Translation from Romanian into English

S.I.F. OLTENIA S.A.

THE ADMINISTRATORS' REPORT

on
the Interim Consolidated Financial Statements
as of 30 June 2022

S.I.F. OLTENIA S.A.

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The report of the Board of Directors on the interim consolidated financial statements as of 30.06.2022 was prepared in accordance with Law no. 24/2017 on issuers of financial instruments and market operations (R) and Rule no. 39/2015 for the approval of accounting regulations in accordance with the international financial reporting standards applicable to authorized entities, regulated and supervised by the F.S.A. in the financial instruments and investments sector, as well as the Investor Compensation Fund, as subsequently amended and supplemented.

Date of the report: ***30/06/2022***
The reporting entity: ***S.I.F. OLTENIA S.A.***
Registered seat: ***Craiova, 1 Tufanele street, Dolj County, postal code 200767***
Telephone/fax: ***0251-419.343; 0251-419.340***
Company registration no. ***RO 4175676***
Trade Register No. ***J16/1210/30.04.1993***
FSA Register number: A.F.I.A.: PJR07[1]AFIAA/160004/15.02.2018
FSA Register number: RIAIF: PJR09FIAIR/160001/08.06.2021
ISIN: ***ROSIFEACNOR4***
LEI Code: ***254900VTOOM8GL8TVH59***
Regulated market where the issued securities are transacted: ***Bucharest Stock Exchange, Premium Category (SIF5 market symbol)***
Subscribed and paid registered capital: **50,000,000 lei**
Number of issued shares: **500,000,000**
Nominal value: **0.10 RON/share**

I. GENERAL GROUP INFO

1.1. Legislative framework

In accordance with the provisions of Regulation No 1606/2002 of the European Parliament and of the Council of the European Union of 19 July 2002, as amended, FSA Regulation No 5/2018 on issuers of financial instruments and market operations, as amended and supplemented, Regulation No. 7/2020 on the authorization and operation of alternative investment funds, the provisions of Law No. 24/2017 on issuers of financial instruments and market operations (R) and Law No. 243/2019 on the Regulation of alternative investment funds and for amending and supplementing certain normative acts, the company is required to draw up consolidated accounts. The consolidated half-yearly accounting reporting shall be prepared in accordance with the International Financial Reporting standards adopted by the European Union ('IFRS').
The Board's report presents the interim consolidated financial statements as of 30.06.2022 prepared in accordance with Norm no. 39/2015 for the approval of the Accounting Regulations conforming to the International Financial Reporting Standards, applicable to the entities authorized, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector, as well as the Investor Compensation Fund, as subsequently amended and supplemented.

1.2. Entities included in the consolidation

The interim consolidated financial statements as of 30 June 2022 comprise the Company and its subsidiaries (hereinafter referred to as the Group) and are not audited.

The company's entities

Branches are entity under the control of the Company. Control exists when the company is exposed to, or has variable profitability rights based on its participation in the investee, and has the ability to influence that income through its authority over the investee.

The core activities of the Group are represented by the financial investment activity carried out by the Company, as well as the activities carried out by subsidiaries, belonging to different sectors of activity such as: food, tourism, rental of premises, etc.

The consolidation perimeter included all 12 (twelve) companies with over 50% of the voting rights, as follows:

No.	Company name	Market symbol	Trading market	Percentage held by SIF as of 30.06.2022	Percentage held by SIF as of 31.12.2021
1	COMPLEX HOTELIER DÂMBOVIȚA S.A.		unlisted company	99.99	99.99
2	VOLTALIM S.A.		unlisted company	99.55	99.55
3	MERCUR S.A.	MRDO	AeRO Standard	97.86	97.86
4	GEMINA TOUR S.A.		unlisted company	88.29	88.29
5	ARGUS S.A.	UARG	AeRO Premium	86.42	86.42
6	ALIMENTARA S.A.	ALRV	AeRO Standard	85.22	85.22
7	FLAROS S.A.	FLAO	AeRO Standard	81.07	81.07
8	CONSTRUCȚII FEROVIARE S.A.	CFED	AeRO Standard	77.50	77.50
9	UNIVERS S.A.	UNVR	AeRO Standard	73.75	73.75
10	PROVITAS S.A.		unlisted company	70.28	70.28
11	TURISM S.A.		unlisted company	69.22	69.22
12	LACTATE NATURA S.A.	INBO	AeRO Standard	66.33	66.33

* Argus SA Constanța holds majority stakes in:

• Comcereal SA Tulcea - 99.36% (including the subsidiary Cereal Prest SA Tulcea)

• Argus Trans Constanța - 100%

• Aliment Murfatlar SRL Constanța - 55.04%,

Only Argus SA Constanța was included in the consolidated financial statements of the Group on 30 June 2021 without the companies in which Argus SA had majority holdings.

On 30 June 2022, Argus Constanța SA's consolidated financial statements (statements including the above-mentioned companies) were included in the consolidation area of the Group. In this respect, for comparability purposes, the balance in the consolidated financial statements as at 30 June 2021 was adjusted.

The 12 companies have a share of **15.40%** in the total assets of the company at 30.06.2022 and **14.26%** at 31.12.2021, respectively, and have been consolidated through the global integration method.

Settlements and transactions within the Group, as well as unrealized profits resulting from transactions within the Group, are completely eliminated from the consolidated financial statements.

The statement of reciprocal holdings of entities included in the consolidation perimeter as of 30 June 2022

No.	Branch name	Shareholders	No. of shares	Share of ownership in the share capital
1.	COMPLEX HOTELIER DÂMBOVIȚA S.A. Târgoviște	S.I.F. Oltenia S.A.	1,754,221	99.9999%
		Voltalim S.A.	2	0.0001%
		Total	***1,754,223***	***100.0000***
2.	VOLTALIM S.A. Craiova	S.I.F. Oltenia S.A.	5,997,519	99.5506%
		Other shareholders	27,077	0.4494%
		Total	***6,024,596***	***100.0000%***
3.	MERCUR S.A. Craiova	S.I.F. Oltenia S.A.	7,104,836	97.8593%
		The Romanian state through A.A.A.S.	31,773	0.4376%
		Provitas S.A.	1,843	0.0254%
		Voltalim S.A.	486	0.0067%
		Flaros S.A.	441	0.0061%
		Alimentara S.A.	108	0.0015%
		Univers S.A.	90	0.0012%
		Other shareholders	120,683	1.6622%
		Total	***7,260,260***	***100.0000%***
4.	GEMINA TOUR S.A. Râmnicu Vâlcea	S.I.F. Oltenia S.A.	757,888	88.2866%
		The Romanian state through A.A.A.S.	100,525	11.7102%
		Other shareholders	28	0.0033%
		Total	***858,441***	***100.0000%***
5.	ARGUS S.A. Constanța	S.I.F. Oltenia S.A.	30,920,056	86.4160%
		Other shareholders	4,860,410	13.5840%
		Total	***35,780,466***	***100.0000%***
6.	FLAROS S.A. Bucharest	S.I.F. Oltenia S.A.	1,233,390	81.0712%
		Other shareholders	287,976	18.9288%
		Total	***1,521,366***	***100.0000%***
7.	CONSTRUCȚII FEROVIARE S.A. Craiova	S.I.F. Oltenia S.A.	2,725,325	77.5001%
		Other shareholders	791,221	22.4999%
		Total	***3,516,546***	***100.0000%***
8.	UNIVERS S.A. Râmnicu Vâlcea	S.I.F. Oltenia S.A.	587,519	73.7494%
		Legal entities	81,014	10.1694%
		Other natural persons	128,109	16.0811%
		Total	***796,642***	***100.0000%***
9.	PROVITAS S.A. Bucharest	S.I.F. Oltenia S.A.	35,139	70.2780%
		Other shareholders	14,861	29.7220%
		Total	***50,000***	***100.0000%***
10.	TURISM S.A. Pucioasa	S.I.F. Oltenia S.A.	1,010,599	69.2191%
		Voltalim S.A.	401,228	27.4814%
		Other shareholders	48,173	3.2995%
		Total	***1,460,000***	***100.0000%***
11.	ALIMENTARA S.A. Slatina	S.I.F. Oltenia S.A.	350,342	85.2194%
		Other shareholders	60,764	14.7806%
		Total	***411,106***	***100.0000%***
12.	LACTATE NATURA S.A. Târgoviște	S.I.F. Oltenia S.A.	2,173,909	66.3303%
		Voltalim S.A.	16	0.0000%
		Other shareholders	1,103,492	33.6697%
		Total	***3,277,401***	***100.0000%***

Associated entities of the Company

Associated entities are those in which the Group can exercise significant influence, but not control over the financial and operational policies.

As of 30 June 2022, the company had holdings of more than 20%, but not more than 50% of the share capital in a number of 7 issuers (31 December 2021: 7 issuers). All these entities are based in Romania. For these issuers, the percentage of ownership by the Company is not different from the percentage of the number of votes held.

Company name	Percent held at 30 June 2022 - % -	Percent held at 31 December 2021 - % -
SINTEROM S.A. Cluj-Napoca	32.1267	32.1267
ELECTRO TOTAL S.A. Botoșani*	29.8562	29.8562
TURISM FELIX S.A. Băile Felix	29.2663	29.2592
ȘANTIERUL NAVAL Orșova S.A.	28.0168	28.0168
TURISM LOTUS FELIX S.A. Băile Felix	27.4554	27.4554
ELECTROMAGNETICA S.A. Bucharest	26.9484	26.1402
ANTIBIOTICE S.A. Iași	26.5496	26.4081

**A company in judicial liquidation*

Following the analysis of the quantitative and qualitative criteria presented in IAS 27 - "Separate Financial Statements" and IFRS 10 – "Consolidated Financial statements", the Company concluded that it did not have investments in associated entities as of 30 June 2022 and 31 December 2021.

