		
Subsidiaries		
Bergamot Developments	16,710,000	16,710,000
Bergamot Developments Phase II	15,963,000	15,963,000
Impact Finance	35,000	35,000
	32,708,000	**32,708,000**

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.

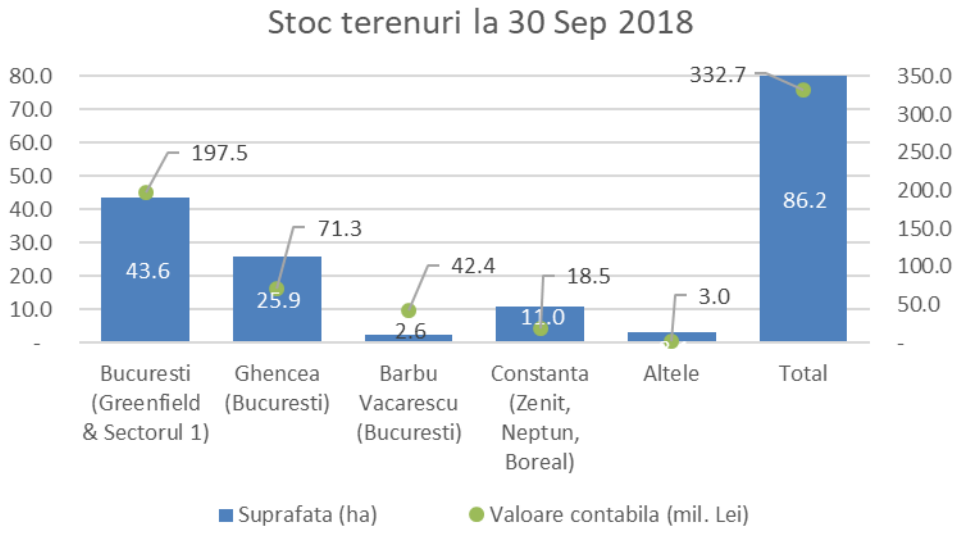
Detailed statement on houses and apartments inventories as of September 30th 2018 is the following:



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	Balance 30.09.2018	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	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.

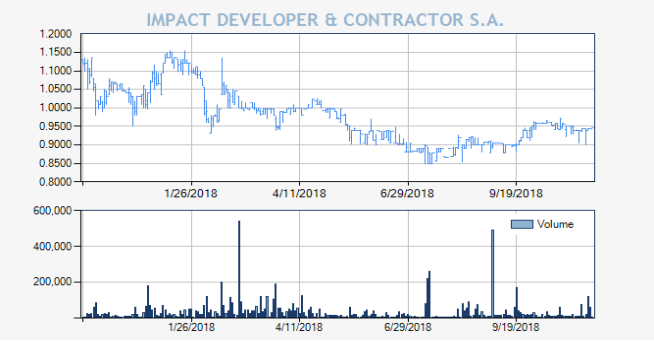
The works were initiated in the first semester of 2018, and in the end, the residential complex shall comprise 9 buildings of 630 apartments.

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.

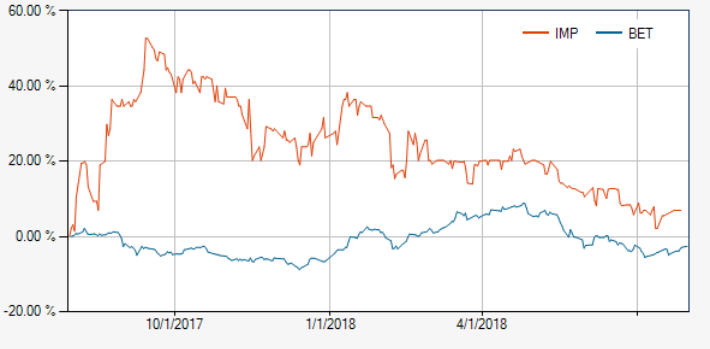
There are no restrictions regarding securities transfer and voting rights, there are no holders of securities with special control rights.

