

**REPORT OF THE
Board of Administration
For year 2017**

IMPACT DEVELOPER & CONTRACTOR SA



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1. COMPANY PRESENTATION

1.1. About IMPACT

The company is one of the first companies active in real estate development in Romania, being founded in 1991 by public subscription.

In 1995, the Company has introduced the concept of residential assembly on the Romanian market and therefore it gradually transformed into a pure real estate developer. Starting in 1996, the company is listed on the Bucharest Stock Exchange (BVB).

In 2006, the company's shares were promoted to the first category of the Stock Exchange, becoming the **first** company in the real estate and construction sector which has done so. Since January 2015, the company is part of the **Premium** category, pursuant to the new segmentation of local capital market.

In the past 27 years IMPACT Developer & Contractor has completed **17 small and medium projects**, which included over **3,000 homes** and over 25,000 square meters of offices and business areas.

On 31st of December 2017, the company was involved in residential developments located in four cities in the country, each project with different sizes and found in different stages of completion. IMPACT activity in 2017 is dominated by a major project: **GREENFIELD residential assembly** in Bucharest.

On 6th of November 2014 the launch of the new development stage of GREENFIELD neighborhood took. Until present, it consists in **Salcamilor compound** - 35 blocks of flats with a height regime of GF+5, consisting of 924 apartments with 2, 3 and 4 rooms each, **Platanilor Assembly** respectively - 39 blocks with over 944 apartments, which will be completed in phases. In the first quarter of 2017, 12 blocks were completed, Stages 5 and 6 of the Platanilor Assembly, a total of 476 apartments. Work was also started on another 12 blocks (out of the 18 projects covered) in phase 7, 276 apartments respectively scheduled to be completed in the first quarter of 2018. For the remaining period of the project, the following apartments are planned to be delivered the as follows: (i) 28,000 sqm - will be delivered in the first trimester of 2018 and (ii) 14,000 sqm - where the works will begin in the first quarter of 2018 and it is estimated that the apartments will be delivered in the second half of 2019.

The Platanilor Assembly aims expanding the dwelling area within an improved concept tailored to current market conditions and attracting investors / operators to improve facilities / services serving the dwelling area.

The company's management follows the market trends and appropriately responds to any changes in demand and very quickly adapts to market changes.

IMPACT constantly endeavors all efforts to prove its customer focus by aligning to the specific needs thereof. By default, IMPACT proves a high level of adaptability to market conditions; it manages the existing realities and identifies resources for exploration of new business opportunities. To this end, the company's management continually seeks trends and market developments, so that the urban concepts of innovation products it offers, to ensure recognition of IMPACT Developer & Contractor as leader of the real estate market on local level, with focus on Romania's capital, Bucharest.

1.2. Board of Administration

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

The Board of Directors is responsible with fulfilling all necessary and useful documents for performing the company's object of activity, except for those involving the General Shareholders Assembly, as stipulated by the law.

Starting with September 1st, 2016 and until February 28th 2018, the position of Chief Executive Officer of the Company was exercised by Mr. Bartosz Puzdrowski.

The Board of Administration is structured such as to allow diligently fulfillment of duties. The Board regularly meets to ensure fulfillment of its duties in an efficient manner. There is a clear distribution of responsibilities between the Board and the executive management.

The Board of Administration consists of five members:

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

In the Ordinary General Assembly of Shareholders held on April 28, 2017, four administrators (Laviniu-Dumitru Beze, Daniel Pandele, Ruxandra-Alina Scarlat, Iuliana-Mihaela Urda) were elected for a four-year term, respectively until April 27, 2021.

The Board of Administration decided in its meeting on 15.09.2017, according to art. 1372 of the Law 31/1990, regarding companies, appointment of Gabriel Vasile as temporary administrator until the meeting of the Ordinary General Meeting of Shareholders.

Mr. Gabriel Vasile was appointed as administrator in the General Ordinary Assembly on October 30th, 2017, for a mandate valid until the date of 27th of April 2021.

1.3. Executive Management of the Company

The Board of Administration decided that Mr. Bartosz Puzdrowski, Chief Executive Officer and Mr. Gabriel Vasile, Administrator, are empowered to represent the company, in accordance with the provisions under art. 1432 paragraph 5 of the Law 31/1990, regarding companies, starting with January 9th 2017.

On January 19th 2018 the Board of Directors decided to appoint Mr. Bogdan Oslobeanu as General Manager of the Company on a four-year term starting with March 1st 2018 until February 28th 2022. It replaced Mr. Bartosz Puzdrowski, who terminated the mandate for personal reasons with the date of March 1st, 2018.

Mr. Bogdan Oslobeanu has 19 years of experience in the financial field the management of industrial projects and the development of development projects working for Ernst & Young and KazMunayGas. He is a graduate of the Polytechnic University of Bucharest.

Mr. Bogdan Oslobeanu will continue the Company's development strategy at the level of existing projects, as well as the initiation of new projects to strengthen the top position Impact currently holds in the residential market.

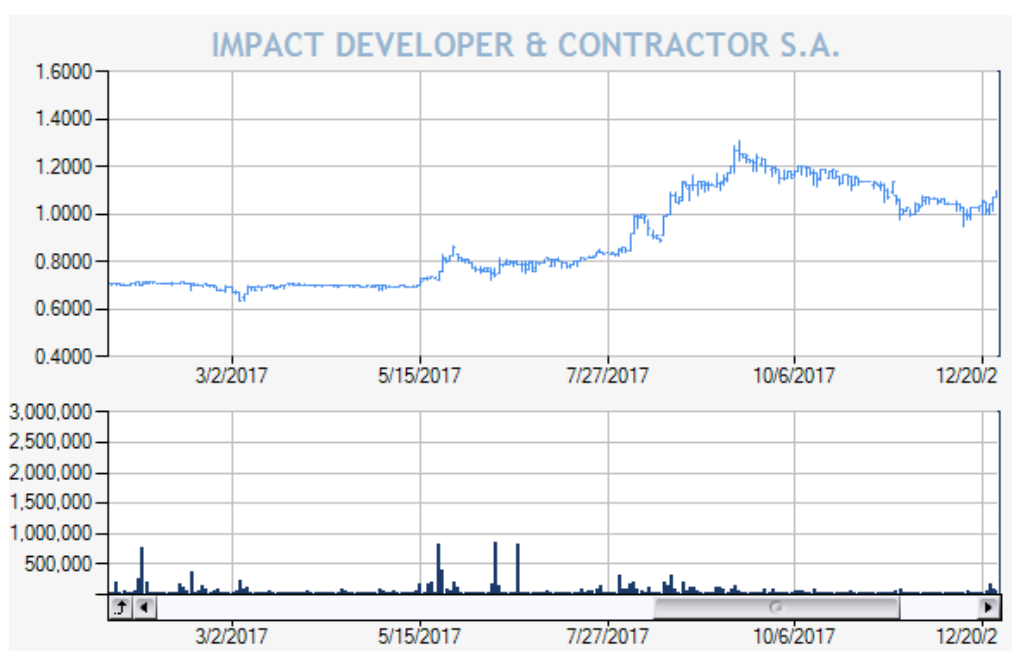
1.4. IMPACT Auditor

DELOITTE AUDIT SRL had been appointed, by decision of GAS dated 21st of April 2017, for the purpose of auditing the financial statements for year 2017, drafted under the responsibility of the management of the company in compliance with the cu international standards – IFRS (including the consolidated financial statements). Auditor's liability to the company and GAS is set fort and limited pursuant to the law.

1.5. IMPACT on the Capital Market

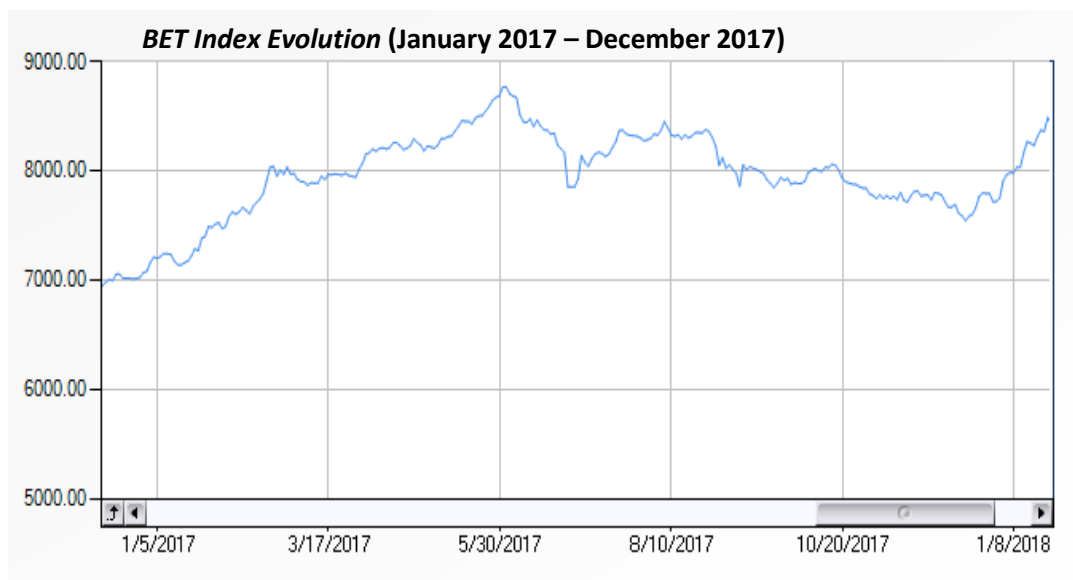
IMPACT DEVELOPER & CONTRACTOR SA has been listed at the Bucharest Stock Exchange since the year 1996. Starting with the year 2006 its shares are quoted in the first category of BVB, and since January 2015, IMPACT shares, in a number of 277,866,574, are traded on the **Premium** category according to the new segmentation of Bucharest Stoc Exchange.

IMPACT stock price evolution (Jan 2017 – Dec 2017)



The market capitalization of the company at the end of December 2017 was of 291,76 mill. Lei.