1.3. Criteria for the recognition, measurement and evaluation of financial assets

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The accounting policies of the Group branches have been modified in order to align them with those of the Group.

The date of 31 December 2015 is the date of the transition to IFRS as an accounting base for the Company, the date on which the transactions determined by the transition from CNVM Regulation no. 4/2011 to the Accounting Regulations in accordance with IFRS were actually performed and registered in the accounting records, by means of re-treatment.

The main consolidation-specific adjustments are:

- elimination from the financial position of the units of participation held in the group companies;
- elimination of intra-group transactions and fair value adjustments;
- the registration of goodwill identified as the difference between the acquisition value and the market value of the securities held with the group companies;
- elimination from the statement of profit or loss account and other comprehensive income of dividend income at the gross value settled within the group;
- elimination of balances, transactions, income and expenses within the group;
- minority interests are presented in the statement of consolidated financial position as an equity item, separate from the equity of the parent company and represent their share in equity items and profits of the group companies.

For the calculation of fair value, for equity instruments (shares), the Group uses the following hierarchy of methods:

- Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities;
- Level 2: entries other than the listed prices included in Level 1 which are observable for assets or liabilities, either directly (e.g. prices) or indirectly (e.g. price derivatives);
- Level 3: valuation techniques based largely on unobservable elements.

The fair value measurement of the *equity instruments (shares)* held is as follows:

- for listed and traded securities in the reporting period, the market value was determined by considering the quotation of the last trading day (closing quotation on the main capital market for those listed on the regulated market - BVB, respectively the reference price for the alternative system - AERO for level 1, and for level 2, quotations are taken for shares traded in the last 30 trading days);
- for listed securities that have no transactions in the last 30 days of the reporting period, as well as for unlisted securities, the market value is determined as it results from the last approved yearly financial statement of the entity;
- for securities issued by credit institutions not admitted to trading, the assessment is made at the book value per share calculated based on the value of the equity capital contained in the monthly reports transmitted to the BNR;
- for securities not admitted to trading on a regulated market or under an alternative trading system in Romania issued by issuers where there are holdings in excess of 33 % of the share capital, they shall be assessed solely in accordance with International Valuation Standards on the basis of an assessment report, updated at least annually;
- for the securities related to commercial companies in insolvency or reorganization proceedings and which have not been reintroduced to trading, the valuation is made at zero value.

The securities issued by the mutual fund are assessed taking into account the last unit value of the net asset, calculated and published.

Also, having regard to the provisions of Article 114 (4) and (5) of the FSA Regulation no. 9/2014, supplemented by the FSA Regulation no. 20/2020, the management of S.I.F. Oltenia S.A. has approved the update of the valuation methodology for holdings without an active market, where S.I.F. Oltenia S.A. has majority ownership*: Mercur S.A. Craiova, Univers S.A. Râmnicu Vâlcea, Alimentara S.A. Slatina and Flaros S.A. Bucharest*, using the evaluation method allowed by the regulations in force. This methodology is considered by the company to be more relevant, ensuring an increased convergence between the monthly reporting of the net asset and the financial accounting situation, as well as a reduction of the monthly volatility of the values of these companies included in the monthly reporting *"Statement of assets and liabilities of S.I.F. Oltenia S.A."* (Annex 10) to investors.

Thus, in the case of issuers listed on a stock market but with very low liquidity and high volatility, the fair value has been determined in accordance with international valuation standards on the basis of an effective valuation report by an independent and updated ANEVAR authorized valuer, updated at least annually. This is the case of the companies Mercur S.A. Craiova, Univers S.A. Râmnicu Valcea, which were evaluated on the basis of the financial statements of 30.09.2021, Alimentara S.A. Slatina (*assessed on the basis of the financial statements as of 31.05.2022)* and Flaros S.A. Bucharest - the assessment was made on the basis of the financial statements at 31.12.2021 (in the case of Flaros S.A. Bucharest, the method has been applied with the calculation of the total asset value for February 2022).

We note that the shares held in the Group companies have been removed from the statement of financial position.

1.4. The structure of the group's holdings

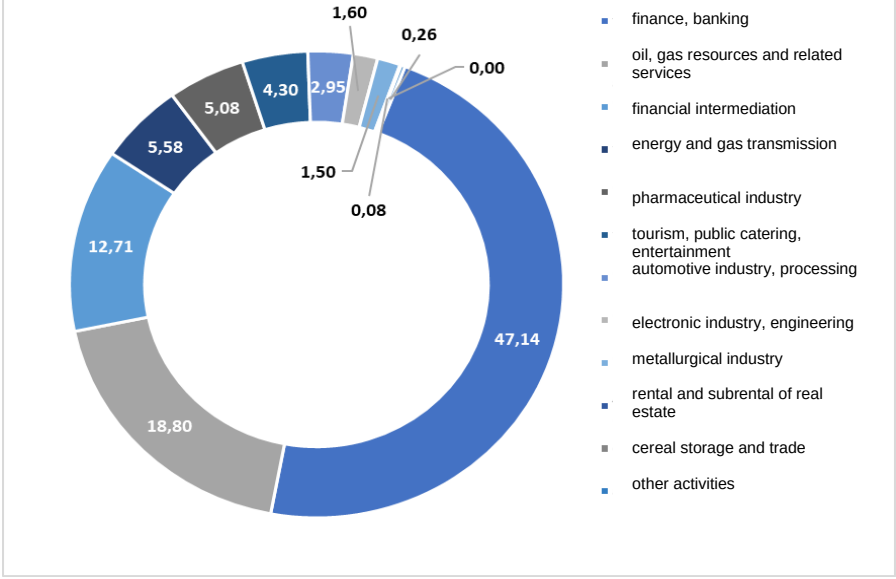
The consolidated structure of the portfolio held by the Group, depending on the business sectors, shall be as follows:

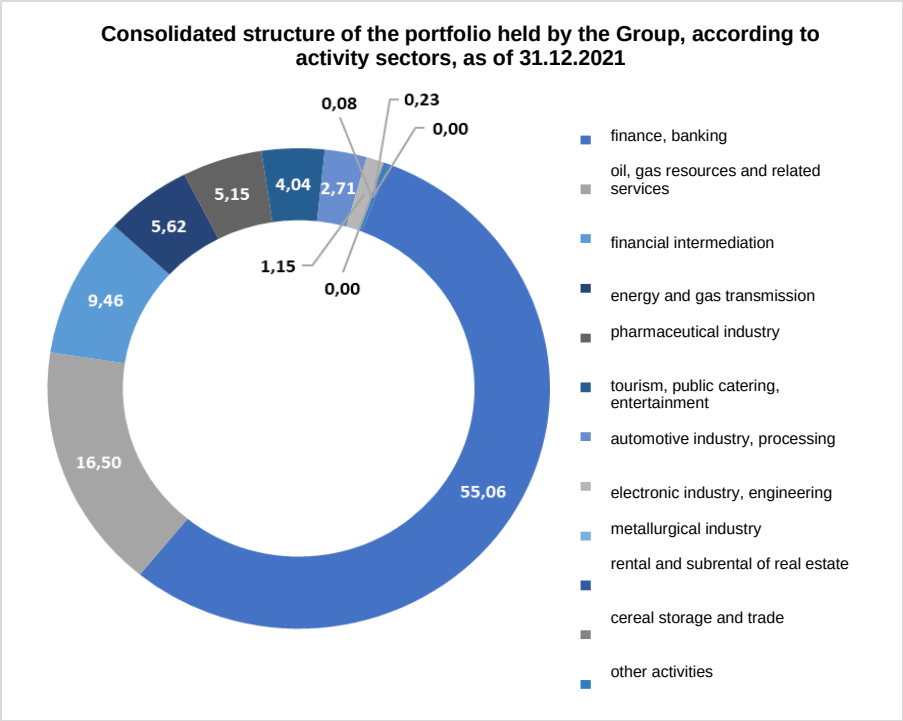
Structure of the portfolio	The market value of the participation on 30 June 2022		The market value of the participation on 31 December 2021	
Economic sectors with a share in the Group's value portfolio:	***(lei)***	***%***	***(lei)***	***%***
finance and banking	885,266,502	47.14	1,153,088,518	55.06
resources of oil, methane gas and related services	353,207,161	18.80	345,485,479	16.50
financial intermediation	238,625,012	12.71	197,976,371	9.46
energy and gas transport	104,701,611	5.58	117,620,064	5.62
pharmaceutical industry	95,456,947	5.08	107,751,847	5.15
tourism, public food catering, leisure	80,674,353	4.30	84,628,021	4.04
machine construction, processing	55,394,481	2.95	56,818,684	2.71
electronic, electrotechnical industry	30,102,350	1.60	24,170,137	1.15
metallurgical industry	28,134,143	1.50	-	-
lease and sublease of real estate	1,667,245	0.08	1,710,053	0.08
grain storage and trade	-	-	-	-
other activities	127,950	0.01	200,629	0.01
TOTAL EQUITY	**1,873,357,755**	**99.75**	**2,089,449,803**	**99.78**
FUND UNITS	**4,652,815**	**0.25**	**4,652,463**	**0.22**
GENERAL TOTAL	**1,878,010,570**	**100.00**	**2,094,102,266**	**100.00**

The total market value of the Group's shareholding portfolio as of 30.06.2022 is **1,878,010,570 lei** (down 10.3190% compared to 31.12.2021), which also includes securities for 4 investment funds worth **4,652,815 lei** (**0.25%** of the market value of the managed portfolio).

