

SIF Moldova S.A.

Unaudited preliminary financial statements

for the year ended December 31, 2016

**prepared in compliance with the International Financial
Reporting Standards adopted by the European Union**

Contents

	Page
1. Company presentation	3
2. Main elements of the financial position and preliminary statements for the year ended December 31, 2016	4
3. Individual statement of overall result for the year ended December 31, 2016	5
4. Individual statement of financial position for the year ended December 31, 2016	6

1. Company Presentation

SIF Moldova SA („the Company”) is a non-UCITS operating in Romania according to the provisions of Law 31/1990 regarding Companies and Law 297/2004 regarding capital market with its later amendments and additions.

The company is the successor of Fondul Proprietății Private II Moldova, reorganized and transformed according to the provisions of Law no. 133/1996.

The company is headquartered in Romania, Bacau, 94C Pictor Aman street. The company also operates through its representative offices from Iași and Bucharest.

According to its Memorandum of Association, the main activity of the company is:

- the administration and management of derived financial instruments, and other qualified as such, through the regulations of the National Securities Committee (CNVM) whose attributions and prerogatives have been transferred to the Financial Supervision Authority (A.S.F.);
- the administration and management of shares/bonds and other rights resulting from these in untraded or closed companies;
- other auxiliary and related activities, according to applicable regulations

The company is self-managed.

The shares of the Company have been listed on Bucharest Stock Exchange, first category, with the symbol SIF2, since November 1st, 1999.

Register of shareholders is held under the law by Depozitarul Central S.A. Bucharest.

The assets deposit services are provided by BRD – Société Générale S.A. – a company authorized by the National Securities Commission, whose attributions and prerogatives have been transferred to the Financial Supervision Authority (A.S.F.).

Financial auditor: Deloitte Audit S.R.L. Bucuresti.

2. Main elements of the financial position and results of the company on December 31st, 2016:

Revenues from dividends, interest and other revenue on December 31st, 2016 worth 123.6 million RON, have increased by 307.8% in comparison to those in 2015. The increase is mainly caused by the income from dividends, increasing by 328.9 % in comparison to 2015.

On December 31st, 2016, **the net revenue from assets sale** worth 94.7 million RON is decreasing by 22.4% in comparison to the previous year, following the decrease of the transaction volume in year 2016;

Expenses with the adjustment for assets impairment of 46.9 million RON at the end of 2016 mainly represent title depreciation: SNP, BVB, ELMA, Casa de

This report presents the preliminary, unconsolidated financial results of SIF Moldova on December 31st, 2016, drafted according the International Standards for Financial Reporting (IFRS) adopted by the European Union as well as Norm 39/2015 issued by the Financial Supervision Authority (ASF). The presented financial results are preliminary and might be subjected to change.

Bucovina, Agribusiness, Real Estate Asset, Opportunity, Lactate Natura and Catalyst following their fair value decrease under cost, by over 30%.

Other operational expenses include functioning expenses that have increased by 18.4% in comparison to 2015. Profit tax has been set based on the provisions of the Tax Code, at 10.5 million RON, also including the expenses with dividend tax, presented at gross value, worth 5.7 million RON.

Net profit of financial year 2016 is 123.3 million RON, an increase by 22.9% in comparison to the result of the previous year.

Item “**Other overall result elements**” induces modifications of fair value corresponding to the financial assets available for sale (net amount transferred into profit or loss and net variation of fair value). The value of other global results elements indicate an increase by 92.7 million RON in comparison to the previous year, due to the appreciation of the financial assets available for sale portfolio.

Item “**Total overall result corresponding to the period**” presents an increase by 66.5% in comparison to the previous year, due to the positive evolution of the values included in “Other overall result elements” mentioned above.

Total assets held by SIF Moldova, on December 31st, 2016 worth 1,719 million RON, have increased by 17.9% in comparison to 2015, as an effect of the fair value increase of the financial assets and non-current assets. From total assets, the weight is held by **financial assets**, namely 99.23% (2015: 98.83%), which mainly include the financial assets available for sale, cash and equivalents and investments held to maturity.

The financial assets available for sale have been evaluated at fair value through the capital accounts based on the market prices present on an active market or on evaluations made by certified experts.