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



According to the situation reported by the Central Depository and reports to the Bucharest Stock Exchange, among the shareholders that held over 10% of the company shares on the date of 31.12.2017 there are: Gheorghe Iaciu – 49.48%, Adrian Andrici – 15.31%, SWISS CAPITAL in concert with a group of affiliated shareholders of SWISS CAPITAL – 11.79%, and 23.42% of the shares are held by other shareholders. Mr. Beze Laviniu-Dumitru, member of Impact Board of Administration holds 671,570 shares, meaning 0.24% from the total company shares.

On the date of 31.12.2017, 97.10% of the shares were held by individuals and 2.90% dintre actiuni erau detinute de persoane juridice. of the shares were held by legal entities The BET index recorded on 31st of December 2017 an increase of 9.44% compared to the beginning of the year, and the IMP shares have recorded an increase of 50% (1.05 lei/share on 31.12.2017 compared to 0.700 lei/share on 31.12.2016).



2. CORPORATE GOVERNANCE

Corporate governance complies with the Romanian legislation in force, aiming to ensure both accuracy and transparency in terms of company's outcomes, and equal access of all shareholders to relevant information on the company.

IMPACT Developer & Contractor SA is managed under unitary system, its management being provided by the General Director, along with one of the Administrators, Mr. Gabriel Vasile respectively, under surveillance of the Board of Administration.

Corporate governance elements are implemented within the company, pursuant to the code of Corporate Governance adopted by the Board of the Stock Exchange in December 2007, with implementation term as from the annual report of 2010.

IMPACT Developer & Contractor SA submitted and shall further submit all professional, legal and administrative efforts, necessary to ensure alignment with the provisions of the Code and transparent presentation of such outcomes.

IMPACT Developer & Contractor SA publishes in a dedicated section of its own website details on GAS development, namely convocation notices, materials/documents afferent to agenda, special power of attorney forms, correspondence voting forms, decision drafts.

Nevertheless, the company ensures information of all shareholders immediately after HAS taking place, through its own website dedicated section, on decisions adopted in General Assemblies of Shareholders and the voting detailed result. The Company also makes available for the shareholders / investors current reports, notices, the financial schedule, annual, quarterly, trimestrial reports. Direct relation with the investors is provided by an appointed person, dedicated to informing the shareholders depending on their questions addressed in writing or by phone.

Information on corporate governance are periodically reported through corporate governance statement in the annual report and permanently updated through current reports and internet page.



Since 2014 Impact adopted the following documents fundamenting corporate governance:

- Code on anticorruption
- Code of conduct
- Ethical values of the Company
- Policy on security and health at the place of work, labor, environment law
- Reporting Policy

In September 2015, BVB issued a new Code of Corporate Governance. The provisions of the Code are carefully examined by the Company, and the status of compliance with its provisions is properly assessed by the Company.

Along the years, the company complied with the provisions of CCG and at the moment it carries out arrangements to comply with the provisions of the New Code as well. The Board of Administration met 44 times in the year of 2016.

The state of implementation of the provisions of the Corporate Governance Code of the Bucharest Stock Exchange on 31.12.2016		Implementation YES / NO / Under implementation /Partial	Reason for non-compliance and expected compliance measures
Section A – Responsibilities			
	A.1. All companies must have an internal Council regulation that includes the terms of reference / responsibilities of the Council and the key management functions of the company and which applies, inter alia, the General Principles of Section A.	YES	
	A.2. The internal regulation of the Board of Administration should contain provisions on conflict of interest for individuals holding management / management functions.	YES	
	A.3. The Board of Administration should have at least 5 members.	YES	

	A.4. Most members of the Board of Administration should not have executive functions. Not less than two non-executive members of the Board of Administration must be independent. Each independent member of the Board of Administration shall make a declaration at the time of his nomination for election or re-election, and when any change of his status occurs, indicating the elements on the basis of which he is deemed to be independent in character and his judgment.	YES	
	A.5. Other relatively permanent occupational duties and obligations of a Board member, including executive and non-executive positions in the Board of Companies and Non-Profit Institutions, must be disclosed to potential shareholders and investors prior to and during the term of the mandate.	YES	
	A.6. Any member of the Council should report to the Council on any report with a shareholder holding directly or indirectly shares representing more than 5% of all voting rights. This obligation refers to any report that may affect the member's position on matters decided by the Council.	YES	
	A.7. The company must designate a Council Secretary responsible for supporting the work of the Council.	NO	The Board of Administration manages the documents / activities with the support of the secretariat and the legal department, which provides logistical support for the organization and conduct of the Board meetings
	A.8. The Corporate Governance Statement will inform whether an evaluation of the Board has taken place under the chairmanship of the Chairman or the nomination committee and, if so, summarize the key measures and the resulting changes. The company must have a policy / guidance on the Council's assessment of the purpose, criteria and frequency of the evaluation process.	Partially compliant	Members of the Board of Administration are assessed annually in accordance with performance indicators defined in their internal policies and mandate contracts. The Board will re-examine the A8 requirements in 2018, mainly with regard to the Board of Administration's assessment policy.
	A.9. The corporate governance statement should contain information on the number of meetings of the Council and committees over the past year, the participation of the directors (in person and in the absence) and a report of the Council and committees on their activities.	YES	
	A.10. The Corporate Governance Statement should include information on the exact number of independent members of the Board of Administration or the Supervisory Board.	YES	
	A.11. The Board of Companies in Premium category must set up a nomination committee made up of non-executive members, who will direct the nomination of new members to the Council and make recommendations to the Council. Most members of the nomination committee must be independent.	YES	
Section B - Risk management and internal control system			
	B.1. The Board should set up an audit committee in which at least one member should be an independent non-executive. In the case of Premium Category companies, the audit committee must consist of at least three members and the majority of audit committee members must be independent.	YES	
	B.2. The chairman of the audit committee shall be an	YES	

	independent non-executive member.		
	B.3. Within its responsibilities, the audit committee must carry out an annual assessment of the internal control system.	YES	
	B.4. The assessment should take into account the effectiveness and coverage of the internal audit function, the adequacy of the risk management and internal control reports submitted to the Council's audit committee, the promptness and effectiveness with which executive management addresses the deficiencies or weaknesses identified in the internal audit reports and the submission of relevant reports to the Council.	YES	
	B.5. The Audit Committee should assess conflicts of interest in relation to the transactions of the company and its subsidiaries with affiliated parties.	YES	
	B.6. The audit committee must assess the effectiveness of the internal control system and risk management system.	YES	
	B.7. The Audit Committee is required to monitor the application of generally accepted standards and legal standards. The Audit Committee should receive and evaluate internal audit team reports.	YES	
	B.8. Whenever the Code mentions reports or analyses initiated by the Audit Committee, they should be followed by regular reports (at least annually) or ad hoc reports to be further submitted to the Board.	YES	
	B.9. No shareholder may be granted preferential treatment over other shareholders in connection with transactions and agreements entered into by the company with shareholders and their affiliates.	YES	
	B.10. The Board should adopt a policy to ensure that any company transaction with any of the companies with which it has close relationships with a value equal to or greater than 5% of the net assets of the company (according to the latest financial report) is approved by the Board following a binding opinion of the Board's audit committee.	YES	
	B.11. Internal audits should be performed by a separate structural division (internal audit department) within the company or by hiring an independent third party.	YES	
	B.12. In order to ensure the main functions of the internal audit department, it must report functionally to the Board through the audit committee. For administrative purposes and within the management's responsibility to monitor and mitigate risks, it must report directly to the General Director.	YES	
Section C- Fair reward and motivation			
	C.1. The company must publish its remuneration policy on its website and include in the annual report a statement on the implementation of the remuneration policy during the annual period under review. Any major change in remuneration policy should be published in time on the company's website.	YES	
Section D- Adding Value through Investor Relations			
	D.1. The company must organize an Investor Relations Service-indicating to the general public the responsible person (s) or organizational unit. In addition to the information required by law, the company must include on	YES	

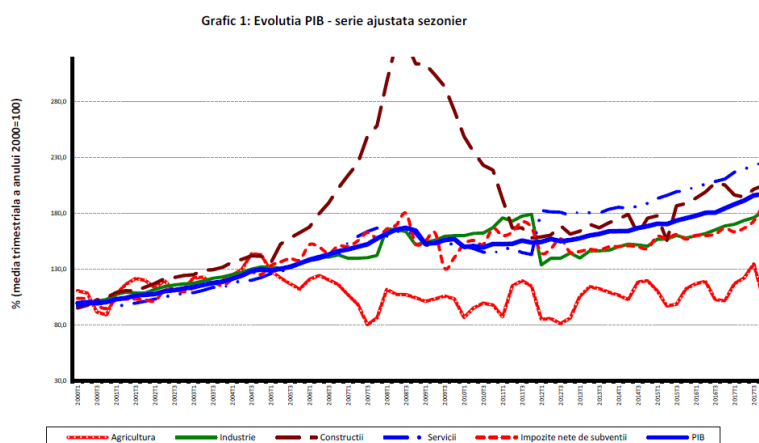
	its website a section dedicated to Investor Relations, in Romanian and English, with all relevant information of interest to investors, including:		
	D.1.1. Main corporate regulations: Articles of Incorporation, procedures for general shareholders' meetings;	YES	
	D.1.2. Professional CVs of members of the governing bodies of the company;	YES	
	D.1.3. Current reports and periodical reports (quarterly, semestrial and annual);	YES	
	D.1.4. Information on general shareholders' meetings;	YES	
	D.1.5. Corporate Events Information;	YES	
	D.1.6. Name and contact details of a person who will be able to provide relevant information upon request;	YES	
	D.1.7. Presentations of the company (e.g. presentations to investors, presentations on quarterly outcomes) financial statements (quarterly, annually) audit reports and annual reports.	YES	
	D.2. The company will have a policy on the annual distribution of dividends or other benefits to shareholders. The principles of annual distribution policy to shareholders will be published on the company's website.	YES	
	D.3. The company will adopt a policy regarding the forecasts, whether they are made public or not. The principles of annual distribution policy to shareholders will be published on the company's website.	YES	
	D.4. The rules of general shareholders' meetings should not limit the participation of shareholders in general meetings and the exercise of their rights. Changes to the rules will take effect at the earliest, starting with the next shareholders' meeting.	YES	
	D.8. The quarterly and half-yearly financial reports will include both Romanian and English information on key factors that affect changes in sales, operating profit, net profit and other relevant financial ratios from quarter to quarter, as well as from one year to another.	YES	

3. IMPACT ACTIVITY IN 2017

3.1. Romanian real estate market and economy in 2017 - Overview.

GDP

In 2017, Gross Domestic Product increased by 7% compared to 2016. The economic growth recorded by Romania in the last quarter of 2017 compared to the previous quarter was 0.6% higher in real terms, and compared to the same quarter of 2016, Gross Domestic Product increased by 6.9% on the gross series and 7.0% on the seasonally adjusted series, according to a release of the National Institute of Statistics (INS), on Wednesday, according to the source. According to the quoted source, the seasonally adjusted series of quarterly GDP was recalculated as a result of the revision of the estimates for the fourth quarter of 2017, with no changes to the version published on 14th of February 2018. Also, the INS data show that the estimated GDP for 2017 was 856.351 billion lei current prices, increased - in real terms - by 7.0% compared to 2016.