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

IMPACT DEVELOPER & CONTRACTOR SA
Registered office: Willbrook Platinum Business & Convention Center,
172-176 Sos. Bucuresti – Ploiesti, Building A, 1st Floor, Bucharest, District 1, postal 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 capital: RON 277,866,574
Registered with the Trade Registry's Office seconded to the Bucharest Court under the No. J40/7228/2018,
Tax Registration No. RO 1553483
Personal Data Operator, registered with the Personal Data Processing Registry under the No. 3406

Quaterly Report
Quarter 3/ 2018

Report date: 12.11.2018
Name of the issuing company: **IMPACT DEVELOPER & CONTRACTOR SA**
Registered office: Willbrook Platinum Business & Convention Center,
172-176 Sos. Bucuresti – Ploiesti, Building A, 1st Floor, Bucharest, District 1, 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 capital: RON 277,866,574
Regulated market where the issued securities are traded: Bucharest Stock Exchange

1. Economic and financial situation

1.1. *Presentation of an analysis on the economic and financial status for Q3/2018, compared to the similar period of the previous year.*

Analysis of the result elements

The operating result (EBITDA margin) achieved by the company IMPACT DEVELOPER & CONTRACTOR in Quarter 3 of 2018 is 15% (% in total revenues) compared to last year, when the operating result was 17%.

During the first quarters of 2018 a number of 137 properties (apartments and houses), 2 plots of land and 10 parking places, totaling a gross (built) area of 13,537 sq. m. were sold, 40% less compared to the similar period of the previous year, when the sales 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 dwellings sold, 39 apartments were sold from Salcamilor Assembly (Greenfield Baneasa) and 95 apartments from Platanilor Assembly (Greenfield Baneasa).

The sales volume of completed apartments has dropped further to the change in the sales mix in favor of apartments to be delivered in Q4 2018 and 2019. On September 30th, 2018, in addition to the registered purchase agreements, reservations/presales agreements for 107 apartments (whose value is not reflected in the income) in Greenfield were concluded.

In the first 9 months of the year 2018, IMPACT has recorded a net result of 1,588 thousand Lei, mainly generated by the financing costs related to the ongoing and/or future development projects, as well as by the donation of the lands with an area of 6,000 sq. m. to the Bucharest Municipality.
The lands were donated to the Bucharest Municipality 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 Decisions of the General Council of Bucharest No. 281/2017 and No. 608/2017 and to the Decisions of the Local Council of District 1 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 financial indicators on September 30th, 2018 are the following:

Indicators according to IFRS (Lei)	Sep-17	Sep-18	Difference	
			value	%
Operational revenues, out of which:	**101,870,763**	**68,220,779**	**(33,649,984)**	**-33%**
Revenue from the sale of residential inventories	93,776,931	61,700,654	(32,076,277)	-34%
Revenue from rental and tenants utilities recharged	6,661,296	3,800,674	(2,860,622)	-43%
Revenue from sale of investments properties	-	347,050	347,050	100%
Activity performed and capitalized by the entity	-	-	-	
Other revenue of operational nature	1,432,536	2,372,401	939,865	66%
Operational expenses, out of which:	**(84,284,414)**	**(58,176,466)**	**26,107,948**	**-31%**
Accounting value of the sold residential inventories	(62,535,780)	(32,946,725)	29,589,055	-47%
Operating costs related to rented and sold properties	(5,483,851)	(2,275,003)	3,208,848	-59%
Book value of investments properties	-	(284,055)	(284,055)	
Expenditure on raw materials and supplies	(658,495)	(712,427)	(53,932)	8%
Services provided by third parties	(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%
Operational result (EBITDA)	**17,586,349**	**10,044,313**	**(7,542,036)**	**-43%**
Depreciation and amortization expenses	(565,762)	(920,533)	(354,771)	63%
Assets loss of value other than investments properties	(337,410)	(250,792)	86,618	-26%
Gains / (losses) in investments properties fair value	-	-	-	
Operational result (EBIT)	**16,683,177**	**8,872,988**	**(7,810,189)**	**-47%**
Net financial cost	(2,404,748)	(5,302,453)	(2,897,705)	120%
Gross Profit / Loss (EBT)	**14,278,429**	**3,570,535**	**(10,707,894)**	**-75%**
Profit (income) tax	(800,000)	(1,982,279)	(1,182,279)	
Net Profit / (loss) for the period	**13,478,429**	**1,588,256**	**(11,890,173)**	**-88%**

Financial result	Sep-17	Sep-18	Difference	
			Value	%
Financing costs	(2,232,727)	(6,014,346)	(3,781,619)	169%
Financial income	736,753	1,033,043	296,290	40%
Exchange rate differences	(542,287)	(162,810)	379,477	-70%
Other financial items, net	(366,487)	(158,340)	208,147	-57%
Financial result	**(2,404,748)**	**(5,302,453)**	**(2,897,705)**	**120%**

Interest expenses have increased due to the attraction of funds from bonds issues for the future development of residential projects and using bank loans to finance the completion of phases 7.2 and 7.3 of the Platanilor Assembly.