As of 30.06.2022, the Group held mainly shares in finance companies, banks, with a share of **47.14%** of the total market value of the portfolio, registering a decrease compared to 31.12.2021, when the same sector registered a share of **55.06%**.

Consolidated structure of the portfolio held by the Group, according to activity sectors, as of 30.06.2022

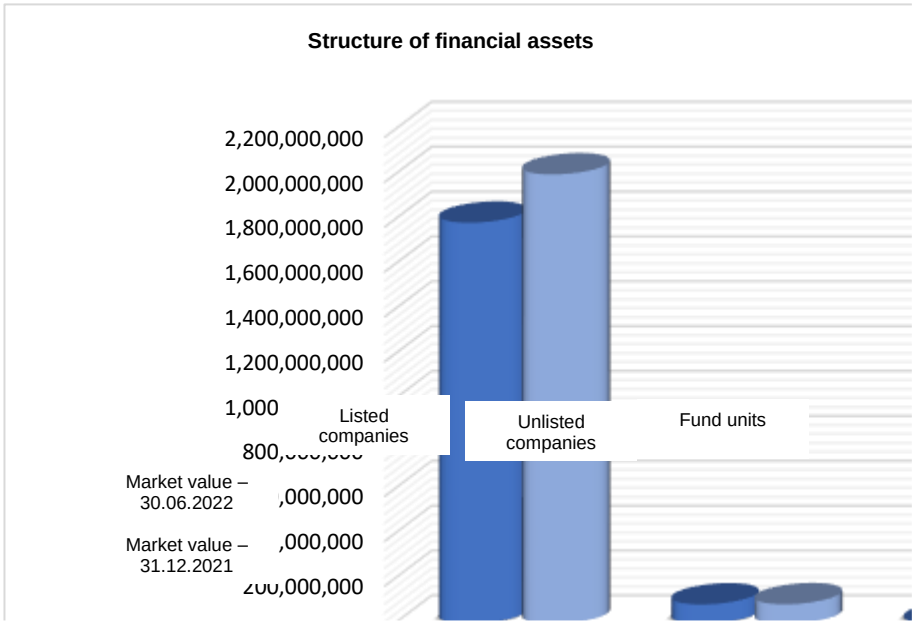




As of 30 June 2022, the Group has the following financial assets structure:

In RON	Comp. no.	Market value 30 June 2022	Comp. no.	Market value 31 December 2021
Equity investments				
Listed companies	23	1,787,255,633	23	2,002,743,609
Unlisted companies	20	86,102,122	21	86,706,194
Fund units	4	4,652,815	4	4,652,463
Total capital investments	**47**	**1,878,010,570**	**48**	**2,094,102,266**

The market value of the portfolio of listed shares (on BVB - regulated market, BVB-AERO - alternative trading system), as of 30 June 2022 represents 95.40% of the total value of the managed portfolio of shares (31 December 2021: 95.85%).



II. CONSOLIDATED FINANCIAL DATA OF THE GROUP AS OF 30.06.2022

2.1. The basis for the presentation of consolidated statements

The Group has adopted a liquidity-based presentation in the consolidated statement of financial position and the presentation of revenue and expenditure has been made in relation to their nature in the consolidated statement of profit or loss and other comprehensive income, considering that these methods of presentation provide information that is credible and more relevant than other methods permitted by IAS 1 "*Presentation of financial statements*" and IFRS 12 "Presentation of interests in other entities".

Consolidated financial statements are drawn up based on the fair value convention for financial assets and debts at their fair value through the profit and loss statement and for financial assets appraised at their fair value through other items of the comprehensive income.

Other financial assets and debts, as well and non-financial assets and debts are presented at the depreciated cost, revaluated value or historical cost.

2.2. The interim consolidated statement of profit or loss and of other elements of the comprehensive income

In RON	**30 June 2022**	**30 June 2021 Re-treated ***	**Re-treatments 30 June 2021**	**30 June 2021 Reported**
Incomes				
Gross incomes from dividends	152,989,032	30,304,399	(1,384,000)	31,688,399
Incomes from interests	972,139	178,210	25,962	152,248
Other operating income	207,176,112	74,453,073	9,631,040	64,822,033
Net profit from exchange rate differences	612,040	769,553	863	768,690
Profit from financial assets at fair value through the profit or loss account	16,887	653,130	-	653,130
Gain from the sale of financial assets measured at fair value through profit or loss	352	1,461	-	1,461
Expenses	-	-	-	-
Fees and management and supervision taxes	(1,820,375)	(1,643,869)	(25,898)	(1,617,971)
Revenues from reversal of provisions for risks and expenses	636,574	5,488,757	188,495	5,300,262
Other operational expenses	(180,325,000)	(82,243,168)	(10,835,673)	(71,407,495)
Profit before taxation	**180,257,761**	**27,961,546**	**(2,399,211)**	**30,360,757**
Profit tax	(10,581,954)	(1,729,268)	(47,902)	(1,681,366)
Net profit of the financial year	**169,675,807**	**26,232,278**	**(2,447,113)**	**28,679,391**
Other elements of the comprehensive income				
Earnings related to the transfer of financial assets assessed at fair value through other elements of the comprehensive income, net of tax recognized in the result carried forward	12,094,682	231,558	-	231,558
Reserve variation from the reassessment of the tangible assets, net of deferred tax	-	-	-	-
Net variation of the fair value of financial assets assessed through other elements of the comprehensive income	(177,880,186)	241,213,527	-	241,213,527

Fair value reserve of the financial assets assessed through other elements of the comprehensive income delivered, transferred into the result carried forward, net of tax	(12,094,682)	(231,558)	-	(231,558)
Total other elements of the comprehensive income	(177,880,186)	241,213,527	**-**	**241,213,527**
Total comprehensive income for the period	**(8,204,379)**	**267,445,805**	**(2,447,113)**	**269,892,918**
Afferent net profit				
Company shareholders	165,238,729	25,507,301	(2,447,113)	27,954,414
Minority interest	4,437,078	724,977		724,977
	169,675,807	**26,232,278**	**(2,447,113)**	**28,679,391**
Afferent comprehensive result				
Company shareholders	(11,575,298)	264,603,524	(2,447,113)	267,050,637
Minority interest	3,370,919	2,842,281		2,842,281
	(8,204,379)	**267,445,805**	**(2,447,113)**	**269,892,918**
Result per share				
Basic	0.3305	0.0510		0.0559
Diluted	0.3305	0.0510		0.0559

* Argus SA Constanța holds majority stakes in:
• Comcereal SA Tulcea - 99.36% (including the subsidiary Cereal Prest SA Tulcea)
• Argus Trans Constanța - 100%
• Aliment Murfatlar SRL Constanța - 55.04%,
Only Argus SA Constanța was included in the consolidated financial statements of the Group on 30 June 2021 without the companies in which Argus SA had majority holdings.
On 30 June 2022, Argus Constanța SA's consolidated financial statements (statements including the above-mentioned companies) were included in the consolidation area of the Group. In this respect, for comparability purposes, the balance in the consolidated financial statements as at 30 June 2021 was adjusted.

- Gross dividend income for the first six months of the year 2022 is up by 405% compared to those recorded in the first six months of 2021, the Group portfolio companies distributed a solid dividend in 2022 compared to the previous year.
- The total expenses of the Group for the first six months of the year 2022 (182,145,375 lei) are above the level recorded in the corresponding period of 2021 (83,887,037 lei) as a result of significant increases in the expenses of raw materials and materials.
- The net profit of the reporting period is 169,675,807 lei, increasing by 492% compared to six months of the year 2021 (27,493,387 lei), due to the income from dividends received.
- The result per share for the first six months of the year 2022 recorded a significant increase compared to six months of the year 2021.

The category "Other operating income" also includes "Other operating income" where the income from unearned dividends has been recorded for more than three years from the date of their maturity, for which the right to action is extinguished by statute of limitations according to the decisions of the OGSM.

In RON	**30 June 2022**	**30 June 2021 re-treated**	**Re-treatments 30 June 2021**	**30 June 2021 Reported**
Income from the production sold	185,543,100	52,800,961	1,624,973	51,175,988
Revenues from lease and rental	14,494,524	12,162,279	1,790,556	10,371,723
Revenue from sales of goods	2,409,379	8,757,598	6,075,414	2,682,184
Other operating revenues	1,539,213	515,115	139,997	375,118
Income from provisions for impairment of current assets	2,975,797	144,881	-	144,881
Revenues from operating subsidies	-	-	-	-

Other financial revenues	171,571	72,035	100	71,935
Financial revenues from adjustments for the loss of value of assets	42,528	204	-	204
Deferred tax liabilities	-	-	-	-
Total	**207,176,112**	**74,453,073**	**9,631,040**	**64,822,033**

Operational expenditure includes expenditure on raw materials and materials, staff expenditure, expenditure on other taxes and duties, expenditure on depreciation and provisions, expenditure on external benefits.

In RON	**30 June 2022**	**30 June 2021 re-treated**	**Re-treatments 30 June 2021**	**30 June 2021 Reported**
Raw materials and materials expenses	132,229,751	40,603,061	1,024,812	39,578,249
Costs, taxes and fees	1,960,744	1,901,756	196,853	1,704,903
Expenses for staff	17,710,174	20,054,789	1,745,129	18,309,660
Capital expenditure, depreciation and provisions	6,202,584	2,952,971	372,469	2,580,502
Expenditure on external supplies	21,774,298	16,007,999	7,496,410	8,511,589
Late supplier penalties expenses	46,993	71,675	-	71,675
Other expenses	400,456	650,917	-	650,917
Total	**180,325,000**	**82,243,168**	**10,835,673**	**71,407,495**

2.3. Segment reporting

A segment is a distinct component, which provides certain products or services (segment of activity) or provides products and services in a certain geographical environment (geographic segment) and which is subject to risks and benefits different from those of the other segments.