Source: National Institute of Statistics

To the growth of GDP in 2017 compared to 2016 contributed to almost all branches of the economy, with the most important positive contributions being the following: industry (+ 1.9%), with a share of 24.2% in GDP formation and of which activity volume increased by 8.0%; wholesale and retail trade; repair of motor vehicles and motorcycles; transportation and storage; hotels and restaurants (+ 1.6%), with a share of 18.7% in GDP formation and of which volume of activity increased by 8.4%; agriculture, forestry and fishing (+ 0.7%), with a lower share in GDP formation (4.4%), but which recorded a significant increase in the volume of activity (18.3%). Graphic 1: GDP evolution – seasonally adjusted series.

Unemployment rate

The employment rate of the working age population (15-64 years) was 65.3% in the third quarter of 2017, 0.2 percentage points below the level recorded in the previous quarter. The employment rate was higher for males (73.3% vs. 57.2% for women) and for urban people (65.4% vs. 65.2% in rural areas). The employment rate of young people (15-24 years) was 26.2%.

At the end of December 2017, the national unemployment rate was 4.02%, 0.02 pp higher than in the previous month and 0.75 pp lower than in December 2016. Total number of unemployed at the end of December, of 351,105 persons, increased by 1,375 compared to the end of the previous month.

Inflation rate

In December 2017, the annual price rate was 3.3%.

Consumer prices in December 2017 as compared to December 2016 increased by 3.3%. The average consumer price index over the previous 12 months (January 2017 - December 2017) over the previous 12 months (January 2016 - December 2016), calculated on the basis of the CPI, is 1.3%. Determined on HICP, the average rate is 1.1%.

Real estate market

In the year 2017, construction works decreased compared to 2016 by 5.4%. In December 2017, the volume of construction works, as gross series, increased by 22.1% compared to the previous month and as series adjusted by number of working days and seasonality increased by 4.4%. Compared to the corresponding month of the previous year, the volume of construction works increased as gross series by 8.0%, and as series adjusted by number of working days and seasonality increased by 5.6%. In 2017, the volume of construction works decreased as compared to 2016 as gross series by 5.4%.

On building objects, there were increases as follows: engineering construction by 26.9%, residential buildings by 24.7% and non-residential buildings by 12.8%. As series adjusted in terms of number of working days and seasonality, the volume of construction works increased by 4.4%, an increase registered for the maintenance and repair works by 26.7% and for the capital repair works by 11.5 %. New construction decreased by 1.1%. On construction objects the volume of construction works increased by 16.5% in residential buildings and by 6.6% in engineering. Non-residential buildings declined by 0.3%. December 2017 Compared to December 2016. The volume of construction works increased as gross series by 8.0%. On structural elements there was an increase in new construction works by 25.1%. Decreases were made in the maintenance and repair works and the capital repair works by 19.3% and 2.8%, respectively. On construction objects, the volume of construction works increased to residential buildings by 80.4%. There were decreases in engineering and non-residential buildings by 3.3% and 2.5%, respectively. As series adjusted by number of working days and seasonality, the volume of construction works increased by 5.6%. On structural elements there was an increase in new construction works by 26.0%. Decreases were made in the maintenance and repair works and in the capital repair works by 21.4% and 4.5%, respectively. On construction objects, the volume of construction works increased by 96.3% in residential buildings. Engineering and non-residential buildings declined by 3.7% and 2.9%, respectively.

In 2017 compared to year 2016, the volume of construction works dropped in total as gross series by 5.4%. On structural elements there were decreases in maintenance and current works by 24.6% and in capital repair works by 17.7%. New construction works increased by 4.9%. On construction objects there were decreases in engineering construction by 21.3% and in non-residential buildings by 12.6%. Residential buildings increased by 69.7%.

Indices of construction works

		DECEMBER 2017 compared to:		Year 2017/ Year 2016
		November 2017	December 2016	
Constructions – total	B	122.1	108,0	94.6
	S	104.4	105.6	-
- by structure elements:				
New constructions	B	113,0	125.1	104.9
	S	98.9	126,0	-
Capital repairs	B	132.3	97.2	82.3
	S	111.5	95.5	-
Maintenance and current repairs	B	151,0	80.7	75.4
	S	126.7	78.6	-
- by construction objects:				
Residential buildings	B	124.7	180.4	169.7
	S	116.5	196.3	-
Non-residential buildings	B	112.8	97.5	87.4
	S	99.7	97.1	-
Engineering constructions	B	126.9	96.7	78.7
	S	106.6	96.3	-

B = gross series; S = series adjusted by number of working days and seasonality;

Source: National Institute of Statistics

The situation of dwellings completed by development regions in 2017 is as follows:

In the year 2017 53,301 buildings were built, increasing by 1,095 buildings as compared to 2016. In the fourth quarter of 2017, 13,929 dwellings were put into use, decreasing by 1,320 dwellings compared to IV quarter of 2016. In 2017, there were completed 53,301 dwellings, increasing by 1,095 dwellings, as compared to 2016.

Completed housing situation by region and main sources of funding

	Completed dwellings Number			Structure %	
	Q4/2016	Q4/2017	Q4/2017 vs Q4/2016	Q4/2016	Q4/2017
	(units)		(+/-)	(%)	
TOTAL	15249	13929	-1320	100,0	100,0
Urban	7521	6510	-1011	49,3	46,7
Rural	7728	7419	-309	50,7	53,3
out of which:					
Private Equity Funds	14577	13448	-1129	95,6	96,5
Public Funds	672	481	-191	4,4	3,5

Source: National Institute of Statistics

By residential area in the fourth quarter of 2017, compared to the fourth quarter of 2016, the number of dwellings built decreased in both urban and rural areas by 13.4% and 4.0%, respectively. The distribution by completed dwellings financing funds reveals that, compared to IV quarter of 2016, in the fourth quarter of 2017, the number of dwellings made from private funds decreased by 1,129 dwellings, and from public funds decreased by 191 dwellings. Regional distribution shows a decrease in the total number of dwellings with 1,320 dwellings, a decrease reflected in the following development regions: South-East (-494 dwellings), Bucharest-Ilfov (-418), North-East (-292), South-West Oltenia (-114), Center (-88) and North-West (-31). Increases were registered in the South-Muntenia development regions (+71 dwellings) and West (+46).

Completed housing situation by development region

	Completed (units)			Structure (%)	
	2016	2017	2017 vs. 2016 (+/-)	2016	2017
TOTAL	52206	53301	+1095	100,0	100,0
North-East	8926	8082	-844	17,1	15,2
South-East	5915	6083	+168	11,3	11,4
South (Muntenia)	5348	5357	+9	10,2	10,0
South-West (Oltenia)	2342	2315	-27	4,5	4,3
West	4806	5153	+347	9,2	9,7
North-West	8658	9482	+824	16,6	17,8
Center	6189	7296	+1107	11,9	13,7
Bucharest-Ilfov	10022	9533	-489	19,2	17,9

Source: National Institute of Statistics

3.2. Strategic Directions and Activities Guideline of IMPACT in 2017

In the 4th quarter of 2017 the sales, reservations and sales promises were signed for the apartments of the Salcamilor Assembly (Stages 2, 3, 4) and Platanilor (Stages 5 and 6). Thus, on 31st of December 2017 there were 29 promises and reservations for apartments in the neighborhoods of Salcamilor and Platanilor, the last one under construction.

The year 2017 was marked, on the one hand, by the beginning of the construction of the first 12 blocks in stage 7 - in the Platanilor Assembly, and on the other hand, by the acceptance of the works at stages 5 and 6 of the same Assembly.

The new residential developments benefit from all the advantages of the Greenfield branded location (900 ha of forest, near the Baneasa and Tunari Forests, 5 minutes from the Baneasa - Metro Cash & Carry commercial area, Selgross, IKEA, Mobexpert, Carrefour Feeria, Bricostore DN1 Bucharest - Ploiesti, 10 minutes from the two airports: Henri Coanda and Baneasa).

A new development phase of the Greenfield neighborhood is aimed at expanding the living area within an improved concept tailored to current market conditions as well as attracting investors / operators to improve facilities / services serving the living area.

Also, the company's activity was focused on preparing the necessary documentation for the approval of the new PUZ and the construction of the Greenfield Plaza urban center, with a total area of 10,400 sqm, including a SPA center, commercial and service spaces, approximately 8,000 sqm and an administrative headquarters of 2,400 sqm.

Also in 2017 the basic concept and the launch of **Luxuria Domenii Residence** for the premium segment was completed, for which Impact, through its subsidiary Bergamot Developments S.R.L., acquired in 2017 a land in Bucharest, in the Expozitiei-Domenii area; the residential district will comprise 9 blocks with 630 units on a total area of 2.25 ha.

Another major goal of the company in year 2017, was continuance of formalities for obtaining of the technical documentation for development of the new residential project in Bucharest, in the area Ghencea Extension - Timisoara Ave., where the company owns a land with an area of approximately 26 ha.

The company intends accelerating the production cycles and product standardization, such as IMPACT offer to adjust to the market demand, these being the main concerns of the management in the current period, in order to achieve sales and profitability objectives.