Analysis of the balance sheet items

Asset items	31-Dec-17	30-Sep-18	Difference	
			Value	%
Tangible non-current assets	8,684,244	8,737,111	52,867	1%
Intangible non-current assets	144,339	80,517	(63,822)	-44%
Non-current investments	193,342,626	193,058,571	(284,055)	0%
Financial assets	56,190,196	56,190,196	-	0%
Non-current receivables	4,948,961	34,343,317	29,394,356	100%
Total non-current assets	**263,310,366**	**292,409,712**	**29,099,346**	11%
Inventories	297,294,269	280,488,767	(16,805,502)	-6%
Trade and other receivables	26,171,573	20,880,134	(5,291,439)	-20%
Prepayments	90,403	79,639	(10,764)	-12%
Cash and cash equivalents	44,515,734	33,253,076	(11,262,658)	-25%
Total current assets	**368,071,979**	**334,701,616**	**(33,370,363)**	**-9%**
Total assets	***631,382,345***	***627,111,328***	***(4,271,017)***	***-1%***

Compared the end of the last year the company's cash holdings have dropped 25% in first 9 months of 2018 due to the maturity of the interest due for bonds issues, partial loan reimbursements, and investments for the completion of Phase 7 Platanilor Assembly.

Non-current receivables have increased 100% due to the loan granted to Bergamot Developments Phase I & Phase II for the acquisition of the land necessary to develop phase B of the Luxuria project and starting the construction works for Phases A1 & A2.

Liabilities items	31-Dec-17	30-Sep-18	Difference	
			value	%
Shareholders' Equity	***431,854,275***	***431,167,575***	***(686,700)***	***0%***
Loans	132,900,915	135,993,824	3,092,909	2%
Trade payables and other liabilities	1,028,434	1,468,879	440,445	43%
Deferred tax	21,210,395	21,210,395	-	0%
Total long-term liabilities	***155,139,744***	***158,673,098***	***3,533,354***	***2%***
Loans	15,811,049	17,560,288	1,749,239	11%
Trade payables and other liabilities	28,253,125	19,704,410	(8,548,715)	-30%
Provisions for risks and charges	324,152	5,956	(318,196)	-98%
Total current liabilities	***44,388,326***	***37,270,654***	***(7,117,672)***	***-16%***
Total liabilities	***199,528,070***	***195,943,752***	***(3,584,318)***	***-2%***
Total equity and liabilities	***631,382,345***	***627,111,327***	***(4,271,018)***	***-1%***

All assets and liabilities items on September 30th, 2018 are approximately at the same level compared to the end of 2017.

Analysis of the cash flow items

Decrease in cash at the end of Quarter 3 of 2018 compared to the beginning of the year is determined by sales reduction and by the increase of the financing costs.

Indicators (LEI)	30-Sep-18
Cash and cash equivalent on January 1st	**44,515,734**
Net cash derived from operating activities	(6,292,020)
Net cash used in investment activities	(171,114)
Net cash derived from (used in) financing activities	(4,799,524)
Cash and cash equivalent on September 30th 2018	***33,253,076***

Economic and financial indicators – evolution:

Indicators	31-Dec-16	30-Sep-17	31-Dec-17	30-Sep-18
Assets Profitability	6.11%	2.45%	8.28%	0.25%
Equity Profitability	7.58%	3.44%	12.11%	0.37%
Indebtedness rate (Liabilities vs Assets)	19.37%	28.7%	31.60%	31.25%
Indebtedness rate (Equities vs Assets)	80.63%	71.32%	68.40%	68.75%
Indebtedness rate (Loans vs Equities)	14.65%	28.88%	37.32%	35.61%
Current cash holdings	6.39	7.97	8.29	8.98
Immediate cash holdings	0.67	1.86	1.59	1.45

Rotation speed of customer liabilities	31-Dec-16	30-Sep-17	31-Dec-17	30-Sep-18
Average customer balance (A)	32,320,160	27,396,570	28,994,334	26,000,334
Turnover (B)	152,181,219	101,870,763	120,265,896	68,220,779
(A/B)*270 days	**76**	**73**	**87**	**103**
Rotation speed of non-current assets	**31-Dec-16**	**30-Sep-17**	**31-Dec-17**	**30-Sep-18**
Turnover (A)	152,181,219	101,870,763	120,265,896	68,220,779
Non-current assets (B)	168,606,162	263,310,366	263,310,366	292,409,712
(A/B)	**0.90**	**0.39**	**0.46**	**0.23**