Segment reporting is an activity-based segmentation that takes into account the branch of activity including the main activity of the companies within the consolidation perimeter. The company together with the portfolio companies in which it owns over 50%, included in the consolidation perimeter, operates on the following main activity segments: financial investment activity; rental of premises; food industry; tourism.

The indicators in this reporting were established on the basis of the individual financial statements of the company and of the companies in the consolidation perimeter.

Assets, liabilities and equity according to the consolidated statement of financial position

Indicators	Renting of spaces		Food industry		Tourism		Financial activity		TOTAL	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Fixed assets	312,151,621	330,891,037	175,004,985	179,162,770	25,077,299	25,233,936	1,849,913,290	2,102,944,614	2,362,147,195	2,638,232,357
Current assets	33,378,509	21,345,948	106,291,949	162,464,480	3,865,512	3,698,572	126,348,984	21,419,678	269,884,954	208,928,678
Deferred expenses	734,279	44,304	649,638	129,395	111,152	24,827	72,624	72,624	1,567,693	271,150
Liabilities	36,211,318	37,259,111	45,141,019	135,872,274	2,024,159	1,899,946	135,068,346	180,791,021	218,444,842	355,822,352
Deferred revenues	587,497	452,693	198,298	205,207	203,142	87,121	-	12,134	988,937	757,155
Provisions	1,728,719	1,800,676	2,372,982	195,047	139,874	150,703	5,500,000	5,500,000	9,741,575	7,646,426
Minority interest	34,903,194	35,857,797	49,747,451	45,753,230	3,344,670	3,457,470	-	-	87,995,315	85,068,497
Equity	272,833,681	276,911,012	184,486,822	159,730,887	23,342,118	23,362,095	1,835,766,552	1,938,133,761	2,316,429,173	2,398,137,755

Revenues, expenses and result according to the consolidated statement of profit or loss and of other elements of the comprehensive income

Indicators	Renting of spaces		Food industry		Tourism		Financial activity		TOTAL	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Total revenues	15,325,972	11,317,560	192,031,057	54,028,237	3,599,939	2,675,238	151,450,555	35,365,462	362,407,523	103,386,497
Total expenses	7,438,265	7,518,294	164,247,168	52,099,011	3,691,578	2,957,600	6,772,751	10,450,835	182,149,762	73,025,740
Gross result	7,887,707	3,799,266	27,783,889	1,929,226	(91,639)	(282,362)	144,677,804	24,914,627	180,257,761	30,360,757
Net earnings	7,112,822	3,518,893	25,576,382	1,929,100	(130,596)	(306,148)	137,117,199	23,537,546	169,675,807	28,679,391

Within the fixed assets held on 30 June 2022 by the Group, a share of 78.31% is held by the assets from the financial investment activity, namely the financial assets portfolio, respectively 79.71% as of 31 December 2021.

The net profit on 30 June 2022 was made mainly the from the financial investment activity at 80.81% (82.07% on 30 June 2021).

2.4. The interim consolidated statement of the financial position

In RON	**30 June 2022**	**31 December 2021**
Assets		
Cash and cash equivalents	13,142,710	16,426,242
Deposits placed in banks	104,612,318	37,108,220
Financial assets assessed at fair value through other elements of the comprehensive income	1,873,357,755	2,089,449,803
Financial assets assessed at fair value through the profit or loss account	4,652,815	4,652,463
Loans and receivables	44,789,606	34,018,497
Tangible assets	317,453,196	321,864,130
Real estate investments	165,796,605	166,017,540
Other assets	109,794,838	177,889,704
Total assets	**2,633,599,843**	**2,847,426,599**
Liabilities		
Payable dividends	61,871,601	46,798,631
Taxes and fees	6,592,277	22,910,254
Deferred tax payables	104,862,907	147,418,888
Other payables	55,848,570	147,092,574
Total payables	**229,175,355**	**364,220,347**
Equity		
Registered capital	50,000,000	50,000,000
Share capital adjustment	2,609,400,431	2,609,389,550
Other elements of equity	439,954,410	628,863,670
Reserves from revaluation of tangible assets	143,721,721	143,789,418
Legal and statutory reserves	30,000,107	30,007,593
Other reserves	693,263,440	664,336,057
Own shares	(2,500,000)	-
Other losses related to equity instruments	(60,860,968)	-
Carried result representing non-allocated profit or non-covered loss	(5,125,919)	(1,857,828)
The result carried forward as a result of the application of IAS 29 on the share capital and reserves	(3,932,756,014)	(3,932,756,014)
The result carried forward as a result of the application of IAS without IAS 29	2,186,093,236	2,163,470,713
Current profit	165,238,729	42,894,596
Total equity attributable to the main company	**2,316,429,173**	**2,398,137,755**
Minority interest of which:	**87,995,315**	**85,068,497**
Profit or loss of the financial year for non-controlling interests	4,437,078	807,051
Other equity	83,558,237	84,261,446
Total capital	**2,404,424,488**	**2,483,206,252**
Total payables and equity	**2,633,599,843**	**2,847,426,599**

Total assets have a value of **2,633,599,843 lei** as of 30.06.2022, down **7.51%** compared to 31.12.2021 (2,847,426,599 lei).

Cash and cash equivalent in the amount of **13,142,710 lei** as of 30.06.2022 decreased by **19.99%** compared to 31.12.2021 (16,426,242 lei), while the amounts in bank deposits (104,612,318 lei) registered an increase of **181.91%** compared to 31.12.2021 (37,108,220 lei).

Total debts of **229,175,355 lei** as of 30.06.2022, decreased by **37.08%** compared to 31.12.2021 (364,220,347 lei). "Other debts" also include "bank loans and other assimilated debts (leasing)" which have decreased by **62.03%**, from 147,092,574 lei on 31 December 2021 to 55,848,570 lei on 30 June 2022.

As of 30.06.2022, the companies with a share in the total of the securities in which the Group held shares are as follows:

No.	Company	Percentage of total securities - % -	Market value as of 30 June 2022 - lei -
1	BANCA TRANSILVANIA S.A. Cluj	26.48	497,221,234
2	B.R.D. - GROUPE SOCIETE GENERALE S.A.	18.54	348,270,039
3	OMV PETROM S.A. Bucharest	13.85	260,053,547
4	S.I.F. BANAT CRIȘANA S.A.	5.93	111,417,682
5	S.I.F. MUNTENIA S.A.	5.59	104,887,229
6	ANTIBIOTICE S.A. Iași	5.08	95,456,947
7	S.N.G.N. ROMGAZ S.A. Mediaș	4.96	93,153,614
8	S.N.T.G.N. TRANSGAZ S.A. Mediaș	2.98	55,984,530
9	C.N.T.E.E. TRANSELECTRICA S.A. Bucharest	2.58	48,445,506
10	TURISM FELIX S.A. Băile Felix	2.37	44,563,253
Total		**88.36**	**1,659,453,581**

III. THE MAIN RISKS OF THE GROUP

According to the specificities of its activity, the group is or can be subject to financial risks resulting from the activity undertaken for the achievement of the established goals.

The risk management policy sets out the main coordinates of the activity of controlling and managing issues that may or even have an impact on the activity.

The risk management activity, which is an important component of the Group's activity, covers both general risks and specific risks, as required by national and international legal regulations.

The group attaches utmost importance to efficient risk management in order to achieve the strategy's objectives and to ensure shareholder benefits.

Managing significant risks involves providing the framework for the identification, assessment, monitoring and control of those risks with a view to maintaining them at an acceptable level in relation to the company's risk appetite and its ability to mitigate or hedge those risks.

Risk monitoring is done at each hierarchical level, with procedures for supervising and approving decision-making limits.

Internal reporting of risk exposure is made on a continuous basis, on each line of business, as the management is constantly informed about the risks that may arise in the course of the business.

The risk profile represents all the risks to which the Group is exposed, depending on the strategic objectives and the risk appetite undertaken by the management structure. Through its risk profile, the Group has established, for each risk category, the level by which the Group is willing to take or accept risks, provided that significant risks are kept under control.

The risk profile has been established both globally and individually for each risk category, taking into account the nature, size and complexity of the Group's activities.

The overall risk profile assumed by the Group is medium, corresponding to an appetite for medium risk.

The investment activity results in the exposure of the Group to a range of risks associated with the financial instruments held. The Group may face both the specific risks resulting from its current operation, as well as indirect risks resulting from the performance of operations and services in cooperation with other financial entities.

The main risks identified in the activity of the Group are:
- market risk (price risk, currency risk, interest rate risk);
- credit risk;
- liquidity risk;
- operational risk.

3.1. Market risk

Market risk is the risk of loss arising from the fluctuation in the market value of positions in the portfolio, which can be attributed to changes in market variables such as interest rates, foreign exchange rates, stock and commodity prices or the solvency of an issuer. From the viewpoint of the Group, the relevant market risks are: price risk (position risk), foreign exchange risk, interest rate risk.

3.1.1. Price risk

Price risk is caused by market price volatility, such as fluctuations in the market in financial instruments, as a result of changes in market prices, either caused by factors affecting all instruments traded on the market or by factors specific to individual instruments or their issuer.