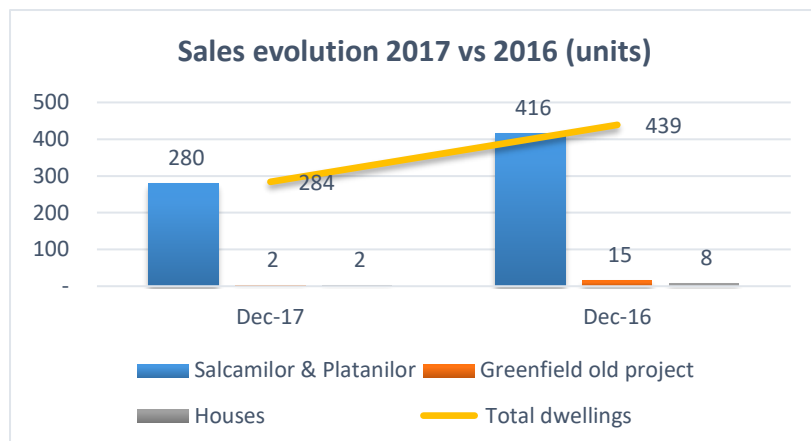
To finance residential developments, in addition to its own sources of funding - reinvested profit, it aims to co-finance development costs through bank loans and bonds issuance.



3.3. Main objectives of IMPACT in 2017:

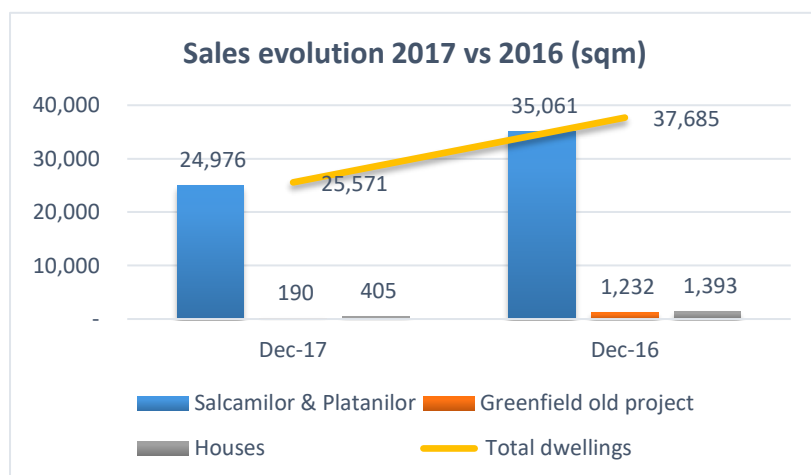
On December 31st, 2017 the sales reached 284 properties (apartments and houses), 52 parking spaces, 7 plots of land and 1 terrace totaling a total built area of 25,571 sqm, 32.1% lower compared to the previous year (37,685 sqm). Additionally, at the end of Q4 there were 29 promises and reservations for apartments.

The average value of a transaction at the end of 2017 increased by more than 14%, from approximately €73,449 in 2016 to €83,788 in 2017, while sales declined by 35.3% from 439 units at the end of 2016, to 284 units on 31st of Dec. 201.



Until December 31st, 2017, 877 contracts were signed from the Salcamilor Assembly (924 apartments), and from the Platanilor Assembly (752 apartments) 188 contracts.

Consolidated on both projects in the new development of the Greenfield neighborhood, initiated in 2013, we have a total of 1,065 signed contracts of which 1,036 sold apartments and 29 promises and reservations.



The decrease was mainly due to the closure of one of the complex access roads and intense unfavorable media coverage. Anticipating the situation, the Company has identified, since 2016, three alternative access solutions, for which it has completed its land acquisitions and related projects, while the licensing and endorsement procedures are still underway.

Providing the sale of plots of land to individuals and legal entities for the development of homes or small commercial areas.

Until 31st of December 2017, 7 plots of land were sold, 1 in Oradea with an area of 622 sqm, 1 plot of land in Voluntari with an area of 431 sqm, 1 plot of land in Bucharest (Amber district) with an area of 407 sqm, 1 plot of land in Constanta (Zenit neighborhood) with an area of 287 sqm, 1 in Boreal Constanta, 364 sqm and 2 in Blume with an area of 678 sqm, compared to the same period of the previous year, when 11 plots of land were sold with an area of 4,717 sqm. At the end of the 4th quarter of 2017, the total surface area of 2,789 sqm is 40.8% lower than in the same period in 2016. The decrease in the volume of land sales is accentuated by the low appetite of buyers for this product cumulated with the lack of financial products for the acquisition of land. The Company's land strategy is mainly to maximize value and liquidate the land portfolio from ongoing projects in Oradea and Constanta.

➤ Less lease contracts and sale of leased housings

The renting activity on apartments is no longer a priority for the company in recent years. Most homes of which lease contracts have ended since 2015 have been sold, so at the end of 2017 there were only 5 rented dwellings to be sold upon termination the rental contracts.

➤ **Continuation of the residential development in GREENFIELD neighborhood, by commencement of construction works in new stages**

Thus, in the first quarter of 2017, 12 blocks were completed, Stages 5 and 6 of the Platanilor Assembly, a number of 476 apartments. Also, the works for another 12 blocks (out of the 18 projects that are the subject of the project) from the 7th stage, respectively 276 apartments, were started with the scheduled completion in the first quarter of 2018. For the remaining period of the project, it is planned to deliver the apartments as follows: (i) 28,000 sqm - will be delivered in the first quarter of 2018 and (ii) 14,000 sqm - where the works will start in the first quarter of 2018 and it is estimated that the apartments will be delivered in the first half of 2019. The Platanilor Assembly expanding the living area within an improved concept adapted to current market conditions as well as attracting investors / operators to improve facilities / services serving the living area.

GREENFIELD district's development strategy is the following:

- A new concept for ground floor apartments - they benefit from a tennis court beside the apartments that will be purchased with the apartment;
- To each new residential development a dedicated parking area for visitors is assigned, so that each apartment is assigned an undivided share of visitor car parks;
- Indoor traffic roads of the assembly are allocated in undivided share to each apartment and are transferred to future owners.

3.4. Strategic directions for the sale of portfolio projects in 2017

As a result of the last years changes in the real estate market, in 2017 IMPACT has continued to upgrade its operational activities, aiming at the best possible adaptation to current market conditions.

In the past years, the main priorities of the company were company' stabilization, the most efficient capitalization of existing portfolio and elaboration of the necessary documentations and preparation of the new developments.

The economic context in recent years has influenced the level of consumer confidence, bringing also increased expectations in terms of lifestyle and quality of the living environment.

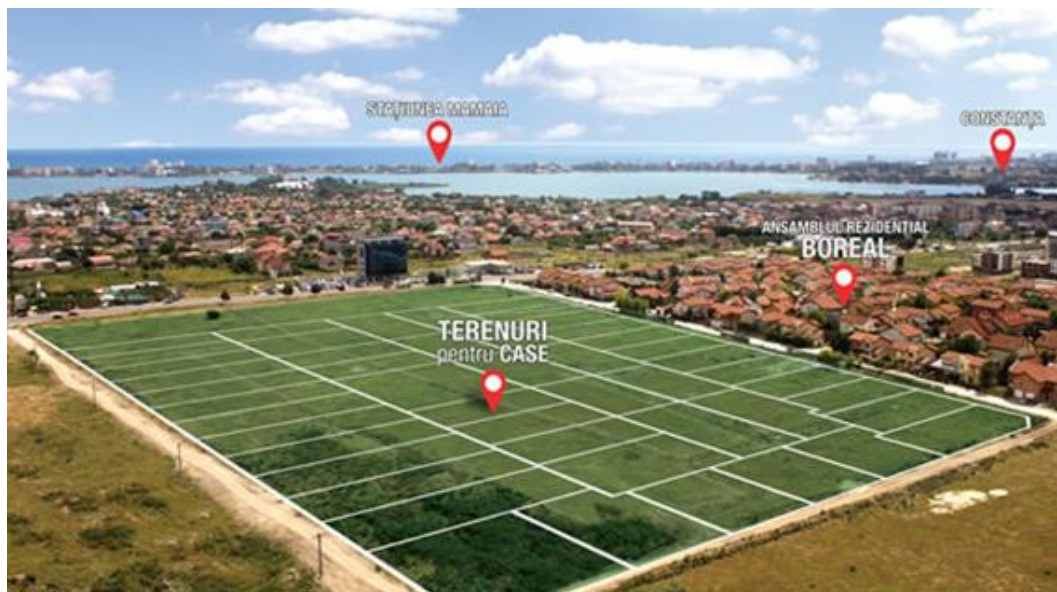
At the same time in 2017 was built the park for the Platanilor Assembly, which contains several recreation areas, a basketball court, a fitness area and a fountain.



3.5. Strategic directions for the existing plots of land

In year 2017, the company has searched for solutions to boost sales of plots of land for building houses. In this respect, there were offered viable or ongoing viability plots for construction of houses in Bucharest and Constanta.

A plot of land of about 2 hectares owned by the company in Constanta was dismantled in 48 lots for houses, which are already on sale. These plots are near the Boreal villas assembly developed by IMPACT.



3.6. 2017 Actuals versus Budget

Sales budget for year 2017 has a value deviation about 13% and a quantity deviation about 35%.

The approved Sales plan was the following:

- ✓ 10 units in the inventory of buildings built before 2013 (in Greenfield and within the country)
- ✓ 490 units in new developments in Greenfield Residence Baneasa
- ✓ 49,000 sq.m. of land plots in the plots in Constanta and Oradea.

Sales budget of the inventory of buildings built before 2013 had a deviation of approximately 33% due to a low interest shown by the provincial consumer for houses on the one hand and thanks to the Greenfield buyers' preferences for new apartments on the other

Regarding the new developments, there were delays in several segments, namely the authorization times, the finalization of the construction works, the recordings of the documents in the Land Registry, which led to delays in the real estate trading compared to the initial budgeted rhythm. We mention that at the end of 2017 the company registered a number of 20 booked apartments in the Salcamilor Ensemble and 9 in the Platanilor Ensemble.

In 2017 about 7 plots of land were sold totaling an area of 2,789 sqm in Constanta, Voluntari, Oradea and Bucharest.