Stock Exchange Indicators - evolution:

Indicators	31-Dec-16	30-Sep-17	31-Dec-17	30-Sep-18
Price per share	0.7	1.19	1.05	0.95
Number 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
Foreign exchange	4.5411	4.5991	4.6597	4.6637
Stock Exchange capitalization (EUR)	42,832,486	71,896,941	62,613,452	56,601,678
Net book assets (RON)	390,776,564	391,763,350	431,854,275	431,167,575
Net book assets (EUR)	86,053,283	85,182,612	92,678,558	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
Profit per share (RON)	0.107	0.049	0.188	0.006
Profit per share (EUR)	0.024	0.011	0.041	0.001
NAV/Share (RON)	1.406	1.410	1.554	1.552
NAV/Share (EUR)	0.31	0.31	0.33	0.33
Premium/discount compared to net book assets	-50%	-16%	-32%	-39%

2. Analysis of the company's activity

In Quarter 3 of 2018, the sale of apartments in Salcamilor Assembly was continued (phases 2, 3 and 4) as well as in Platanilor Assembly (phases 5 and 6). Moreover, stages 2 and 3 were completed in regard of phase 7 of Platanilor Assembly, whereas the sale of the apartments was commenced in September 2018.

As an overall, from **Salcamilor** Assembly of 924 apartments, **916 contracts (99%) were concluded** since 2014 and until the end of September 2018: **909** sale contracts and **7** pre-contracts and reservations.

From **Platanilor** Assembly, under construction, phases 5 and 6, where 476 units were completed, 271 **contracts (57%)** were concluded since 2017 and until the end of September 2018, **255** sale contracts and a number of **16** pre-contracts and reservations.

In August 2018 276 units from the **Platanilor** Assembly (phase 7, stages 2 and 3) were completed and 50 **contracts (18%)** were concluded until the end of September 2018: **8** sale contracts and **42** pre-contracts and reservations.

2.1. *Presentation and analysis of events that are affecting or might affect the company's liquidity compared to the same period of the previous year.*

Details are available in the Notes to the financial statements.

2.2. *Presentation and analysis of the effects upon the Company's financial status of all capital, current or anticipated expenses.*

The company has started the construction of the Platanilor Assembly phase 7, which shall include 18 buildings of 468 apartments. In 2017, the works for 12 buildings (out of the 18 buildings representing the project) from phase 7 were commenced, specifically 276 apartments (28,000 sq. m.) completed in the 3rd quarter of 2018. For the period left from the project (where the works have started during the first semester of 2018), the delivery is intended for the first half of 2019 – 14,000 sq. m. / 192 apartments.

Platanilor Assembly aims to extend the residential area within an improved concept, adjusted to the current market conditions, and to attract investors/operators to enhance the facilities/services serving the residential area.

In this respect, in addition to the company's own financing sources – reinvested profit, the co-financing of the development expenses by bank loans and bonds issues is intended.

The detailed structure of the expenses is provided in the Notes to the financial statements.

3. Changes affecting the Company's equity and administration.

In the Ordinary General Meeting of Shareholders that took place on **28.04.2017**, 4 directors were elected by secret vote, for a 4-year mandate, until April 27th, 2021.

The Board of Directors consists of 5 members:

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

The Board of Directors has decided in the meeting dated September 15, 2017, according to the art. 137 index 2 of the Company Law No. 31/1990, to appoint Mr. Gabriel Vasile as temporary director, until the next Ordinary General Meeting of Shareholders is convened.

At the Ordinary General Meeting dated October 30th, 2017, Mr. Gabriel Vasile was elected as a director for a valid mandate until April 27th, 2021.

The Company's Executive Management

On January 19th, 2018, Impact's Board of Directors has decided to appoint Mr. Bogdan Oslobeanu as the Company's Chief Executive Officer, for a 4-year mandate, starting March 1st, 2018, until February 22nd, 2022. He replaced Mr. Bartosz Puzdrowski, who requested the Company to terminate his mandate for personal reasons, starting March 1st, 2018.

The Board of Directors has decided that Mr. Bogdan Oslobeanu, Chief Executive Officer and Mr. Gabriel Vasile, Director, are authorized to represent the company according to the provisions of the art. 1432 (5) of the Company Law 31/1990, starting 01.03.2018.