The Group monitors both the systemic component (the general risk determined by factors at the macro level) and the specific risk determined by the issuer's own activity, so that when the price risks are not in accordance with the internal policies and procedures, they will act accordingly by rebalancing the portfolio of assets.

The market value of the listed stock listed on 30 June 2022 represents **95.40%** of the total value of the managed stock portfolio, respectively **95.85%** as of 31 December 2021.

Within the managed portfolio there are 7 issuers out of the 20 who constitute the BET index of the Bucharest Stock Exchange.

The market value of the share packages held with the 7 issuers as of 30 June 2022 represents **73.70%** of the market value of the shares held in the listed companies, respectively **79.18%** as of 31 December 2021.

The Group owns shares in companies operating in various sectors of activity. The Group monitors the concentration of risk on business sectors by diversifying the portfolio to avoid excessive exposure to an issuer, business sector, geographical region. As of 30.06.2022, the Group had **23** listed companies with a market value of **1,787,255,633 lei** compared to 31.12.2021 when the market value of the **23** listed companies was **2,002,743,609 lei**.

At the end of the first half of 2022, the Group held shares in issuers operating in the finance sector, banks with a share of **47.14%** of the total portfolio, down from 31.12.2021, when the same sector registered a share of **55.06%**.

3.1.2. Foreign exchange risk

Foreign exchange risk is the risk that the value of a financial instrument will be affected as a result of fluctuations in foreign exchange rates. This risk takes into account all positions held by the Group in foreign currency deposits, financial instruments denominated in foreign currency, irrespective of the holding period or the level of liquidity recorded by those positions.

During the reporting period ending on 30.06.2022, the Group did not use derivative financial instruments to protect itself against interest rate fluctuations.

As of 30 June 2022, the availability in foreign currency was **957,205 lei**, representing **0.81%** of the total available cash, down by **61.53%** compared to 31.12.2021 (31.12.2021: **2,487,940 lei**).

Given that most of the Group's assets are expressed in national currency, exchange rate fluctuations do not directly affect the Group's activity. These fluctuations have an influence on the assessment of investments such as foreign currency deposits and current account availability. In the case of Argus S.A., as well as in the case of real estate rental activities carried out by other companies located in the consolidation perimeter, exchange rate fluctuations may influence their results.

Investments in bank deposits in foreign currency are constantly monitored and investment and divestment measures are taken, depending on the forecast evolution of the currency exchange rate.

3.1.3. The interest rate risk

The interest rate risk is the current or future risk of loss of profits and capital due to adverse changes in interest rates. The factors that define this type of market risk are a wide range of interest rates corresponding to a variation of markets, currencies and maturities for which the Group holds positions.

The interest rate directly influences the income and expenditure attached to the financial assets and liabilities bearing variable interest rates.

Most of the assets in the portfolio do not bear interest. As a result, the Group is not significantly affected by the interest rate risk. Interest rates applied to cash and cash equivalents are short-term. At the Group level, the share of borrowed resources in the total financing resources of companies is not significant, except for Argus S.A. Constanta and Lactate Natura S.A. Târgoviște.

In order to benefit from the interest rate volatility, for greater flexibility in the policy of allocating the money availabilities, it will be intended that the placing of the money availabilities in monetary instruments will be made especially in the short term, of 1-3 months.

3.2. Credit risk

Credit risk is the Group's risk of having losses or not achieving the estimated profits pursuant to the debtor's failure to meet its contractual or financial obligations.

Credit risk expresses the possibility that debtors or issuers may not meet their obligations at maturity due to a deterioration in the financial situation of the borrower and the insolvency or the general economic situation. Credit risk appears in relation to any type of debt or depending on the general economic status. Credit risk appears in relation to any type of debt.

The indicators used to measure the insolvency risk of issuers are the following: the exposure rate to high-risk issuers (over the next 2 years), the exposure rate to unlisted issuers, the exposure rate by business sectors.

Credit risk may affect the activity of the Group indirectly, in the case of portfolio companies that face financial difficulties in paying their dividend-related payment obligations. Given the diversity of placements and the fact that most of them are carried out in stable entities with increased liquidity in the market, this risk is greatly diminished and adequately managed by the Group.

The Group may be exposed to credit risk through investments in bonds, current accounts, bank deposits, and other claims.

Credit risk monitoring involves diversification of placements, exposure by economic sectors, diversification of maturities in the case of deposit placements, so as to minimize the relevant risks.

The sector with high exposure is the "finance and banking" sector, with an exposure of more than 20% in total assets (holds 47.14% of the total share portfolio as of 30 June 2022).

As for the cash, it is held in several banks, so as to avoid the concentration risk. The bank deposits are set up with banking institutions in Romania.

The assessment of the main elements of credit risk results in the conclusion that they fall within the risk limits approved for an average risk appetite.

3.3. Liquidity risk

The liquidity risk is the current or future risk of impairment of profits and capital, as determined by the Group's inability of meeting its obligations, when due.

The Group aims to maintain a level of liquidity appropriate to its underlying obligations in order to be able to pay its obligations at the date when they become due and monitors assets and liabilities according to contractual maturities.

The Group must hold liquid assets, whose total value covers the difference between liquidity and liquidity inflows under stressed conditions so as to ensure that institutions maintain levels of liquidity buffers which are adequate to face any possible imbalance between liquidity inflows and outflows under stressed conditions.

The share of assets with a high degree of liquidity (cash and cash equivalents, bank deposits) in total assets on 30 June 2022 is 4.47%, up from 31 December 2021 (1.88%). For the relevant maturity bands, the liquidity requirement shall cover the maturity of the liabilities items on those maturity bands. The risk of not having the necessary liquidity to meet short-term payment obligations is reduced by monitoring cash flow, establishing expected cash inflows and outflows within certain time periods. Liquidity risk remains influenced by the liquidity of the capital market, the volume of the Group's main listed holdings and their average liquidity, with the risk that it will not be possible to obtain a price higher than or at least equal to that with which these holdings are valued in the calculation of the net asset, according to F.S.A. regulations. where liquidity is sought within a reasonable period of time.

The Group constantly monitors the liquidity profile of the portfolio, analysing the impact of each asset on the liquidity, adopting a prudent policy regarding the cash outflows, permanently evaluating the quantitative and qualitative risks of the positions held and of the expected investments to be made.

We estimate that this risk is within the approved risk limits for a medium risk appetite.

3.4. Operational risk

Operational risk refers to losses resulting from acts undertaken (or negligence) in the pursuit of business activities. Operational risk is also associated with the legal risk which represents the risk of loss caused by failure to apply or enforce legal or contractual provisions.

For the management of operational risk, each type of events that may generate significant risks and the ways in which they occur shall be taken into account in order to eliminate or mitigate financial or reputational losses.

The legal risk category refers to:

- *IT risk* - a subcategory of operational risk that refers to the risk caused by inadequate strategies and IT policies, of information technology and information processing, regarding its management capacity, integrity, controllability and continuity or the improper use of information technology.

- *Strategic risk* - the current or future risk that profits and capitals are affected, generated by changes in the business environment or by unfavourable business decisions, by the improper implementation of decisions or by the failure to react to changes in the business environment. The company's management adopts a prudent policy with the aim of minimizing exposure to this risk. The main milestones in the pursuit of strategic risk are the tracking of efficiency indicators according to the assumed strategic objectives. In order to avoid strategic risk, the evolution of the market is monitored in relation to the provisions of the revenue and expenditure budget. At the company level we estimate that the strategic risk is low, the business policy adopted by the company management being a prudential one.

- *Reputation risk* - the current or future risk that the profits and capitals are affected, resulting from the unfavourable perception of the image of the companies in the Group by shareholders, investors or the supervisory authority/institution. The companies' objective is to satisfy the interests of shareholders and investors and to perform a fair activity, according to the regulations of the capital market.

- *The risk related to outsourced activities* - the financial, reputational and operational impact that the improper performance of the outsourced activity by the service provider may have on the companies in the Group, including the risk that the pursue the performance of financial activities and/or the performance of financial activities and/or comply with the provisions of the relevant legislation, as a consequence of the failure or difficulties encountered by the legal person employed by the company to perform certain activities, based on a contract. It shall be managed by the compartments managing the entered contracts.

- *Model risk* – the potential loss that any company in the Group may incur, as a consequence of decisions that could be mainly based on the output of internal models, due to errors in the development, implementation or use of such models. It shall be managed at the level of each compartment.

- *The risk of conflicts of interest* - any situation when the company's interests diverge from the personal interests of employees, directors, managers or their close relatives.

- *Sustainability risks* – an environmental, social or governance event or condition which, if it occurs, could have a potential or actual adverse material impact on the value of the investment. Sustainability risks are integrated into the classification and management of existing risks, as they also affect the existing types of risk to which the company is exposed in its activities.

With a view to assessing the level of operational risk to which it is exposed, the Group acts to identify and frame operational risk events within specific categories, that will allow to establish the most efficient methods of controlling and reducing potential effects. The functional departments within the Group are responsible for the preliminary analysis of the operational risks arising in their area of activity.

The Group has a policy of maintaining an optimum level of equity in order to develop the company and achieve the proposed objectives. The main objective of the Group is the continuity of business in order to provide profitability for its shareholders.

Considering the complexity of the Group's activity, the amount of its activities, the staff structure, the level of informatization, the complexity of the monitoring and control procedures and other intrinsic aspects related to the company's risk policy, we estimate that the operational risk at the Group's level is average.