Significant changes to the budget were recorded at:

- important increase in interest rates is mainly due to the facilities contracted for the 7th development stage, the bond issue for the development of new projects, but also to the advance recorded by the foreign exchange rate;

- recorded sales are lower than the initial estimates for 2017, both on the housing and land sector, considering that the decrease is 83.86% for land sales, 33.74% for existing stock sales and 42.12% for new housing development sales. In absolute terms, sales declined from 439 units at the end of 2016 to 284 units on 31 December 2017 but the average value of a transaction at the end of 2017 increased by more than 14%, from approximately €73,449 in 2016 to €83,788 in 2017.

- the gains from real estate investments recorded in 2017 are significant, partially due to the positive evolution of the market, but also to the location of these properties

- operating expenses were below the budgeted level mainly due to the low number of units sold.

Budget proposed for year 2017 (Lei)	Budgeted	Achieved	Variation %
Total Incomes, out of which	192,609,873	167,020,938	-13.29%
Income from existing inventory dwellings sales	2,960,899	1,961,931	-33.74%
Income from land sales	3,519,000	568,036	-83.86%
Income from new development dwellings sales	186,129,973	107,728,203	-42.12%
Earnings in fair value of real estate investments	0	56,762,767	
Total Operational Expenditure, out of which	-152,857,268	-94,394,153	-38.25%
Sold goods cost – existing inventory dwellings	-2,788,815	-2,355,524	-15.54%
Sold goods cost – lands	-3,069,000	-535,501	-82.55%
Sold goods cost – new development dwellings	-133,170,178	-76,288,447	-42.71%
Project portfolio administration expenditure	-2,927,762	-2,395,154	-18.19%
Administrative expenditure	-10,901,513	-12,819,526	17.59%
Operational Result (EBITDA)	39,752,605	72,626,785	82.70%
Depreciation and amortization expenditure	-778,197	-971,377	24.82%
Provisions and other unexpected expenditure	0	-5,077,335	
Operational Result (EBIT)	38,974,408	66,578,073	70.83%
Net interests	-132,528	-3,235,932	2341.69%
Exchange rate differences	0	-1,228,126	
Gross Result (EBT)	38,841,879	62,114,015	59.92%
Profit tax	-4,006,701	-9,807,312	144.77%
Net Result	34,835,179	52,306,703	50.15%

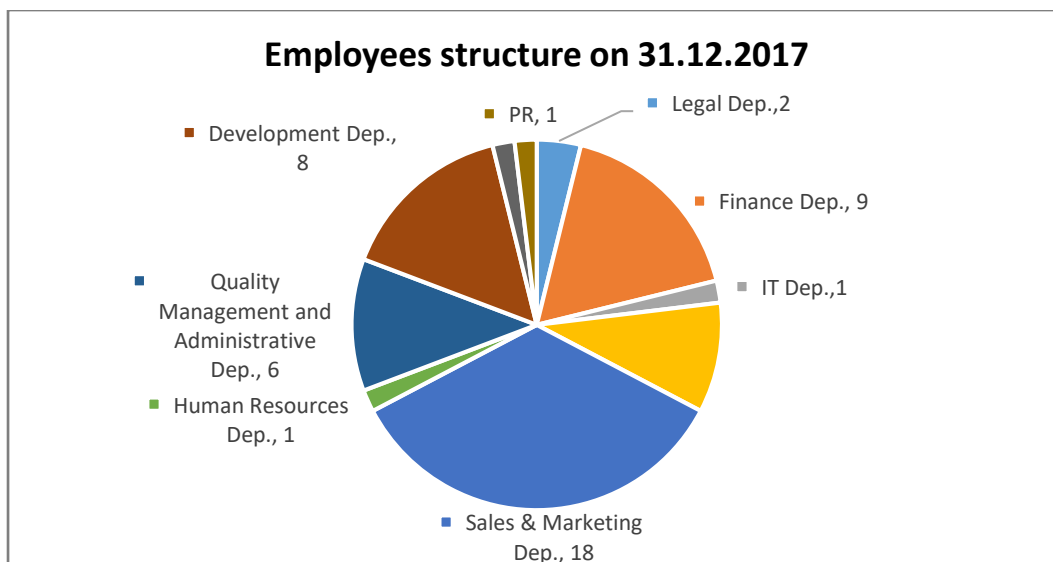
Note: The figures in this section are compliant with the internal reporting standard

4. OTHER INFORMATION ON THE COMPANY:

4.1. Structure of employees

The company had at the end of year 2017 a number of 46 employees, the personel structure being shown in the chart below.

There is no union set up within the Company. Relations between management and employees are governed by individual employment agreements and job descriptions.



4.2. Elements of risk management

To prevent liquidity risk, the Company prepares cash flow reports for periods of 5 years, 1 year and on monthly bases; it examines projections done and compares them to the real situation in order to prevent situations where liquidity problems may occur.

Market Risks:

The global financial crisis combined with recession in Europe, exposed Romania to certain risks on the financial market.

Company Internal Control is provided:

- Through Acquisitions Department: Contracts are signed by the Legal Department, Head of Procurement, CFO and CEO;
- Through the Sales Department: Contracts are reviewed by the Department of Prices and Analysis and signed by the General Director;
- Through preventive financial control by which contracts compliance is verified;
- By tracking payments checked by the Preventive Financial Control and approved by the Chief Financial Officer and / or General Director.
- By implementation of essential codes of conduct and business ethics specific procedures are implemented, applicable to all directors, officers, managers, people with a role in control or management, employees, auditors, business partners, collaborators. Thus, IMPACT applies Anticorruption Policy, Code of Conduct, Essential Ethical Values Policy, and Policy for Safety and Health at Work, Employment, Environment, and Reporting Policy.

5. 2018 ACTION PLAN

General principles underlying the budget set up for 2018, as well as for the subsequent year, and for the action plan for the current year are the following:

- ✓ Increase in turnover and income from the sale of new homes with 30% compared to 2017.
- ✓ Optimizing operating and administration costs
- ✓ Liquidation of land stocks from other localities
- ✓ Minimize the production and sale cycles of the buildings built for the profitability maximization of the invested capital and minimize the recovery periods of the investment
- ✓ Transfer of infrastructure / networks available from completed projects
- ✓ More efficient management and liquidation of non-core assets (assets that are not necessary for the main activity of the Company)
- ✓ Employing new loans, as required, by committing a company indebtedness of up to 35%
- ✓ Identification of opportunities for collaboration / development / sale of the land in the portfolio
- ✓ Focus on finalizing the works in the Platanilor Assembly (stage 7) in Greenfield, as well as elaborating the necessary documentation for the development of the future stages in the Greenfield Baneasa area
- ✓ Identification of land lots in Bucharest and in cities with more than 250,000 inhabitants for the development of projects with dimensions of 700 - 2,000 apartments
- ✓ Implementing a 5-year strategic business plan to expand the portfolio of projects and increase financial performance
- ✓ Implementing a more rigorous annual budgeting system with quarterly review to accurately plan new projects and control real-time costs and financial outcomes
- ✓ Implementing an adequate and efficient entrepreneurial and project management policy
- ✓ The principle of interdepartmental solidarity and the consistency with the general policy of the Society
- ✓ The Reporting principle for each department. For each project, the works will be executed only based on a well-documented and pre-established budget. Each contracting must be within the established budget
- ✓ The principle of compliance with the human resources policy, to determine the motivation and adherence to the strategic objectives pursued by implementing an attractive motivation plan based on the regular evaluation of the performances and the results of the employees
- ✓ Reorganizing the organizational structure according to the processes and workflows to increase the efficiency, increase the productivity and the responsibility of the employees
- ✓ Implementing an effective standard of communication and transparency to promote in the investors and analysts community

In preparation of the current incomes and expenses budget for year 2018 there were not estimated the influences which there are no certain anticipation information for.

In line with the strategic vision imposed by the new management team of IMPACT, of permanent adaptation to the real estate market and maintaining the company's efficiency, the company has set for this year, goals that effectively respond to the needs of market, clients, but also partners.

Optimism over the market, but also in terms of the relationship that IMPACT has with its customers is based on both real estate and financial product diversification offered by the company, being able to respond both to the difficult access to funding sources, and to rising customer expectations in terms of habitat quality.

5.1. Greenfield Baneasa Residence – Stage II

In the spring of year 2017 IMPACT launches the construction of a new neighborhood in Greenfield II, Platanilor Assembly. The first production cycle consists of 21 blocks, respectively 476 apartments (48,000 sqm BDA), and in the second half of 2017 it will begin work on another 18 blocks, respectively 468 apartments (42,000 sqm BDA).

Also, the works for another 12 blocks (out of the 18 projects that are the subject of the project) from the 7th stage, respectively 276 apartments, were started with the scheduled completion in the first quarter of 2018. For the remaining period of the project, the apartments are to be delivered as follows:

- (i) 28,000 sqm – will be delivered in the first quarter of 2018
- (ii) 14,000 sqm – where the works will start in the first quarter of 2018 and it is estimated that the apartments will be delivered in the first half of 2019.

Platanilor Assembly aims to extend the living area within an improved concept adapted to current market conditions as well as to attract investors / operators to improve facilities / services serving the living area.

In the fall of year 2018 it will begin authorization of a complex dedicated to the community in Greenfield neighborhood that will include a spa, football, tennis fields and swimming pools, school and kindergarten, supermarket, restaurant, space for events, and the new administrative headquarters of IMPACT that will have 1,200 square meters and will be an A class building at the current technological level.

