



IMPACT DEVELOPER & CONTRACTOR SA

Seat: Voluntari, 4C Pipera-Tunari Road, Construdava Business Center, floors 6,7, Ilfov County.

Working point: Willbrook Platinum Business & Convention Center,

Sos. Bucuresti – Ploiesti, No. 172-176, Building A, 1st floor, Bucharest, 1st District,

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Subscribed and paid up share capital: LEI 277.866.574

Registered with the Trade Registry Office within Bucharest Court under no. J 23/1927/2006,

Sole Registration Code RO 1553483

Personal Data Operator, registered with the Personal Data Processing Evidence Registry under no. 3406

Q3/2015 Quarterly Report according with CNVM Regulation no.1/2006
Report date 12.11.2015

“IMPACT DEVELOPER & CONTRACTOR ” S.A.

Date and number of registration with Bucharest Trade Registry Office: J23/1927/2006

Sole Fiscal Registration Code: RO1553483

Registered office: Voluntari, Sos. Pipera Tunari, no. 4C, Construdava Business Center, floors 6th,7th, Ilfov County

Working point / Correspondence address: Willbrook Platinum Business & Convention Center, 172-176, Sos. Bucuresti – Ploiesti, A Building, 1st Floor, Bucharest, 1st District,

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Regulated market the issued securities are traded on: BVB, Premium Category

I. Important events occurred during the reporting year

IMPACT conducted in the period 01.01.2015 - 30.09.2015 the activity of "Real Estate Development (promotion)" corresponding to NACE code 4110. The company was founded in 1991 by civil sentence no. 137 / 26.02.1991 pronounced by Bucharest 1st District Court.

The Board of Directors presented the updated company's development strategy in March 2015.

The shareholders approved at the Ordinary General Meeting of Shareholders, held on 25.04.2015, the election of Mr. Tasoulas Konstantinos as Administrator, member of the Board of Directors of the company. Prior to the election in April 2015, Mr. Tasoulas Konstantinos served as interim administrator starting in October 2014.

On the date of 02.06.2015 the Extraordinary General Meeting of Shareholders was held, which decided upon issuance of corporate bonds, unsecured, worth maximum 135 million LEI, for financing the company development projects. The characteristics of the bonds issue were subject to change by a new General Assembly, on 07.11.2015.

For auditing the fiscal year 2015, KPMG Romania was elected by the General Meeting of Shareholders on 25.04.2015, but its revocation was made in the General Meeting of Shareholders on 11.07.2015 due to the

impossibility of signing the contract under the terms of the offer dd. April 2015. The General Meeting of Shareholders on 07.11.2015 elected Deloitte Audit SRL company for auditing the financial year 2015.

For the development of residential projects, during 2015 the Company signed General contracts for the construction of 26 blocks in the Salcamilor project, the new residential neighborhood of Greenfield, as follows:

- IMPACT company has signed the General Contract no. 61/30.03.2015, afferent to 9 buildings, phase 2 of Salcamilor Compound, with GF + 5F height regime, situated in 19-85, Drumul Padurea Neagra Street, Bucharest, 1st District, with DEVBON SRL.
- IMPACT company has signed with DEVBON SRL the General Contract no.76/29.07.2015, for execution of works for the construction of 8 buildings with GF + 5F, including related interior installations, located in 19-85, Drumul Padurea Neagra Street, 1st District, Bucharest, phase 4 of the Salcamilor project.
- IMPACT company has signed with DAS SRL the General Contract no. 240/08.20.2015, the objective of which is the completion of all construction works, construction and installation of equipment and machinery required to complete and "turnkey" deliver of 9 buildings with GF + 5F, located 19-85, Drumul Padurea Neagra Street, 1st District, Bucharest, phase 3 of the Greenfield 2 project, Salcamilor Compound.

Also, in 2015 works of bringing utilities to the plots of land from Constanta were conducted and more activity started promoting these land plots for houses.

Also, during 2015 began implementation and preparing design and authorization documentation for the project from Barbu Vacarescu Bld., the project started in September 2014 with the acquisition of a 2.6 ha area land.

II. The financial position for the relevant period of time

The results in the Q3 / 2015 are reported pursuant to IFRS.

