

**SIF Moldova SA**

**Unaudited preliminary financial statements  
on 31<sup>st</sup> December 2017  
drafted in compliance with the  
International Financial Reporting Standards  
adopted by the European Union**

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## 1. Company Presentation

SIF Moldova SA („the Company” or „SIF Moldova”), Bucharest Stock Exchange symbol „SIF2” is a collective placement body, functioning in Romania in compliance with the provisions of Companies’ Law 31/1990 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 Pictor Aman Street no. 94C, Bacău municipality, Bacau district, Romania. The Company also operates through its representative offices in Iași and Bucharest.

According to the Memorandum of Association (*ASF Opinion no. 21 of January 23, 2018*), the main activity of the Company is making financial investments. The main activity of the company is: 6499 - Other financial intermediation not covered elsewhere. Secondary activities of the company NACE: 6430 - Mutual funds and other similar financial entities.

The activity of the company is:

- a) the administration and management of financial instruments, derivatives financial instruments and other instruments thus qualified by the competent authority’s regulations;
- b) the administration and management of shares/bonds and other rights stemming from these in untraded or closed companies;
- c) risk management;
- d) other activities that are auxiliary and related to the collective management activity.

The Company is self-managed.

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

The register of shares and shareholders is held according to the law, by S.C. Depozitarul Central S.A. Bucharest.

The assets deposit services are provided by BRD – Société Générale S.A. – a company authorized by the Financial Supervision Authority (F.S.A).

Financial auditor - Deloitte Audit S.R.L. Bucharest.

## 2. Evolution of the Company’s main financial position and results elements on 31<sup>st</sup> December 2017:

**Revenue from dividends, interests and other revenue** on 31<sup>st</sup> December 2017 amounting to 80.1 mil lei, have decreased by 35.19% in comparison to those of 2016. The decrease is mainly caused by the revenue from dividends, decreasing by 38.29% in comparison to the 2016 level.

The decrease in *dividend income* is mainly due to the distribution of an extraordinary dividend in the previous year by one of the main issuers held by SIF Moldova, well above the dividend granted in the reporting year.

On 31<sup>st</sup> December 2017, **the net revenue from assets sale** of 100.5 million lei is increased by 6.18% in comparison to the previous year, following the increase of transactions volume in 2017.

*This report presents SIF Moldova’s unaudited preliminary financial results on the 31<sup>st</sup> December 2017, drafted in compliance with the International Financial Reporting Standards (IFRS), adopted by the European Union and Norm 39/2015 issued by the Financial Supervision Authority (FSA). The presented financial results are preliminary and may be subjected to change.*

SIF Moldova was more active in the market than in the previous year, anticipating and marking the increase in profitability of the major issuers in the portfolio that had a positive evolution during 2017.

From the difference from the **fair-value re-evaluation of shares and fund units held at fair value through the profit and loss account**, the Company registered a net gain of 40.5 million lei (2016: loss: 6.5 million lei).

**Other operational expenses** include operating expenses that have increased by 11.43% in comparison to 2016. The increase is mainly due to the reconfiguration of the organizational structure in order to meet the AIFM authorization and compliance requirements imposed by the regulator and to make the internal processes and activities more efficient.

The **profit tax** set based on the provisions of the Tax Code to 20.5 million lei also includes expenses with dividend tax, presented at gross value, worth 3.4 million lei.

**The net profit of 2017 financial year** is 164.8 million lei, an increase by 33.65% in comparison to the previous year.

The item **“Other overall result elements”** includes fair value modification corresponding to the financial assets available for sale (net amount transferred into profit or loss and net fair value variation). The value of other overall result items indicate a decrease of 125.3 million lei in comparison to the previous year, due to the fair value decrease of the financial assets available for sale portfolio.

The item **“Total overall result of the period”** presents a decrease by 28.93% in comparison to the previous year, due to the negative evolution of values included in “Other Overall Result Elements”, mentioned above.

**Total assets** held by SIF Moldova on 31<sup>st</sup> December 2017 amounting to 1,880 million lei, have increased by 9.38% in comparison to 2016, as an effect of the fair value increase of financial assets. From total assets, the weight is held by **financial assets** namely 96.62% (2016: 91.77%), which mainly include financial assets available for sale.

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 presented under cost, less possible impairment adjustments.