5.2. Plots of land for houses

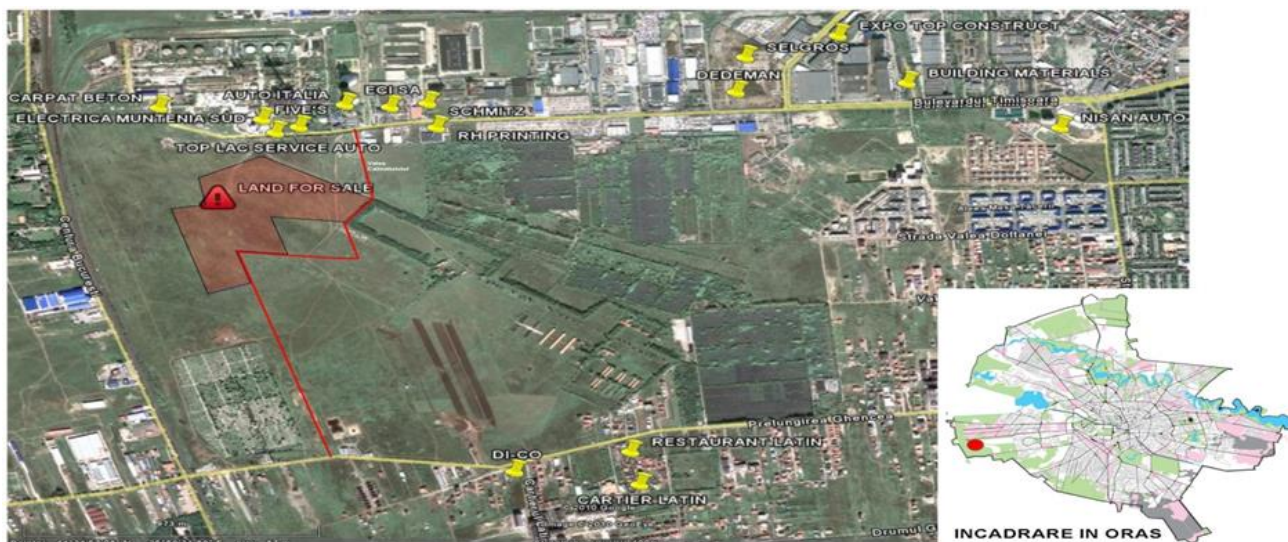
Having in view the increasing number of private individuals interested in smaller individual plots for building houses, especially in residential areas outskirts of large cities, IMPACT will continue offering parcels of land for construction of houses in Voluntari, Constanta and Oradea, with areas ranging 200 up to 1,000 sqm.

For even greater flexibility to the needs of its clients, IMPACT offers them the opportunity to acquire plots of land in the company's portfolio to develop their own dream house. Meanwhile, the company provides consulting regime services, customers being able to turn anytime to the team of specialists recommend by the company, from architects, engineers, up to project managers. Customers appreciate the freedom and flexibility to build the desired house in the chosen location and IMPACT provides them, in this respect, over 27 years experience in real estate.

5.3. Development of new residential projects in Bucharest

5.3.1. Development of a new project in Bucharest, located in Timisoara Ave. - Ghencea Extension

In the course of 2016, IMPACT has started developing the technical documentation for a new residential project in Bucharest in the Ghencea Extension - Timisoara Ave., where the company owns a land area of approximately 26 ha.



The size of Greenfield project to be developed in Timisoara Ave.-Ghencea Extension is about 2,350 apartments, 65 blocks, representing over 220,000 sqm, SPA, trade area, school and kindergarten. The project will be built in six production cycles, during a period of 4-5 years.

In 2016-2017 it was initiated the residential concept and the necessary documentation. It is planned to organize all the necessary steps in view to start the execution works for the first 8 buildings in Greenfield Timisoarei Ave–Ghencea project, meaning a total built area about 34,000 sq.m.

5.3.2. Development of a new project in Bucharest, located on Barbu Vacarescu Ave.

In September 2014, IMPACT purchased a land located in Bucharest, in a semi-central area, on Barbu Vacarescu Ave., intended for a new real estate development. It has acquired a share of 1/3 (representing 2.7 ha) of ownership of the property consisting of 5 lands, with a total area of 78,970 sq. m.

Upon purchase of the land, the development degree of infrastructure in the area, proximity to public means of transportation, shops, business buildings, schools, kindergartens and green spaces was taken into account.



The main characteristics of Barbu Vacarescu area:

- Excellent Location, close to the business centres of Romania:
- The largest concentration of office buildings in Bucharest

- 290,000 square meters and 23 office buildings with an occupancy rate of 83%
- 2 projects with over 80,000 square meters, undergoing various stages of construction, to be delivered during 2015 – 2016.

A very good transportation network

- Between two subway stations;
- Easy access to downtown and to the International Airport;
- A few steps from the business centres;
- In the proximity of Verdi and Floreasca parks

Excellent proximity to commercial area – Promenada Business Centre.

Main characteristics of Barbu Vacarescu project:

Total land area:	26,400 sq.m.
Biuilt area on ground:	63,500 sq.m.
Number of dwellings:	588 apartments (with 2, 3 and 4 rooms) in 6 buildings with GF + 11 height regime
Underground parking spaces:	750 parking units
Works schedule (includes development and sale, as from 2017):	30 months in 2 production cycles
Construction cost (excluding VAT):	34.5 mill. EUR, out of which 7.5 mill. EUR for parking area, 13.5 mill. EUR for each production cycle
EBITDA MARGIN:	40%

6. FINANCING SOURCES OF 2018 ACTIVITY

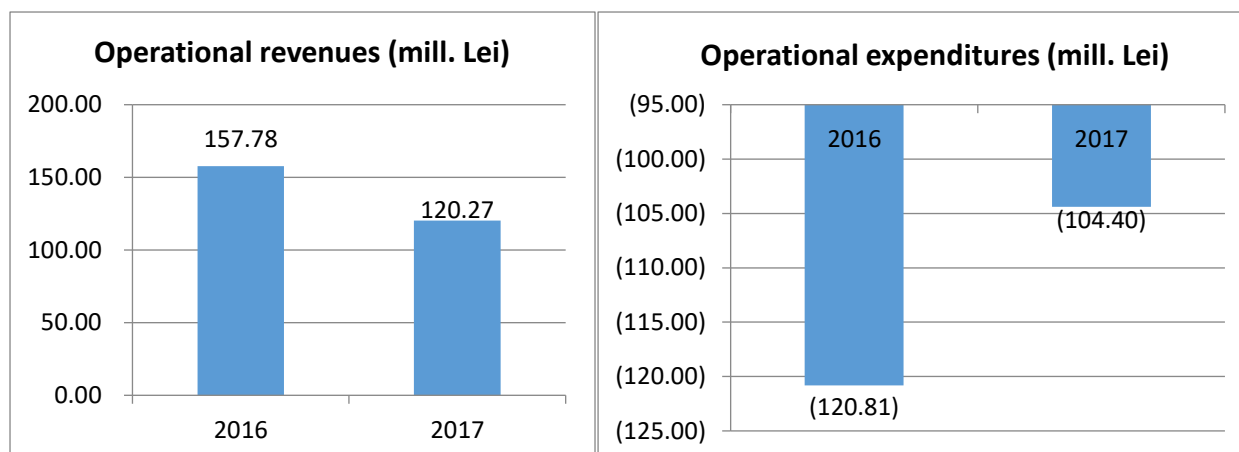
In order to continue the development of the Company' projects, IMPACT will use mixed funding sources:

- cash collections from selling homes and plots of land existing in the portfolio, according to the sales plan for year 2018
- self-financing by contracting apartments in the 3rd-7th stages of development of the Greenfield II neighborhood
- attracting bank loans for development of phases conducted this year in Greenfield and for residential projects to be developed in other areas of Bucharest
- partnerships with financiers to be drawn into the facility to be developed in the Greenfield project area in Bucharest.

7. ECONOMICAL-FINANCIAL INDICATORS

	Indicators pursuant to IFRS (Lei)	2016	2017
Results indicators	Operational revenues, out of which:	157,781,366	120,265,896
	Revenues from sale of residential properties inventory	144,550,045	109,711,513
	Revenues from rentals and utilities re-invoiced to customers	4,184,235	7,904,661
	Revenues from sale of Investment properties	2,189,510	0
	Activity performed by the entity and capitalized	-	762,180
	Other operational revenues	1,257,429	1,887,542
	Other Operating Income - ANAF Litigation	5,600,147	-
	Operational expenses, out of which:	(120,813,025)	(104,401,878)
	Carrying value of sold residential properties inventory	(92,022,102)	(66,109,484)
	Operational costs afferent to rental and sold properties	(2,878,913)	(3,264,092)
	Carrying value of Investment properties	(1,917,666)	(150,892)
	Expenses concerning raw materials and materials	(2,528,353)	(2,441,903)
	Services provided by third parties	(9,201,795)	(13,956,190)
	Expenses with employee benefits	(8,312,244)	(10,276,725)
	Other operational expenses	(3,951,952)	(8,202,592)
	Operational Result (EBITDA)	36,968,341	15,864,018
	Expenses with depreciation	(664,545)	(772,562)
	Assets value loss, other than Investment properties	(5,643,512)	(5,276,151)
	Earnings / (losses) at fair value of Investment properties	492,053	56,762,767
	Operational Result	31,152,337	66,578,072
	Net financial cost	(1,542,199)	(4,464,058)
	Gross Profit / Loss	29,610,138	62,114,014
	Income tax	0	(9,807,312)
	Net Profit/ (loss) of the period	29,610,138	52,306,702
Patrimony indicators	Tangible assets	6,044,055	8,684,244
	Investment properties	136,736,403	193,342,626
	Intangible assets	232,663	144,339
	Financial assets	14,377,226	56,190,196
	Receivables	11,215,815	6,183,966
	Total fixed assets	168,606,162	264,545,371
	Inventories	282,813,138	297,294,269
	Total current assets	316,029,353	366,129,629
	Total assets	484,635,515	630,675,000
	Share Capital	277,866,574	277,866,574
	Equity	390,776,564	431,854,275
	Total Debt	93,858,951	198,820,725
	Total Liabilities	484,635,515	630,675,000

Operational Activity



Revenues from the sale of real estate represent the main share in Impact's operational revenues. In 2017, total operating revenues fell 24% due to the declining trend of stock sales. In return, profits from the sale of residential properties had a lower variance than that of operating revenues due to the fact that in 2017 the margin per apartment had improved and at the same time the average value of a transaction at the end of 2017 increased by more than 14% from approximately €73,449 in 2016, to €83,788 in 2017

Also, property rental activity recorded a decrease of -24% in revenues in 2017 compared to 2016, which is in line with the Company's strategy of concentration on the sales activity including the rented buildings.