The financial assets for which no fair value was available, are mentioned on the list of expenses, less possible impairment adjustments.

Total liabilities have decreased in comparison to 2015 by 1.87%, mainly as the effect of the decrease of liabilities regarding payment dividends.

On December 31st, 2016, **the equity value** is 1,599.5 million RON, an increase by 19.72% in comparison to the end of the previous year, due to the increase of the reserve from the evaluation at fair value for the financial assets available for sale and current financial result.

This report presents the preliminary, unconsolidated financial results of SIF Moldova on December 31st, 2016, drafted according the International Standards for Financial Reporting (IFRS) adopted by the European Union as well as Norm 39/2015 issued by the Financial Supervision Authority (ASF). The presented financial results are preliminary and might be subjected to change.

SIF MOLDOVA S.A.
INDIVIDUAL STATEMENT OF OVERALL RESULT
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2016
(all amounts are presented in RON, if not otherwise specified)

<i>In RON</i>	<i>Note</i>	2016	2015
Revenue			
Revenue from dividends	6	118,775,487	27,712,560
Revenue from interests	7	1,216,794	1,563,181
Other operational revenue	8	846,767	795,363
Other revenue		2,792,301	240,513
Revenue from Investments			
Net revenue from assets sale	9	94,672,066	122,075,074
Net loss/net revenue from the re-evaluation of financial assets at fair value through the profit or loss account	10	(6,504,125)	(3,974,232)
Net revenue from the re-evaluation of real estate investments		240,932	-
Expenses			
Losses from assets impairment	11	(46,908,657)	359,143
Expenses with the setup of provisions for risks and expenses	12	(145,628)	359,113
Other operational expenses		(31,174,094)	(26,332,968)
Other expenses		(8,820)	(261,760)
Profit before taxation		133,803,023	122,535,987
Profit tax	13	(10,505,003)	(22,195,661)
Net profit of the financial year		123,298,020	100,340,327
Other overall result elements		-	-
Increases / (decreases) of the reserve from the re-evaluation of tangible assets		1,418,212	90,395
Reserve transfer from the re-evaluation at reported result following the sale of tangible assets		-	(78,387)
Net modification of reserve from the re-evaluation at fair value of the financial assets available for sale,	16e)	164,755,914	73,460,840
Other overall result elements		166,174,126	73,472,848
Total overall result of the period		289,472,146	173,813,174

The individual financial statements have been approved by the Board of Directors on February 14, 2017 and have been signed on its behalf by:

Costel Ceocea
President

Cristina Andrieș
Chief Accountant

SIF MOLDOVA S.A.
INDIVIDUAL STATEMENT OF THE FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2016
(all amounts expressed in RON, if not otherwise specified)

<i>In RON</i>	<i>Note</i>	2016	2015
Assets			
Cash and cash equivalents	14	931,024	613,851
Bank deposits	15	117,794,735	91,015,193
Financial assets at fair value through the profit or loss account	16a	128,999,673	112,215,485
Financial assets available for sale	16b	1,448,569,535	1,227,266,927
Investments held to maturity	16c	9,573,804	9,593,199
Real-estate investments	17	3,505,273	3,264,341
Intangible assets	18	113,180	293,905
Tangible assets		8,140,477	7,165,148
Other assets	19	1,347,293	6,269,023
Total assets		1,718,974,994	1,457,697,072
Liabilities			
Dividends to pay	20	29,258,494	42,394,161
Provisions for risks and expenses	21	3,452,286	3,306,214
Liabilities regarding deferred profit tax	22	69,676,603	57,339,461
Other liabilities	23	17,082,627	18,706,256
Total liabilities		119,470,010	121,746,092
Equity			
Share capital	24	539,720,149	539,720,149
Reported result		445,783,129	345,057,696
Reserves from the re-evaluation of tangible assets		9,095,516	7,677,304
Re-evaluation of financial assets available for sale		615,629,936	450,874,023
Other equity elements		(10,723,746)	(7,378,192)
Total equity		1,599,504,984	1,335,950,980
Total liabilities and equity		1,718,974,994	1,457,697,072

The individual financial statements have been approved by the Board of Directors on February 14, 2017 and have been signed on its behalf by:

Costel Ceocea
President

Cristina Andrieș
Chief Accountant