3.1 *Description of the cases where the company was unable to meet its financial obligations.*

The company is up to date with the payment of loans, taxes and charges.

3.2 *Description of any change in the rights of holders of securities issued by the company.*

The rights of holders of issued securities have not been changed.

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

IMPACT DEVELOPER & CONTRACTOR SA

Consolidated and unaudited financial statements as of September 30th 2018

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	31-Dec-17	30-Sep-18
ASSETS		
Tangible assets	8,916,883	9,314,369
Intangible assets	193,238	112,978
Investment property	193,342,626	193,058,571
Financial assets	-	0
Non-current receivables	6,183,956	6,120,702
Total non-current assets	***208,636,703***	***208,606,621***
Inventories	363,622,778	364,354,593
Trade and other receivables	6,413,223	18,094,753
Prepayments	145,223	493,612
Cash and cash equivalents	47,476,223	40,507,641
Total current assets	***417,657,493***	***423,450,601***
Total assets	***626,294,195***	***632,057,221***
Share capital	285,330,158	285,330,158
Share capital premiums	69,487,043	69,487,043
Revaluation reserves	3,031,970	3,024,548
Other reserves	10,408,663	8,709,043
Result for the previous year	8,820,995	63,987,022
Net profit for the period	51,911,380	561,342
Shareholders' equity	(682,526)	(1,959,954)
Losses related to the issuing, redemption, sale, free transfer of shareholders' equity instruments	(726,973)	(1,041,973)
Total shareholders' equity	***427,580,709***	***428,097,228***
Loans	133,401,233	127,732,951
Trade and other payables	1,032,684	1,960,746
Deferred taxes	21,210,405	21,211,004
Total long-term liabilities	***155,644,322***	***150,904,701***

Trade and other payables	12,592,951	22,595,153
Loans	30,152,062	30,454,183
Provisions for risk and charges	324,152	5,956
Total current liabilities	***43,069,165***	***53,055,292***
Total liabilities	***198,713,486***	***203,959,993***
Total shareholders' equity and liabilities	***626,294,195***	***632,057,221***

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-18
Income from sale of real estate inventories	61,865,272
Book value of sold residential real estate inventories	(32,946,723)
Profit or loss from the sale of real estate	***28,918,549***
Rental income	1,121,998
Income from costs re-charged to tenants	2,629,644
Operating expenses related to the properties sold/rented	(2,564,394)
Profit or loss from re-charged of utilities and rentals	***65,251***
Income from sale of investment properties	347,050
Expenses related to the transfer of investment properties	(284,055)
Profit or loss from sale of investment properties	***62,995***
Income from sold production	(47,304)
Expenses for raw materials and consumables, other material expenses	(784,578)
Expenses for third party services	(5,303,042)
Employee benefit expenses	(9,233,454)
Other operating income	1,531,399
Other operating expenses	(6,505,301)
	-
Other net administration on projects expenses	***(20,342,281)***
Profit or loss before interest, taxation, depreciation and amortization (EBITDA)	***9,826,511***
Depreciation and amortization expenses	(677,476)

Impairment charges related to current assets	(505,191)
Depreciation and impairment charges, other than related to investment properties	***(1,182,667)***
Profit or loss before interest and taxation (EBIT)	***8,643,844***
Financing costs	(5,421,402)
Financial income	93,173
Foreign exchange differences	(162,831)
Other financial items, net	(158,340)
Financial result	***(5,649,400)***
Gross profit (EBT)	***2,994,444***
Current income tax expenses	(2,433,103)
Profit tax	***(2,433,103)***
Net profit or loss for the period	***561,341***

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

Statement of the cash flow *on September 30th 2018*

	30-Sep-18
Cash flows from operating activities	
Net profit / (loss) for the period	**561,341**
Adjustments for:	
Amortization of tangible non-current expenses	677,476
Profit tax expense	2,433,103
Profit/loss from transfer of investment properties	2,689,964
Net adjustments for inventory depreciation, establishment (reversal)	1,535,170
Net adjustments for depreciation of receivables, establishment / (reversal)	(479,102)
Net changes in provisions for risk and charges	(318,196)
Interest income	(93,173)
Interest expenses	5,580,210
Net (Profit) / Loss from foreign exchange differences, not earned	139,923
Changes on working capital	**12,726,716**
Changes in operating activities:	
Increases in trade and other receivables	(11,487,518)
Inventories increase	(2,266,986)
Payables increase, including profit tax	5,741,175
Cash from operating activities	**(8,013,329)**
Net cash from operating activities	**4,713,387**
Cash flows from investing activities	
Acquisition of tangible non-current assets	(221,084)
Proceeds from sale of investment properties	347,050
Proceeds from sale of tangible non-current assets	7,692
Interest collected	93,173
Net cash used in financing activities	**226,831**
Cash flows from financing activities	