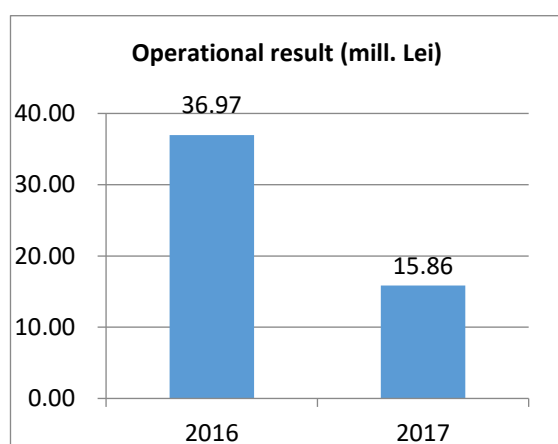
	31-Dec-16	31-Dec-17	(%)
Revenues from sales of residential properties inventory	144,550,045	109,711,513	-24%
Carrying value of sold residential properties inventory	(92,022,102)	(66,109,484)	-28%
<i>Profit/loss from residential properties sales</i>	52,527,943	43,602,029	-17%

Re-invoicing result increased over the previous period due to a 150% increase in operating revenues from tenants this year versus 2016.

	31-Dec-16	31-Dec-17	(%)
Revenues from rentals	1,468,822	1,123,429	-24%
Revenues from rentals and utilities re-invoiced to tenants	2,715,413	6,781,232	150%
Operating costs related to slod/ leased properties	(2,878,913)	3,264,092)	
<i>Net revenue from re-invoicing</i>	(163,500)	3,517,140	

	31-Dec-16	31-Dec-17	(%)
Revenues from investments properties	2,189,510	-	
Carrying value of investments properties	(1,917,666)	(150,892)	-92%
<i>Profit/loss from Investment properties sales</i>	271,844	(150,892)	

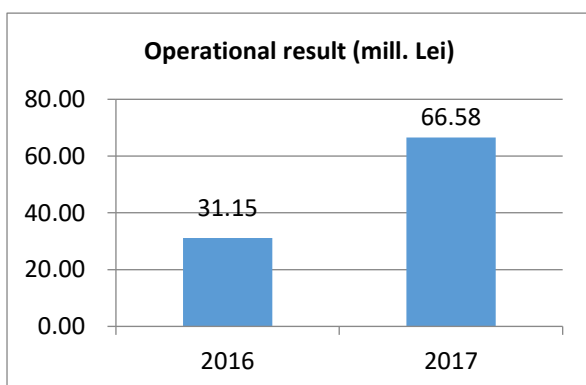
Total operational expenses have decreased by -24% compared to the previous year are influenced by the sales



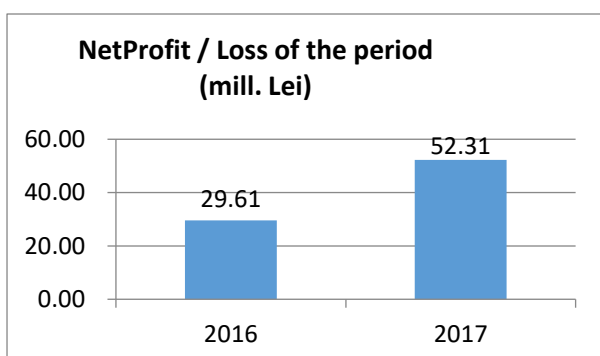
decrease by 35% (there were 155 less new units sold than the previous year). In return, profits from the sale of residential property had a lower variance than that of operating revenues due to the fact that in 2017 the improvement of the margin per apartment was achieved at the same time as the average value of a transaction at the end of 2017 increased by more than 14% to about €73,449 in 2016, to €83,788 in 2017.

However, the result of last year was influenced by the recording of operating income related to ANAF litigation worth 5.6 mill. Lei.

Increases in expenditures booked in 2017 were in the services provided by third parties, which increased by 52% and in the chapter Other operating expenses - these increased by 108%.



In terms of operational result before interest and tax, IMPACT recorded a profit amounting to 66.58 mill. Lei compared to 31.15 mill. Lei profit in 2016. This result is determined by earnings from the fair value of Investment Property, which in 2017 was Lei 56.7 mill. compared to 2016, in accordance with IAS 40. Investment Property include land and residential properties held to increase the value of the capital. Also, residential properties included in Investment Property also include real estate leased to third parties.



The net profit booked in 2017 is Lei 52.31 mill., compared to a profit of Lei 29.61 mill. in 2016, generated an increase of 77%.

Financial result

The net financial result decreased by 189% in 2017 compared to 2016, on account of the increase in interest expenditures due to contracting of three new loans for further financing of Stage 7 in Platanilor Assembly – Greenfield, as well as interests paid for issued bonds.

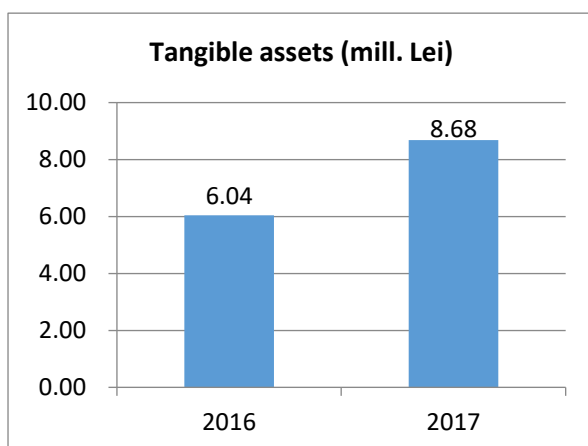
Financial result	31-Dec-16	31-Dec-17	Variation (%)
Financing costs	(1,451,973)	(3,636,799)	150%
Financial incomes	31,337	847,901	2606%
Currency exchange rate differences	63,572	(1,228,126)	
Other financial elements, net	(185,135)	(447,034)	141%
Financial result	(1,542,199)	(4,464,058)	189%

Net Result

In year 2017 the company recorded a profit, according to IFRS, of 52.31 mill. Lei.

Profit tax is calculated based on tax provisions related to deferred income tax.

On 31st of December 2017, the Company's land and buildings were revalued by independent valuer Colliers Valuation and Advisory SRL.



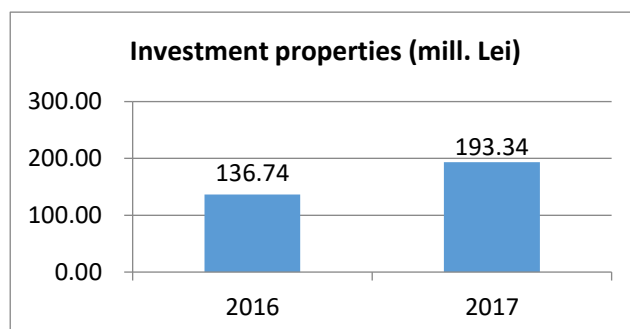
Tangible Assets

According to IFRS, tangible assets increased by 44% in year 2017 compared to year 2016, from 6.04 mill. Lei to 8.68 mill. Lei, as result of purchase of tangible assess for further performance of operational activity.

Investment properties

In 2017 the Investment properties increased by 41% in year 2017 compared to year 2016, from 136.74 mill. Lei to 193.34 mill. Lei. During year 2017, Greenfield and Ghencea land plots recorded in investment property account for future development were revalued by Colliers Valuation and Advisory SRL on December 31st, 2017.

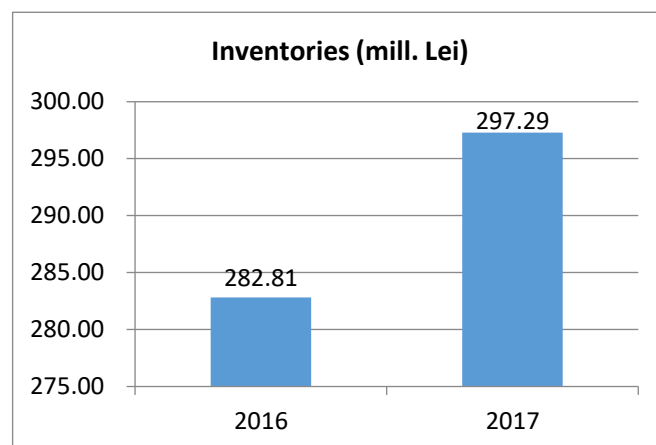
Investment properties include land and residential properties owned in order to increase value.



The land held for valuation in the amount of 191,050,757 Lei at 31st of December 2017 (2016: Lei 134,657,210), has a total surface area of 429,185 sqm (2016: 429,185 sqm) and accounts for 98% of the investment properties in the balance 2016: 98%). These plots of land are located in Bucharest (367,163 sqm) and in the teritorry (Constanta, Oradea).

Inventories

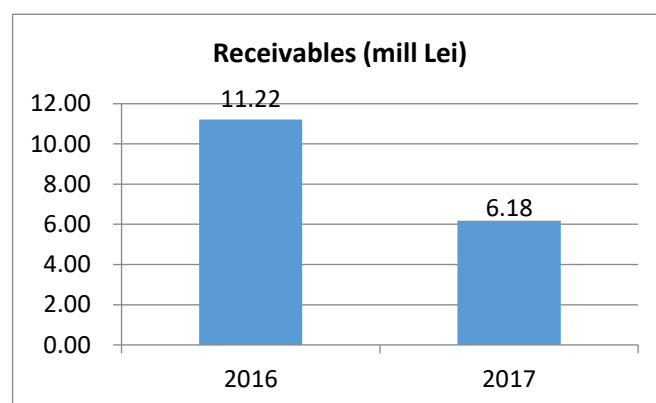
According to IFRS, inventories registered an increase of 5%, from 282.81 mill. Lei in 2016 to 297.29 mill. Lei in 2017. The increase is due to the finalization of the works in the phases of the Salcamilor and Platanilor's assemblies and the capitalization of the Phase 7 works related to the Greenfield Baneasa project from Bucharest – 1st District.



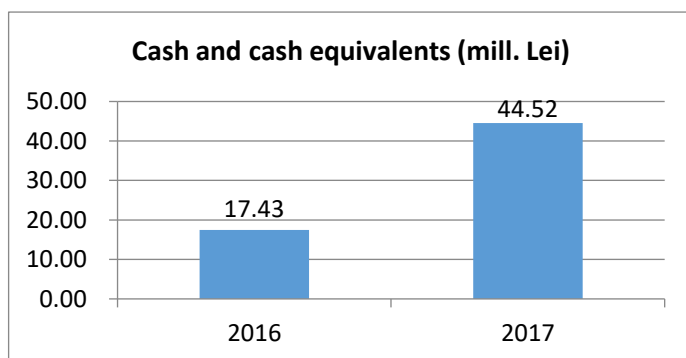
Receivables

Category of receivables assets includes receivables with a maturity longer than one year afferent to receivables arising from installments sales portfolio.