The financial statements for the period 01.01.2015-30.09.2015, non-audited are as follows:

Analysis of the result elements

In the first 9 months of 2015, IMPACT had operational revenues of **82.71 million LEI**, more than three times higher compared to the same period last year, while gross profit was approximately **7.5 million LEI**, recording a significant improvement of the earnings compared to the same period in 2014, when it recorded a loss of 5.2 million LEI.

Indicators pursuant to IFRS (LEI)	Jan- Sep. 2014	Jan- Sep. 2015	%
Operational revenues, out of which:	24,044,438	82,710,266	244%
Revenues from sale of residential properties stocks	16,660,574	73,726,619	343%
Revenues from rentals and clients recharged utilities	3,468,071	3,112,878	-10%
Revenues from sale of investment properties	3,279,226	4,295,138	31%
Other revenues of operational nature	636,567	1,575,631	148%
Operational expenses, out of which:	(35,490,802)	(75,102,395)	112%
Book value of sold residential properties stocks	(19,294,725)	(54,130,754)	181%
Operational costs afferent to leased and sold properties	(2,084,439)	(2,011,949)	-3%
Book value of investment properties	(3,782,474)	(4,238,327)	12%
Expenses with raw materials and materials	(315,032)	(392,217)	25%
Services provided by third parties	(3,830,445)	(4,156,984)	9%
Expenses with employees benefits	(3,192,036)	(5,420,462)	70%
Other expenses of operational nature	(2,991,651)	(4,751,702)	59%
Operational result (EBITDA)	(11,446,364)	7,607,871	-166%
Depreciation and amortization expenses	(381,223)	(473,435)	24%
Assets value loss, others than Inv. Property	5,415,917	1,088,043	-80%
Operational result (EBIT)	(6,411,670)	8,222,479	N/A
Net financial cost	1,225,759	(723,239)	N/A
Profit / Loss, gross (EBT)	(5,185,911)	7,499,240	N/A
Profit tax	0	0	N/A
Profit / Loss net of the period	(5,185,911)	7,499,240	N/A

The significant increase in operating income is due to the sale of apartments in the new development stage of the Greenfield Bucharest – Salcamilor Compound.

Until September 30, 2015 IMPACT has sold about 275 dwellings and apartments, over three times more than the same period last year (when there were sold about 73 houses).

Of the total sold dwellings, 231 apartments were sold in the new residential development of Greenfield neighborhood, 29 apartments of the stock of the phase I of development of the Greenfield neighborhood and 15 dwellings were sold at the country side (Oradea, Ploiesti and Constanta).

Operating expenses increased due to sales volumes increase, but with a much lower percentage than the latter, due to optimization of production costs for new residential development in Greenfield. This has allowed operating profit EBITDA of approximately 7.6 million LEI until September 30, 2015 compared to an operating loss of 11.4 million LEI EBITDA up to September 30, 2014.

Financial result	30-Sep-14	30-Sep-15	Variation
Financing costs	(2,235,048)	(1,103,755)	-51%
Financial incomes	602,256	100,330	-83%
Currency exchange rate differences	579,722	353,072	-39%
Other financial elements, net	2,278,829	(72,886)	-103%
Financial result	1,225,759	(723,239)	-159%

Repayment of loans had the largest contribution in the financial result, interest expenses decreasing by about 51%.

Analysis of balance sheet elements

ASSETS	30-Sep-14	31-Dec-14	30-Sep-15	%
Tangible assets	6,998,464	6,596,081	5,697,957	-14%
Intangible assets	119,682	154,405	135,676	-12%
Investment Property	226,971,610	230,979,061	213,153,761	-8%
Financial assets	14,342,521	14,377,276	14,377,226	0%
Non-current receivables	19,191,627	19,300,941	14,004,976	-27%
<i>Total Non-current assets</i>	<i>267,623,904</i>	<i>271,407,764</i>	<i>247,369,596</i>	<i>-9%</i>
Inventories	130,557,715	158,125,501	157,525,120	0%
Trade and other receivables	10,676,709	9,062,483	19,125,644	111%
Prepayments	85,007	97,221	78,228	-20%
Cash and cash equivalents	11,621,859	3,464,726	22,867,149	560%
<i>Total Current Assets</i>	<i>152,941,290</i>	<i>170,749,931</i>	<i>199,596,141</i>	<i>17%</i>
<i>Total Assets</i>	<i>420,565,194</i>	<i>442,157,695</i>	<i>446,965,737</i>	<i>1%</i>

Cash and cash equivalents of the company had a significant increase in the first 3 quarters of 2015 of about 20 million lei, due to accelerated sales growth.