3.5. Capital adequacy

The management policy regarding capital adequacy focuses on maintaining a solid capital base in order to support the continued development of the Group and to achieve the investment objectives.

Equity consists of the share capital, created reserves, current result and retained earnings. As of 30 June 2022, the Company's equity is 2,404,424,488 RON (31 December 2021: 2,483,206,252 lei). The Group is not subject to legal capital adequacy requirements.

IV. CHANGES IN THE MANAGEMENT OF S.I.F. OLTENIA S.A.

In accordance with the Articles of Association, S.I.F. Oltenia S.A. is administered in a unitary system. The Board of Directors of S.I.F. Oltenia S.A. consists of 5 members elected by the General Meeting for a period of 4 years, with the possibility of re-election. The majority of the Board members are non-executive. Of these, three directors are independent and constitute the Audit Committee.

The management is structured as follows:

30 June 2022

Members of the Board of Directors: Sorin – Iulian Cioacă - President, Mihai Trifu - Vicepresident, Codrin Matei, Mihai Zoescu and Andreea Cosmanescu.

Upper management: Sorin – Iulian Cioacă – General Director, Mihai Trifu - Deputy General Director.

31 December 2021

Members of the Board of Directors: Sorin – Iulian Cioacă - President, Mihai Trifu - Vicepresident, Codrin Matei, Mihai Zoescu and Andreea Cosmanescu.

Upper management: Sorin – Iulian Cioacă – General Director, Mihai Trifu - Deputy General Director.

The Group has no contracted obligations regarding the payment of pensions to the former members of the Board of Directors and therefore has no commitments of this nature.

The Group has not granted loans or advances *(except for advances for travel in the interest of the service, justified in legal terms)* to the members of the Board of Directors and the management and has not recorded commitments of this nature.

The Company did not receive or grant any guarantees in favour of any related party.

V. DISPUTES

The Group has a number of court actions arising from the normal course of business. The Group's management considers that these litigations will not have a significant impact on their operations and financial position.

As of 30 June 2022, a number of 146 cases were registered in court, of which:

- 66 cases as the applicant;
- 34 cases as the defendant;
- 2 cases as the intervener;
- 38 cases in insolvency proceedings;

- 2 cases as an injured party;
- 1 case as an impleaded party;
- 3 cases as a seized third party,

According to their scope, the cases are structured as follows:

- 60 commercial cases;
- 3 cases - cancellation of GSM decisions;
- 38 cases in the insolvency procedure: in 32 cases it acts as a chirographic creditor; in 6 cases, it acts as a creditor
- 45 other cases.

The total of 146 cases is structured as follows:

- 121 cases are found in the companies included in the consolidation perimeter, as follows:
- 53 cases as defendant for the amount of 5,694,092 RON;
- 29 cases as defendant for the amount of 3,615,108 RON;
- 35 cases within the insolvency procedure for 12,271,299 RON;
- 3 cases as a seized third party;
- 1 case as the intervener.
- 25 cases belong to Company and consist mainly of:
- 13 cases as the applicant;
- 5 cases as the defendant;
- 3 cases in insolvency proceedings;
- 1 case as an impleaded party;
- 1 case as the intervener;
- 2 cases as an injured party.

According to their scope, the 25 cases belonging to the company are structured as follows:

- 3 cases - cancellation of GSM resolutions, where the Company is the plaintiff;
- 3 cases - companies in insolvency proceedings, as follows:
- in a case the Company has the status of chirographic creditor;
- in 2 cases the Company has the status of contribution creditor;
- 19 other cases.

VI. EVENTS OCCURRING AFTER THE DATE OF THE BALANCE SHEET

SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.

- By the current report no. 7535/26.07.2022, the company informed investors and shareholders on the pursuit of the steps to finalize the legal procedures regarding the withdrawal from the shareholders of the Export-Import Bank of Romania Eximbank S.A., in accordance with the provisions of Companies Law no. 31/1990, as republished. In this context, on 26.07.2022, the company requested the Export-Import Bank of Romania Eximbank S.A. to pay the amount of RON 42,416,585.841, representing the value of 4,364,430 shares held by the company at the price set by the evaluation report.
- By Decision of the Financial Supervisory Authority no.1040/03.08.2022, the acquisition project and acquisition by the company of the quality of significant shareholder of S.I.F. Banat-Crișana S.A. Arad was approved. The approved acquisition project aims at the purchase by the company, within a maximum period of 60 working days, of a maximum of 6,500,000 shares of S.I.F. Banat-Crișana S.A., which will lead to the Company acquiring the status of significant shareholder of S.I.F. Banat-Crișana S.A. Arad.

- By current report no. 8337/16.08.2022, S.I.F. Oltenia S.A. informed investors and shareholders on the completion of the legal procedures regarding the withdrawal from the shareholders of the Export-Import Bank of Romania Eximbank S.A., in accordance with the provisions of Companies Law no. 31/1990, as republished. Thus, on 16.08.2022, S.I.F. Oltenia S.A. collected the amount of RON 42,416,586, representing the value of 4,364,430 shares owned by S.I.F. OLTENIA S.A. at the price set in the evaluation report.

ALIMENTARA S.A. Slatina

- The EGSM of 31.08.2022 approved:
  - ✓ the reduction of the share capital by 31 shares held by the company;
  - ✓ the amendment of the articles of association as a result of the change in the share capital.
  - ✓ The execution by the Board of Directors of capital market transactions and transactions in securities that are not admitted to trading or are not traded on a trading venue, of a maximum value of RON 14,000,000, for a period of 12 months from the date of adoption of the decision of the Extraordinary General Shareholder Meeting.
- The current report of 12.08.2022 presents the report for the first semester of 2022 with the economic and financial results.

ARGUS S.A. Constanța

- The OGSM of 08.08.2022 approved:
  - ✓ the consolidated financial statements as of 31.12.2021 for the ARGUS Group.
- The EGSM of 08.08.2022 approved:
  - ✓ The extension of the credit line of 7,500,000 lei for a period of 12 months.
  - ✓ The contracting by Argus S.A. Constanta of bank loans in the maximum amount of 220,000,000 lei.
  - ✓ Access to factoring facilities with a maximum value of 28,850,000 lei.
  - ✓ Ratification of the decision of the BoD of Argus S.A. no.12/29.06.2022 regarding the contracting by Argus S.A. Of loans from BRD Groupe Societe Generale within the "RURAL INVEST" program.
  - ✓ Completion of the secondary activity object of Argus S.A. with the NACE code 3511 Electricity production.
  - ✓ Updating the articles of association.
- The current report of 09.08.2002 presents the consolidated annual report for 2021.
- The current report of 12.08.2022 presents the report for the first semester of 2022 with the economic and financial results.

COMPLEX HOTELIER DÂMBOVIȚA S.A. Târgoviște

Not applicable.

CONSTRUCTII FEROVIARE CRAIOVA S.A.

- The current report of 16.08.2022 presents the report for the first semester of 2022 with the economic and financial results.
- The EGSM of 14.09.2022 approved:
  - ✓ The execution by the Board of Directors of capital market transactions and transactions in securities that are not admitted to trading or are not traded on a trading venue, of a maximum value of RON 2,500,000, for a period of 12 months from the date of adoption of the decision of the Extraordinary General Shareholder Meeting.

FLAROS S.A. Bucharest

- The report published on the BVB on 31.08.2022 presents the report for the first semester of 2022 with the economic and financial results.
- The EGSM of 05.09.2022 approved:

✓ The execution by the Board of Directors of capital market transactions and transactions in securities that are not admitted to trading or are not traded on a trading venue, of a maximum value of RON 20,000,000, for a period of 12 months from the date of adoption of the decision of the Extraordinary General Shareholder Meeting.

✓ Modification of the articles of association by removing the ownership structure.

GEMINA S.A. Rm. Vâlcea

Not applicable.

LACTATE NATURA S.A. Târgoviște

- By the report published on BVB dated 07.07.2022, the company informs investors about the approval of the prospectus for the increase of the share capital by the FSA;
- By the report published on BVB dated 12.07.2022, the company informs investors that the threshold of 75% of the share capital of which SIF OLTENIA SA is a shareholder is exceeded;
- By the reports published on BVB dated 24.08.2022, the company informs investors on the results of the subscription of shares in phase II and about the results of the increase in the share capital;
- By the report published on BVB dated 25.08.2022, the company informs investors on the amendment of the 2022 financial timeline;
- By the report published on BVB dated 26.08.2022, the company informs investors on the ONRC registration of the increase in the share capital;
- By the report published on BVB dated 05.09.2022, the company informs investors on the payment of the loan to CEC BANK;
- By the report published on BVB dated 06.09.2022, the company informs investors about the issue of the financial instrument registration certificate by the FSA;
- By the report published on BVB dated 08.09.2022, the company informs investors on the operation of the increase of the share capital by the Central Depository;
- By the report published on BVB dated 08.09.2022, the company informs the investors on the full reimbursement of the loans contracted with the companies Voltalim S.A., Complex Hotelier Dâmbovița S.A. and Turism Pucioasa S.A;
- The report published on the BVB on 09.09.2022 presents the report for the first semester of 2022 with the economic and financial results.

MERCUR S.A. Craiova

- The report published on BVB dated 12.08.2022 informs the early redemption of the bonds issued by the company;
- The report published on BVB on 16.08.2022 presents the report for the first semester of 2022 with the economic and financial results;
- The report published on BVB dated 15.09.2022 informs investors on the interest rate for the issued bonds, related to the payment of the coupon for the period 15.09.2022-15.03.2023, as being 8.08%.

PROVITAS S.A. Bucharest

Not applicable.