The level of receivables decreased by 44.92% in 2017: from 11.22 mill. Lei on December 31st 2016 to 6.18 mill. Lei at the end of 2017, on account of receipts from customers pursuant to payment schedules, and to the reduction in the number of installments payment contracts signed in the past 3 years.

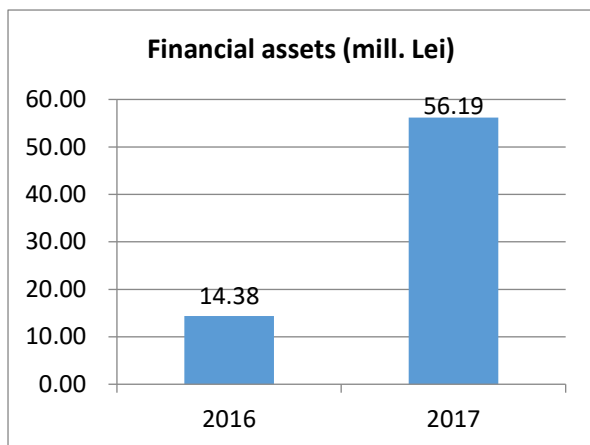


Cash holdings increased by 155.42% at the end of the year from Lei 17.43 mill. in 2016 to Lei 44.52 mill. on 31st of December 2017.



During year 2017, the company's activity had an intense cash flow. On one side were recorded significant inflows from the sale of real estate in Greenfield, contracting loans to finance construction stages, but also outputs for project financing and repayment of loans. At the same time, the company records the balance of the cash account and the proceeds from the issuance of bonds placed in bank deposits.

Cash Flows	Indicators pursuant to IFRS (Lei)	2016	2017
	Cash and cash equivalents on January 1st 2017	17,080,848	17,432,180
	Net cash from operating activities	(11,636,823)	(59,147,996)
	Net cash used in investments activities	542,578	(2,508,424)
	Net cash from (used in) financing activities	11,445,577	91,457,834
	Effect of variation in the exchange rate on cash	-	-
	Cash and cash equivalents on 31st of December 2017	17,432,180	44,515,734



Financial assets

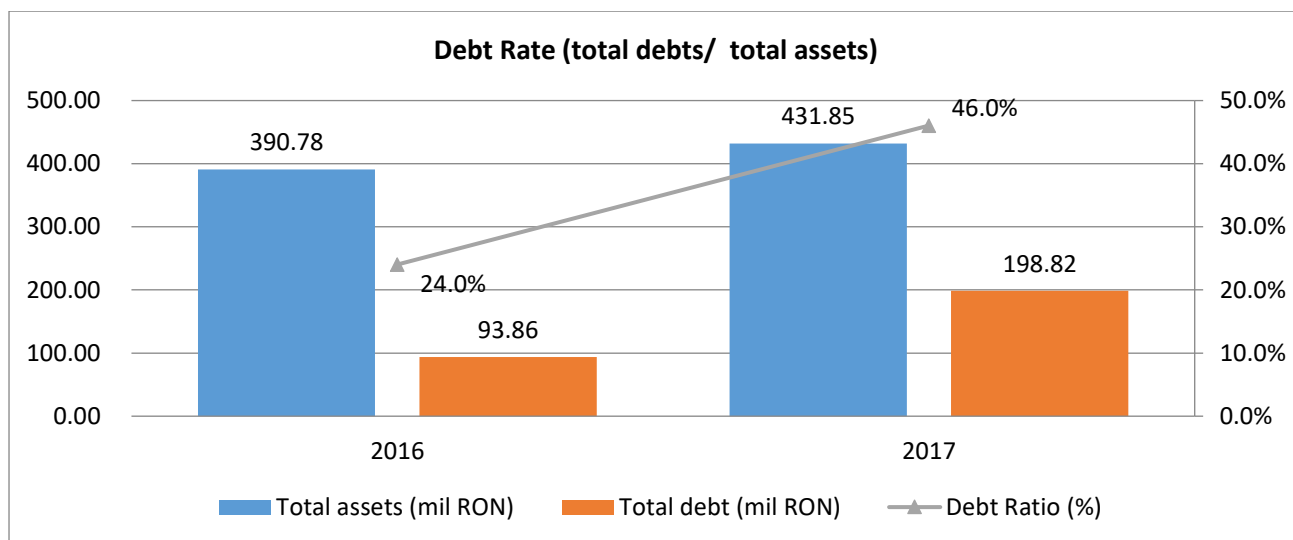
The financial assets represent the value of equity in group companies.

They increased in value in 2017 by 41.8 mill. Lei from 56.19 mill. Lei to 14.38 mill. Lei in December 2016, an increase of 291% due to the increase of the share capital of Bergamot Developments by converting the loan granted by Impact Developer & Contractor in contribution to the share capital of Bergamot Developments.

Total Liabilities

According to IFRS, total debts increased by 112%, from 93.86 mill. Lei in 2016 to 198.82 mill. Lei in 2017, on the date of reporting the amounts granted by credit institutions with a share of 74.4% (148,01 mill. lei) in total liabilities. At the same time, the correlation should also be made with the advance of the stocks due to the acquisition of new land for future projects and by the capitalization of the expenses related to the Luxuria project

Thus, the liabilities ratio has an increase from 24% in 2016 to 46% in year 2017 determined by the loans from bonds issuance.



The company's total assets increased by 11%, from 390.78 mill. Lei in 2016 to 431.85 mill. Lei in 2017, mainly due to capitalization of production in stage 7 in Platanilor Assembly under completion in GREENFIELD neighborhood development.

Share Capital

Subscribed and paid up share capital of the Company on December 31st 2017 is Lei 277,866,574. The nominal value of a share is 1 Leu.

Note: The figures presented are in accordance with the audited financial statements for year 2017.

PERFORMANCE INDICATORS

Stock exchange indicators - evolution:

Indicators	Dec-14	Dec-15	Dec-16	Dec-17
Price per share	1.485	0.940	0.700	1.05
No. of shares	277,866,574	277,866,574	277,866,574	277,866,574
Market capitalization (Lei)	412,631,862	261,194,580	194,506,602	291,759,903
Exchange rate	4.4821	4.5245	4.5411	4.6597
Market capitalization (EUR)	92,062,172	57,728,938	42,832,486	62,613,452
Net Asset Value (Lei)	365,579,741	361,140,518	390,776,564	431,854,275
Net Asset Value (EUR)	81,564,387	79,818,879	86,053,283	92,678,558
Annual Profit (Lei)	4,091,143	(4,459,409)	29,610,138	52,306,703
Gain per share (Lei)	0.015	(0.016)	0.107	0.188
Net Asset Value (Lei)/share)	1.316	1.300	1.406	1.554
Premium/discount compared to the net asset value	13%	-28%	-50%	-32%

On 31st of December 2017, the BET index recorded an increase of 9.44% compared to the beginning of the year, and IMP shares increased by 50% (1.05 lei / share on 31st of December 2017 compared to 0.70 lei / share at the end of 2016).

Economic and financial indicators analysis:

Return Indicators

Return on Assets (ROA)		Dec-15	Dec-16	Dec-17
Net Profit (A)	[Lei]	(4,459,409)	29,610,138	52,306,703
Total Asset (B)	[Lei]	467,974,581	484,635,515	630,675,000
A/B		-0.95%	6.11%	8.29%

Return on Equities (ROE)

Return on Equities (ROE)		Dec-15	Dec-16	Dec-17
Net Profit (A)	[Lei]	(4,459,409)	29,610,138	52,306,703
Equity (B)	[Lei]	361,140,518	390,776,564	431,854,275
A/B		-1.23%	7.58%	12.11%

Solvency Indicators

Debt ratio (Debt vs. Asset)		Dec-15	Dec-16	Dec-17
Total Debt (A)	[Lei]	106,834,063	93,858,951	198,820,725
Total Asset (B)	[Lei]	467,974,581	484,635,515	630,675,000
A/B		22.83%	19.37%	31.50%

Leverage (Equity vs. Asset)		Dec-15	Dec-16	Dec-17
Equity (A)	[Lei]	361,140,518	390,776,564	431,854,275
Total Assets (B)	[Lei]	467,974,581	484,635,515	630,675,000
A/B		77.17%	80.63%	68.47%

Gearing ratio (Loans vs. Equity)		Dec-15	Dec-16	Dec-17
Total Loans (A)	[Lei]	45,789,003	57,234,580	148,004,619
Equity (B)	[Lei]	361,140,518	390,776,564	431,854,275
A/B		12.68%	14.65%	34.27%

Ration Indicators

Current Ration		Dec-15	Dec-16	Dec-17
Current Assets (A)	[Lei]	221,491,153	316,029,353	366,129,629
Current Debts (B)	[Lei]	77,772,701	49,475,602	43,680,981
A/B		2.85	6.39	8.38

Quick Ratio		Dec-15	Dec-16	Dec-17
Current Assets (A)	[Lei]	221,491,153	316,029,353	366,129,629
Inventories (B)	[Lei]	177,887,026	282,813,138	297,294,269
Current Debts (C)	[Lei]	77,772,701	49,475,602	43,680,981
(A-B)/C		0.56	0.67	1.58

It shows a stabilization of the economic and financial indicators, on the one hand by operating profits generated by the Company, but also by improving the capital attracted during year 2017.

EPRA¹ Net Asset Value:

	31-Dec-16	31-Dec-17
No. of shares	277,866,574	277,866,574
IFRS NAV	390,776,564	431,854,275
IFRS NAV/share	1.41	1.55
EPRA NAV	472,732,589	586,207,603
EPRA NAV/share	1.70	2.11

The objective of the **EPRA Net Asset Value** is to highlight the fair value of net assets on an ongoing analysis on a long term horizon.

Adjustments are considering the revaluation of assets and land available for sale to net realizable value.

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

Chairman of the Board of Administration
Iuliana Mihaela Urda