Tangible and intangible assets of the company have decreased due to their depreciation.

Compared to the situation at the beginning of the year, stocks had a slight fluctuation due, on the one hand, to sales of buildings that reduced inventories, and on the other hand, to the capitalization of production costs for new development stage of the Greenfield neighborhood that favored stocks growth.

Trade receivables increased twice, the main reason being that the sales proceeds for the bank loan contracts signed in the latter part of September, were carried out in the next month. On the other hand, non-current receivables registered a decrease of 27% compared to the beginning of the year, mainly due to the proximity of maturity rates of many contracts. Total assets increased by 1% in the Q3 / 2015.

Liabilities	30-Sep-14	31-Dec-14	30-Sep-15	%
<i>Total equity</i>	<i>356,378,202</i>	<i>365,579,741</i>	<i>373,078,980</i>	<i>2%</i>
Loans	21,421,663	23,661,030	11,093,984	-53%
Trade and other payables	1,879,435	2,265,343	2,475,696	9%
Deferred taxes	12,865,095	13,010,763	13,010,763	0%
<i>Total long term liabilities</i>	<i>36,166,193</i>	<i>38,937,136</i>	<i>26,580,443</i>	<i>-32%</i>
Loans	8,841,936	13,088,512	24,816,436	90%
Trade and other payables	14,384,989	21,454,667	19,862,239	-7%
Provisions for risks and charges	4,793,874	3,097,639	2,627,639	-15%
<i>Total current liabilities</i>	<i>28,020,799</i>	<i>37,640,818</i>	<i>47,306,314</i>	<i>26%</i>
<i>Total liabilities</i>	<i>64,186,992</i>	<i>76,577,954</i>	<i>73,886,757</i>	<i>-4%</i>
<i>Total equities and liabilities</i>	<i>420,565,194</i>	<i>442,157,695</i>	<i>446,965,737</i>	<i>1%</i>

Overall the company loans declined by approximately 2% compared to the beginning of the year on account of an intense sales pace, which favored early loans repayment. We notice a decrease by 50% of bank loans in the long term on account of the proximity of the maturity thereof, on the other hand, it is noted a significant increase in short-term loans on account of new drawdown required for co-financing residential projects under construction - Salcamilor Compound in Greenfield.

Trade payables of the Company have decreased on account of supplier loans reaching their maturity and due to production costs co-financing through bank loans.

Equity increased by 2% on account of 9 months profits.

Analysis of cash flow elements

The significant increase in cash at the end of the Q3 / 2015 compared to the beginning of the year is determined by the increase in sales revenues, almost all sales contracts being paid up from own sources or bank loans.

Indicator (LEI)	30-Sep-15
Cash at the beginning of the period	3,464,726
Net cash from operating activity	15,529,555
Net cash from investment activity	3,988,753
Net cash from financing activity	(115,884)
Cash at the end of the period	22,867,149

Financial Ratios (LEI) *:

Gearing ratio (% Equity)	30-Sep-15
Borrowing capital (A)	11,093,984
Equity (B)	373,078,980
A/B*100	2.97%
Gearing ratio (% Capital employed)	30-Sep-15
Borrowing capital (A)	11,093,984
Capital employed (B)	384,172,964
A/B*100	2.89%
Liquidity ratio	30-Sep-15
Current assets (A)	199,596,141
Current debts (B)	47,306,314
A/B	4.22
Trade receivables rotation	30-Sep-15
Average Trade Receivables (A)	30,747,022
Operational revenue (B)	82,710,266
(A/B)*270 days	100
Non-current assets rotation	30-Sep-15
Operational revenue (A)	82,710,266
Non-current assets (B)	247,369,596
(A/B)	0.33

*according to Regulation 1/2006, Appendix No. 30

Borrowed capital = Loans over 1 year;

Contracted capital = Borrowed capital + Equity.

Chairman of the Board of Directors
Iuliana Mihaela Urda

Chief Executive Officer
Lucian Claudiu Mateescu

Chief Financial Officer
Bogdan Geanta

Translation from Romanian language