TURISM S.A. Pucioasa

As of 01.07.2022:

- ✓ The mandate contract with Mrs. Sfetcu Florina Viorica, from the position of general manager, has ceased.
- ✓ Mrs. Sbant Anica was appointed as General Director, for a period of 2 years.
- ✓ Mrs. Sfetcu Florina Viorica was appointed Financial Director, for a period of 2 years.

UNIVERS S.A. Rm. Vâlcea

- The report published on the BVB on 16.08.2022 presents the report for the first semester of 2022 with the economic and financial results.
- A change to the BoD report for the first half of 2022 is presented in the report published on the BVB on 17.08.2022.
- The EGSM of 01.09.2022 approved:
  - ✓ The execution by the Board of Directors of capital market transactions and transactions in securities that are not admitted to trading or are not traded on a trading venue, of a maximum value of RON 21,500,000, for a period of 12 months from the date of adoption of the decision of the Extraordinary General Shareholder Meeting.
  - ✓ Modification of the articles of association by removing the ownership structure.

VOLTALIM S.A. Craiova

- The EGSM of 02.09.2022 approved:
  - ✓ The execution by the Board of Directors of capital market transactions and transactions in securities that are not admitted to trading or are not traded on a trading venue, of a maximum value of RON 39,700,000, for a period of 12 months from the date of adoption of the decision of the Extraordinary General Shareholder Meeting.

The impact of the COVID-19 pandemic and the Russian Federation's war with Ukraine on the company's activity

The economic repercussions of Russia's invasion of Ukraine and new containment measures in China are the two main adverse influences on short-term global growth. These influences put pressure on global supply chains after a short period of relaxation in the first half of the year. International financial conditions have tightened, reflecting the strengthening of monetary policy, the decrease in quotations for high-risk assets and the increase in yields. Following the strong relaxation during the coronavirus crisis in 2020, the fiscal stance in the euro area became more restrictive in 2021 and is expected to continue to tighten gradually in 2022 and 2023. The slight tightening expected for 2022 reflects in particular the reversal of a significant part of emergency support in the context of the pandemic, which will only be partially offset by additional incentive measures in response to the energy price shock and other expenditure related to the Russian-Ukrainian war. Against this background, the Eurosystem experts' macroeconomic projections in June 2022 predict that the share of the euro area's

consolidated general budget deficit in GDP will continue to shrink – from 5.1% in 2021 to 3.8% in 2022 and then to 2.4% at the end of the forecast horizon.

Impact on the portfolio

According to the monthly report of the F.S.A., the stock market capitalization of companies listed on the Bucharest Stock Exchange registered a decrease of 16% at the end of June 2022 compared to the end of 2021. In June 2022, the first 3 companies traded on BVB were Fondul Proprietatea (FP) with a share of 51.80% of the total value traded in that period, Banca Transilvania SA (TLV: 10.71%) and OMV Petrom S.A. (SNP: 8.60%).

The effects caused by the war in Ukraine, along with the increase in inflation and the tightening of monetary policy, generated sales on the Romanian capital market. Thus, on 30 June 2022, the bet-TR index depreciated by 5.87% and the bet-TR index appreciated by only 0.8% compared to 31 December 2021, while the AeRO market representative index (BET-AeRO) depreciated by 12,83% compared to 31 December 2021.

The downward trend on the capital market in the first 6 months of 2022 determined the depreciation of financial assets measured at fair value through other comprehensive income of the company by 4.92% compared to the same period last year and by 8.04% compared to 31 December 2021.

Global economic instability, rising inflation and tightening monetary policy will continue to generate high volatility in financial markets, without excluding sharp decreases in stock quotes, amid the profit/exit of portfolio investors.

In line with the strategic objectives, the company will continue to carefully follow the evolution of the companies in the portfolio, so that the vulnerabilities induced by the conflict in Ukraine, as well as another wave of COVID-19 virus, will have minimal impact on the value of the company's assets.

Information to shareholders and investors will continue to be a priority, with communication through current reports, emails and websites of the group companies.

The impact on the operations and business continuity

The Group faces both the specific risks arising from its current operation and the indirect risks arising from the activities of the portfolio companies and the domestic and international macroeconomic environment.

Given that the Group assumed a medium risk appetite, it has been continuously sought to address all specific risks at the medium level.

The main risks of the Group (market risk, credit risk, liquidity risk, operational risk) are monitored, assessed and managed. Risks shall be prioritized and measures to mitigate exposure shall be established in accordance with the risk tolerance limits as established by existing procedures and approved by the Board of Directors.

At the Group level, developments in the financial market are continuously monitored to identify possible events that could impact the Group's activity.

At present, the risks associated with the pandemic have been reduced, but the war in Ukraine continues to pose a significant risk affecting economic growth, with the main risk being further disruption of the supply of energy products to the euro area. The balance of risks associated with inflation is mainly tilted toward their growth.

However, a possible moderation in demand in the medium term would reduce price pressures.

Given the current economic context - the effects of the COVID-19 pandemic are still felt, in conjunction with the effects of the Ukraine crisis - the Group believes that many of the economic sectors represented in the portfolio will feel the financial impact and impact on their operations. The Group will monitor macroeconomic and sectoral developments carefully with a

view to implementing a prudent approach to taking advantage of investment opportunities within the risk limits assumed.

The Group maintains as its main objective the generation of added value for shareholders and investors. The senior management will take into account the relevant risk factors (the persistence of the health crisis, the internal political climate, the regional geo-political context) so that the trading activity leads to the long-term increase in the value of the assets through profitable investments/disinvestments. Communication with shareholders and investors is normal and they are kept informed about the relevant events taking place at the company level through current reports, e-mail and website updates.

None of the companies included in the consolidation perimeter are subject to O.M.F.P. no. 881/25 June 2012, i.e. it is not obliged to prepare and report financial statements statements prepared according to IFRS. They conduct accounting according to the regulations of O.M.F.P. 1802/2014 for the approval of the accounting regulations for individual annual financial statements and consolidated annual financial statements. In order to consolidate, they shall draw up the second set of financial statements under I.F.R.S. conditions. The financial statements prepared under I.F.R.S. Conditions result from the retreatment of the financial statements prepared under O.M.F.P. 1802/2014.

The consolidated financial statements have been prepared in accordance with Norm no. 39/2015 for the approval of the Accounting Regulations conforming to the International Financial Reporting Standards, applicable to the entities authorized, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector, as well as the Investors Compensation Fund.

These financial statements are intended solely for use by the Group, its shareholders and ASF and do not give rise to changes in shareholders' rights regarding dividends.

Sorin - Iulian Cioacă — **Mihai Trifu**

President – General Manager — **Vice-president – Deputy General Manager**

DECLARATION

in compliance with the provisions of the Law no. 24/2017 (R) regarding the financial instruments issuers and market operations

Hereby we confirm that, to our knowledge, the Interim Consolidated Financial Statements as of 30.06.2022, prepared according to the Rule no. 39/2015 for approval of the Accounting Regulations complying with the International Financial Reporting Standards applicable to the entities authorised, regulated and supervised by the Financial Supervisory Authority from the Instruments and Financial Investment Sector, as well as the Investor Compensation Fund provide a correct picture complying with the reality of the assets, liabilities, financial position, profit and loss account of the Company and its subsidiaries, and that the report of the Board of Directors presents correctly and completely the information on Company and its subsidiaries.

Sorin - Iulian CIOACĂ	Mihai TRIFU	Valentina VLĂDUȚOAIA
President /General Manager	Vice-president/Deputy General Manager	Economic Manager

INTERIM CONSOLIDATED FINANCIAL STATEMENTS as at 30 June 2022

prepared in accordance with Rule no.39/2015 for the approval of the Accounting Regulations compliant with the International Financial Reporting Standards, applicable to the entities authorized, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector, as well as the Investor Compensation Fund

UNAUDITED

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Interim consolidated statement of profit or loss and other comprehensive income

in RON

	Grade	30 June 2022	30 June 2021 Restated *	Restatements 30 June 2021	30 June 2021
Revenue					
Gross dividend income	7	152,989,032	30,304,399	(1,384,000)	31,688,399
Income from interests	8	972,139	178,210	25,962	152,248
Other operating income	9	207,176,112	74,453,073	9,631,040	64,822,033
Net gain from foreign exchange rate differences	10	612,040	769,553	863	768,690
Gain on financial assets at fair value through profit or loss	11	16,887	653,130	-	653,130
Gains from the sale of financial assets measured at fair value through profit or loss		352	1,461	-	1,461
Expenses					
Fees and charges for administration and supervision	12	(1,820,375)	(1,643,869)	(25,898)	(1,617,971)
income from reversal of provisions for risks and expenses		636,574	5,488,757	188,495	5,300,262
Other operating expenses	13	(180,325,000)	(82,243,168)	(10,835,673)	(71,407,495)
Profit before tax		**180,257,761**	**27,961,546**	**(2,399,211)**	**30,360,757**
Corporate tax	14	(10,581,954)	(1,729,268)	(47,902)	(1,681,366)
Net profit of the financial period		**169,675,807**	**26,232,278**	**(2,447,113)**	**28,679,391**
other comprehensive result items					
Gain on disposal of financial assets measured at fair value through other comprehensive income net of tax recognised in retained earnings		12,094,682	231,558	-	231,558
Variation of reserve from tangible assets revaluation, net of deferred tax					
Net change in the fair value of financial assets measured by other comprehensive income		(177,880,186)	241,213,527	-	241,213,527
Fair value reserve of financial assets measured through other comprehensive income disposed of, transferred to net deferred tax result		(12,094,682)	(231,558)	-	(231,558)
Total other comprehensive result items		(177,880,186)	241,213,527	-	**241,213,527**
Total comprehensive result for the period		**(8,204,379)**	**267,445,805**	**(2,447,113)**	**269,892,918**
Net related profit					
Shareholders of the Company		165,238,729	25,507,301	(2,447,113)	27,954,414
Minority interest		4,437,078	724,977	-	724,977
		169,675,807	**26,232,278**	**(2,447,113)**	**28,679,391**
Comprehensive result related to					
Shareholders of the Company		(11,575,298)	264,603,524	(2,447,113)	267,050,637
Minority interest		3,370,919	2,842,281	-	2,842,281
	28	**(8,204,379)**	**267,445,805**	**(2,447,113)**	**269,892,918**
Earnings per share					
Basic		0.3305	0.0510		0.0559
Diluted		0.3305	0.0510		0.0559

Balances restated for comparability and presentation according to Note 3 to the financial statements.