Loans received, including collected interest	(10,946,370)
Share capital and capital premiums increase/(decrease)	(962,428)
Net cash used in financing activities	**(11,908,798)**
Net cash (increase / decrease)	**(6,968,582)**
Cash and cash equivalents at the start of the period	**47,476,223**
Cash and cash equivalents at the end of the period	**40,507,641**

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 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 third quarter of 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	2018	2017
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 September 30th 2018, 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.**

During the first nine months of 2018, the construction of 12 buildings in Phase 7 was completed, comprising approximately 278 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 first semester 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

	Transactions value as of 30-Sep-18	**Balance as of 30-Sep-18**
Sales of goods and services (Class 7)		
Subsidiaries		
Actual Invest House	22,444	66,866
Clearline Development and Management	5,654	52,709
Bergamot Developements	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 30-Sep-18	Balance as of 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 Developements	-	-
Bergamot Developments Phase II	-	-
Impact Finance	-	-
	1,117,623	**2,826,204**

	Transactions value as of (RON) 30-Sep-18	Balance as of (RON) 30-Sep-18
Interest income (766)		
Subsidiaries		
Actual Invest House	-	-
Clearline Development and Management		-
Bergamot Developements	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 Developements	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**

3. Events after

No subsequent events to be reported.

4. 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 consolidated 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

IMPACT DEVELOPER & CONTRACTOR SA
Registered office: Willbrook Platinum Business & Convention Center,
172-176 Sos. Bucuresti – Ploiesti, Building A, 1st Floor, Bucharest, District 1, postal 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 capital: RON 277,866,574
Registered with the Trade Registry's Office seconded to the Bucharest Court under the No. J40/7228/2018,
Tax Registration No. RO 1553483
Personal Data Operator, registered with the Personal Data Processing Registry under the No. 3406

Consolidated Quarterly Report
Quarter 3 / 2018

Report date: 12.11.2018
Name of the issuing company: **IMPACT DEVELOPER & CONTRACTOR SA**
Registered office: Willbrook Platinum Business & Convention Center,
172-176 Sos. Bucuresti – Ploiesti, Building A, 1st Floor, Bucharest, District 1, postal code 015016
Phone: 021– 230.75.70/71/72, fax: 021– 230.75.81/82/83, mobile: 0729.100.001
Registered with the Trade Registry's Office seconded to the Bucharest Court under the No. J40/7228/2018, Tax Registration No. RO 1553483
Fully subscribed and paid up capital: RON 277,866,574
Regulated market where the issued securities are traded: Bucharest Stock Exchange

1. Consolidated economic and financial situation

1.1. *Presentation of an analysis on the economic and financial status for Q3/2018, compared to the similar period of the previous year.*

Analysis of the result elements

During the first nine months of 2018, IMPACT has recorded operating income of **67.4 million lei.**

Profit is influenced by the donation of the lands with an area of 6.000 sq. m. to the Bucharest Municipality.
The lands were donated to the Bucharest Municipality 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 Decisions of the General Council of Bucharest No. 281/2017 and No. 608/2017 and to the Decisions of the Local Council of District 1 No. 278/2017 and No. 345/2017. The offer has been accepted by the Decision of the General Council of Bucharest No. 513/2017.

Financial indicators on September 30th, 2018 are the following:

Indicators according to IFRS (Lei)	Sep-18
Operational revenues, out of which:	**67,448,059**
Revenue from the sale of residential inventories	61,865,272
Revenue from rental and tenants utilities recharged	3,751,642
Revenue from sale of investments properties	347,050
Activity performed and capitalized by the entity	-
Other operational revenues	1,484,095
Operational expenses, out of which:	**(57,621,548)**
Book value of the sold residential inventories	(32,946,723)
Operating costs related to rented and sold properties	(2,564,394)
Book value of investments properties	(284,055)

Expenses on raw materials and supplies	(784,578)
Services provided by third parties	(5,303,042)
Employee benefits expenses	(9,233,454)
Other expenses of operational nature	(6,505,301)
Operational result (EBITDA)	**9,826,511**
Depreciation and amortization expenses	(677,476)
Assets loss of value other than investments properties	(505,191)
Gains / (losses) in investments properties fair value	-
Operational result (EBIT)	**8,643,844**
Net financial cost	(5,649,400)
Gross Profit / Loss (EBT)	**2,994,444**
Profit (income) tax	(2,433,103)
Net Profit / (loss) for the period	**561,341**

During the first three quarters of 2018, a number of 137 properties (apartments and houses), 2 plots of land and 10 parking places were sold, totaling a gross (built) area of 13,537 sq. m., 40% less compared to the similar period of 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).