**Total liabilities** have increased by 16.53% in comparison to 2017, mainly as an effect of the increase of dividend payment liabilities.

On 31<sup>st</sup> December 2017, **the value of equity** is of 1,741 mil, an increase by 8.84% in comparison to the previous year, due to the current financial result.

**SIF MOLDOVA S.A.**  
**INDIVIDUAL OVERALL RESULT STATEMENT**  
**FOR THE FINANCIAL YEAR CONCLUDED ON 31ST DECEMBER 2017**  
**(all amounts are presented in RON, if not otherwise specified)**

<i>In RON</i>	<i>Note</i>	<b>31<sup>st</sup> December 2017</b>	<b>31<sup>st</sup> December 2016</b>
<b>Revenue</b>			
Revenue from dividends	6	73,301,258	118,775,487
Revenue from interests	7	1,148,917	1,216,794
Other revenue from operations	8a)	897,387	846,767
Other revenue	8b)	4,781,789	2,792,301
<b>Revenue from investments</b>			
Net revenue from assets sale	9	100,530,811	94,672,066
Net loss/ net revenue from the re-evaluation of financial assets at fair value through the profit or loss account	10	40,549,007	(6,504,125)
Net revenue from the re-evaluation of real-estate investments		314,328	240,932
<b>Expenses</b>			
Losses from assets impairment	11	(152,475)	(46,908,657)
Expenses with the setup of provisions for risks and expenses		901,839	(145,628)
Other operational expenses	12	(34,737,537)	(31,174,094)
Other expenses		(2,219,881)	(8,820)
<b>Profit before taxation</b>		<b>185,315,443</b>	<b>133,803,023</b>
Profit tax	13	(20,528,695)	(10,505,003)
<b>Net profit of the financial year</b>		<b>164,786,748</b>	<b>123,298,020</b>
Reserve increase /(decrease) from the re-evaluation of intangible assets		(297,959)	1,418,212
Net reserve modification from the re-evaluation at fair value of financial assets available for sale.	16e)	41,670,900	165,342,680
<b>Other overall result elements</b>		<b>41,372,941</b>	<b>166,760,892</b>
<b>Total overall results of the period</b>		<b>206,159,689</b>	<b>290,058,912</b>

Claudiu Doros  
CEO

Decebal Dumitrescu  
Chief Financial Officer

**SIF MOLDOVA S.A.**  
**INDIVIDUAL FINANCIAL POSITION STATEMENT**  
**ON 31st DECEMBER 2017**  
(all amounts are presented in RON, if not otherwise specified)

<i>In RON</i>	<i>Note.</i>	<b>31<sup>st</sup> December 2017</b>	<b>31<sup>st</sup> December 2016</b>
<b>Assets</b>			
Cash and cash equivalents	14	229,547	931,024
Bank deposits	15	36,387,265	117,794,735
Financial assets at fair value through the profit or loss account	16a	204,732,623	128,999,673
Financial assets available for sale	16b	1,611,822,537	1,448,569,452
Investments held to maturity	16c	7,324,894	9,573,804
Real-estate investments	17	3,505,273	3,505,273
Intangible assets	18	21,294	113,180
Tangible assets	18	8,213,719	8,140,477
Other assets	19	7,910,991	1,347,293
<b>Total assets</b>		<b>1,880,148,143</b>	<b>1,718,974,911</b>
<b>Liabilities</b>			
Dividends to pay	20	33,087,963	29,258,494
Provisions for risks and expenses	21	2,565,455	3,452,286
Liabilities regarding deferred profit tax	22	79,144,662	69,089,754
Other liabilities	23	23,742,318	17,082,627
<b>Total liabilities</b>		<b>138,540,398</b>	<b>118,883,161</b>
<b>Equity</b>			
Share capital	24	539,720,149	539,720,149
Reported result		573,485,823	445,783,128
Reserves from the re-evaluation of intangible assets		8,797,557	9,095,516
Reserves from the re-evaluation of financial assets available for sale		657,887,603	616,216,703
Other equity elements	24	(38,283,387)	(10,723,746)
<b>Total equity</b>		<b>1,741,607,745</b>	<b>1,600,091,750</b>
<b>Total liabilities and equity</b>		<b>1,880,148,143</b>	<b>1,718,974,911</b>

Claudiu Doros  
CEO

Decebal Dumitrescu  
Chief Financial Officer