The sales volume of completed apartments has decreased because of a change in the sales mix in favor of the apartments to be delivered in Q4 2018, 2019 and 2020. On September 30th, 2018, in addition to the similar period registered purchase contracts, reservations/presales agreements (whose value is not reflected in the income) for the following properties were concluded:

- 91 apartments from Phase A2 Luxuria Domenii Residence
- 107 apartments from Greenfield
- Total values reflecting closed reservations/presales agreements is 90.7 mLEI (19.5 mEUR, including the value of the adjacent parking places)

Financial result	**Sep-18**
Financing costs	(5,421,402)
Financial income	93,173
Exchange rate differences	(162,831)
Other financial items, net	(158,340)
Financial result	**(5,649,400)**

Interest expenses have increased due to the attraction of funds from bonds issues for the future development of residential projects and using bank loans to finance the completion of phases 7.2 and 7.3 of the Platanilor Assembly and starting the construction works for phase 7.1.

Analysis of the balance sheet items

Asset items	31-Dec-17	30-Sep-18	Difference	
			Value	%
Tangible non-current assets	8,916,883	9,314,369	397,486	4%
Intangible non-current assets	193,238	112,978	(80,259)	-42%
Non-current investments	193,342,626	193,058,571	(284,055)	0%
Financial assets	-	-	-	
Non-current receivables	6,183,956	6,120,702	(63,254)	-1%
Total non-current assets	**208,636,703**	**208,606,621**	**(30,082)**	0%
Inventories	363,622,778	364,354,593	731,815	0%
Trade and other receivables	7,095,796	18,094,753	10,998,957	155%
Prepayments	145,223	493,612	348,390	240%
Cash and cash equivalents	47,476,223	40,507,641	(6,968,581)	-15%
Total current assets	**418,340,019**	**423,450,600**	**5,110,581**	**1%**
Total assets	***626,976,721***	***632,057,220***	***5,080,499***	***1%***

The trade receivables have registered an increase compared to the previous year due to the initiation of the Luxuria Domenii Residence project.

Compared the end of the last year the company's cash holdings have dropped 15% during of the first 9 months of 2018, due to the investments made in the new phases of the Platanilor Assembly, the Luxuria Domenii Residence and the decrease in sales.

The total assets remained at approximately the same level as at the end of the year 2017 (1%).

Liabilities items	31-Dec-17	30-Sep-18	Difference	
			value	%
Shareholders' Equity	***428,263,235***	***428,097,229***	***(166,006)***	***0%***
Loans	133,401,233	127,732,951	(5,668,282)	-4%
Trade payables and other liabilities	1,032,684	1,960,746	928,062	90%
Deferred tax	21,210,405	21,211,004	599	0%
Total long-term liabilities	***155,644,322***	***150,904,701***	***(4,739,621)***	***-3%***
Loans	12,592,951	22,595,153	10,002,202	79%
Trade payables and other liabilities	30,152,062	30,454,183	302,121	1%
Provisions for risks and charges	324,152	5,956	(318,196)	-98%
Total current liabilities	***43,069,165***	***53,055,292***	***9,986,127***	***23%***
Total liabilities	***198,713,486***	***203,959,993***	***5,246,507***	***3%***
Total equity and liabilities	***626,976,721***	***632,057,222***	***5,080,500***	***1%***

The equities remained at approximately the same level as at the end of 2017.

Analysis of the cash flow items

Decrease in cash at the end of Quarter 3 of 2018 is based on the investments made for the completion of stages 7.2 and 7.3 from phase 7, as well as on the initiation of the last construction stage 7.1 from the same phase of Platanilor Assembly and Luxuria Domenii Residence.

Indicator (Lei)	30-Sep-18
Cash and cash equivalents on January 1st	**47,476,223**
Net cash derived from operating activities	5,343,385
Net cash used in investment activities	226,831
Net cash derived from (used in) financing activities	(12,538,798)
Cash and cash equivalents on September 30th 2018	***40,507,641***

2. Analysis of the Company's activity

In Quarter 3 of 2018, the sale of apartments in Salcamilor Assembly was continued (stages 2, 3 and 4) as well as in Platanilor Assembly (stages 5 and 6). Furthermore, stages 2 and 3 of phase 7 in Platanilor Assembly were completed, whereas the sale of the apartments started in September 2018.

As an overall, from **Salcamilor** Assembly of 924 apartments, **916 contracts (99%)** were concluded since 2014 and until the end of September 2018: **909** sale contracts and **7** pre-contracts and reservations.

From Platanilor Assembly, under construction, stages 5 and 6, where 476 units were completed, 271 **contracts (57%)** were concluded since 2017 and until the end of September 2018, **255** sale contracts and a number of **16** pre-contracts and reservations.

In August 2018 276 units from **Platanilor** Assembly were completed (phase 7, stages 2 and 3) and 50 **contracts (18%)** were concluded until the end of September 2018: **8** sale contracts and **42** pre-contracts and reservations.

2.1. *Presentation and analysis of events that are affecting or might affect the company's liquidity compared to the same period of the previous year.*

Details are available in the Notes to the financial statements.

2.2. *Presentation and analysis of the effects upon the Company's financial status of all capital, current or anticipated expenses.*

The company has started the construction of the Platanilor Assembly phase 7, which shall include 18 buildings of 468 apartments. In 2017, the works for 12 buildings from phase 7 were commenced (out of the 18 buildings representing the project), specifically 276 apartments (28,000 sq. m.) completed in the 3rd quarter of 2018. For the period left from the project (where the works were commenced during the first semester of 2018), the delivery of the apartments during the first half of 2019 – 14,000 sq. m./192 apartments is intended.

Platanilor Assembly aims to extend the residential area within an improved concept, adjusted to the current market conditions, and to attract investors/operators to enhance the facilities/services serving the residential area.

The construction of the Luxuria Domenii Residence project has commenced in 2018 with a first phase out of three, the equivalent of 232 apartments. As an overall, the Luxuria Domenii Residence project shall comprise 9 buildings of 630 apartments, developed in 3 phases.

In this respect, in addition to the company's own financing sources – reinvested profit, the co-financing of the development expenses by bank loans and bonds issues is intended.

The detailed structure of the expenses is provided in the Notes to the financial statements.

2.3. *Presentation and analysis of events that significantly affect revenues from the main activity.*

The resumption of production with the new stages of residential development in the Greenfield neighborhood has favored a competitive and market-conscious product and so the company has achieved a significant increase in sales, namely reaching a market share that will give it market leadership.

The acceleration of production cycles and the standardization of the offered product ensure the satisfaction of the market requirements, which is one of the key concerns of the management during the current period, which is also an asset in reaching the sales and profitability objectives.

3. Changes affecting the Company's equity and administration.

In the Ordinary General Meeting of Shareholders that took place on 28.04.2017, 4 directors were elected by secret vote, for a 4-year mandate, until April 27th, 2021.

The Board of Directors consists of 5 members:

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

The Board of Directors has decided in the meeting dated September 15, 2017, according to the art. 137 index 2 of the Company Law No. 31/1990, to appoint Mr. Gabriel Vasile as temporary director, until the next Ordinary General Meeting of Shareholders is convened.

At the Ordinary General Meeting dated October 30th, 2017, Mr. Gabriel Vasile was elected as a director for a valid mandate until April 27th, 2021.

The Company's Executive Management

On January 19th, 2018, Impact's Board of Directors has decided to appoint Mr. Bogdan Oslobeanu as the Company's Chief Executive Officer, for a 4-year mandate, starting March 1st, 2018, until February 22nd, 2022. He replaced Mr. Bartosz Puzdrowski, who requested the Company to terminate his mandate for personal reasons, starting March 1st, 2018.

The Board of Directors has decided that Mr. Bogdan Oslobeanu, Chief Executive Officer and Mr. Gabriel Vasile, Director, are authorized to represent the company according to the provisions of the art. 1432 (5) of the Company Law 31/1990, starting 01.03.2018.

3.1 *Description of the cases where the company was unable to meet its financial obligations.*

The company is up to date with the payment of loans, taxes and charges.

3.2 *Description of any change in the rights of holders of securities issued by the company.*

The rights of holders of issued securities have not been changed.

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