The Interim Consolidated Financial Statements have been approved by the Board of Directors at the meeting dated 25 September 2022 and have been signed on its behalf by:

Sorin – Iulian Cioacă	Mihai Trifu	Valentina Vlăduțoaia
President – General Manager	Vice President – Deputy General Manager	Economic Manager

Interim consolidated situation of the financial position

in RON	Grade	30 June 2022	31 December 2021
Assets			
Cash and cash equivalents	15	13,142,710	16,426,242
Deposits with banks	16	104,612,318	37,108,220
Financial assets measured at fair value through other comprehensive income	17	1,873,357,755	2,089,449,803
Financial assets measured at fair value through profit or loss	17	4,652,815	4,652,463
Loans and receivables	18	44,789,606	34,018,497
Tangible assets	19	317,453,196	321,864,130
Investments in real estate	20	165,796,605	166,017,540
Other assets	21	109,794,838	177,889,704
Total assets		**2,633,599,843**	**2,847,426,599**
Debts			
Dividends payable	22	61,871,601	46,798,631
Taxes	23	6,592,277	22,910,254
Deferred tax liabilities	24	104,862,907	147,418,888
Other debts	25	55,848,570	147,092,574
Total debts		**229,175,355**	**364,220,347**
Shareholders' equity			
Share capital:	26	50,000,000	50,000,000
Share capital adjustments		2,609,400,431	2,609,389,550
Other shareholders' equity items		439,954,410	628,863,670
Reserves from realized tangible assets revaluation		143,721,721	143,789,418
Legal and statutory reserves		30,000,107	30,007,593
Other reserves		693.263.440	664,336,057
Own shares		(2,500,000)	-
losses related to equity instruments		(60,860,968)	-
Retained result representing undistributed profit or loss carried forward		(5,125,919)	(1,857,828)
Retained result following the application of IAS 29 on share capital and reserves		(3,932,756,014)	(3,932,756,014)
Retained earnings resulted from the application of IAS without IAS 29		2,186,093,236	2,163,470,713
Current profit		165,238,729	42,894,596
Total equity attributable to the parent		**2,316,429,173**	**2,398,137,755**
Minority interest	27	**87,995,315**	**85,068,497**
Of which:			
Profit or loss for the year related to non-controlling interests		4,437,078	807,051
Other shareholders' equity		83,558,237	84,261,446
Total shareholders' equity		**2,404,424,488**	**2,483,206,252**
Total liabilities and shareholders' equity		**2,633,599,843**	**2,847,426,599**

The consolidated financial statements have been approved by the Board of Directors at the meeting dated 25 September 2022 and have been signed on its behalf by:

Sorin – Iulian Cioacă	Mihai Trifu	Valentina Vlăduțoaia
President – General Manager	Vice President – Deputy General Manager	Economic Manager

Interim consolidated statement of changes in equity

in RON	Inflated share capital	Own shares	Losses related to equity instruments	Reserves from tangible assets revaluation	Legal and statutory reserves	Other reserves	Differences from changes in fair value of financial assets measured by other comprehensive income	Other shareholder s' equity items	Retained result following the application of IAS 29 on share capital and reserves	Accumulated profit	Total equity attributable to the parent	Minority Interests	TOTAL
Balance as at 1 January 2022	**2,659,389,550**	**-**	**-**	**143,789,418**	**30,007,593**	**664,336,057**	**633,945,244**	**(5,081,574)**	**(3,932,756,014)**	**2,204,507,481**	**2,398,137,755**	**85,068,497**	**2,483,206,252**
COMPREHENSIVE RESULT													
19. Profit for the year	-	-	-	-	-	-	-	-	-	165,238,729	165,238,729	4,437,078	169,675,807
other comprehensive result items													
1. Variation of reserve from revaluation of tangible and general assets net of deferred tax	-	-	-	(952,271)	-	-	-	-	-	952,271	-	-	-
2. Net change in reserve from the change in fair value of financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	(177,178,063)	364,036	-	-	(176,814,027)	(1,066,159)	(177,880,186)
3. Fair value reserve of financial assets measured at fair value through other comprehensive income, ceded	-	-	-	-	-	-	(12,094,682)	-	-	12,094,682	-	-	-
TOTAL comprehensive result for the period	**-**	**-**	**-**	**(952,271)**	**-**	**-**	**(189,272,745)**	**364,036**	**-**	**178,285,682**	**(11,575,298)**	**3,370,919**	**(8,204,379)**
Deferred tax related to retained result - unrealized revaluation surplus taxed	-	-	-	-	-	-	-	-	-	13,131	13,131	-	13,131
Other reserves – own financing sources	-	-	-	-	-	31,983,983	-	-	-	(31,983,983)	-	-	-
Other reserves – share repurchase	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers (retained earnings)	-	-	-	842,226	(7,486)	(1,732,961)	1,213,719	(1,213,719)	-	14,064,689	13,166,468	-	13,166,468
Share repurchase – cancellation of own shares repurchased	-	(2,500,000)	(60,860,968)	-	-	-	-	-	-		(63,360,968)	-	(63,360,968)
Decrease in share capital – cancellation of own shares redeemed	(1,379,365)	-	-	-	-	-	-	-	-	4,072,460	2,693,095	-	2,693,095
Share redemption loss hedge	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with shareholders recognized directly in equity													
1. Dividends prescribed according to the law – transfer to the profit or loss account from other reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Payment dividends for 2021	-	-	-	-	-	-	-	-	-	(22,976,954)	(22,976,954)	-	(22,976,954)
3. Variation related to subsidiaries	1,379,365	-	-	-	-	-	-	-	-		1,379,365	-	1,379,365
4. Increase/decrease of participating interests in subsidiaries	10,881	-	-	42,348	-	(1,323,639)	(551)	-	-	223,540	(1,047,421)	(444,101)	(1,491,522)
TOTAL TRANSACTIONS WITH SHAREHOLDERS RECOGNIZED DIRECTLY IN EQUITY	1,390,246	-	-	42,348	-	(1,323,639)	(551)	-	-	(22,753,414)	(22.645.010)	(444,101)	(23,089,111)
Balance as at 30 June 2022	2,659,400,431	(2,500,000)	(60,860,968)	143,721,721	30,000,107	693,263,440	445,885,667	(5,931,257)	(3,932,756,014)	2,346,206,046	2,316,429,173	87,995,315	2,404,424,488

The Interim Consolidated Financial Statements have been approved by the Board of Directors at the meeting dated 25 September 2022 and have been signed on its behalf by:

Sorin – Iulian Cioacă	Mihai Trifu	Valentina Vlăduțoaia
President – General Manager	Vice President – Deputy General Manager	Economic Manager

FOND DE INVESTIȚII ALTERNATIVE DESTINAT INVESTITORILOR DE RETAIL (F.I.A.I.R.)

Număr Registru A.S.F.: PJR09FIAIR/160001/08.06.2021

Interim consolidated statement of changes in equity

in RON	Inflated share capital	Own shares	losses related to equity instruments	Reserves from tangible assets revaluation	Legal and statutory reserves	Other reserves	Differences from changes in fair value of financial assets measured by other comprehensive income	Other shareholders' equity items	Retained result following the application of IAS 29 on share capital and reserves	Accumulated profit	Total equity attributable to the parent	Minority Interests	TOTAL
Balance as at 31 December 2020	**2,234,775,709**	**(2,214,914)**	**(59,747,655)**	**40,795,368**	**29,594,347**	**669,654,915**	**427,057,782**	**(3,210,709)**	**(3,932,756,014)**	**2,424,317,944**	**1,828,266,773**	**35,871,984**	**1,864,138,757**
Restatements 2020	-	-	-	**14,638,526**	**464,560**	**8,118,479**	-	-	-	**742,265**	**23,963,830**	-	**23,963,830**
Balance restated * as at 31 January 2021	**2,234,775,709**	**(2,214,914)**	**(59,747,655)**	**55,433,894**	**30,058,907**	**677,773,394**	**427,057,782**	**(3,210,709)**	**(3,932,756,014)**	**2,425,060,209**	**1,852,230,603**	**35,871,984**	**1,888,102,587**
comprehensive result													
Profit for the year	-	-	-	-	-	-	-	-	-	25,030,387	25,030,387	1,201,891	26,232,278
Other comprehensive result items													
1. Variation of reserve from revaluation of tangible and general assets net of deferred tax	-	-	-	(104,445)	-	-	-	-	-	104,445	-	-	-
2. Net change in reserve from the change in fair value of financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	239,793,136	(696,913)	-	231,558	239,327,781	2,117,304	241,445,085
3. Fair value reserve of financial assets measured at fair value through other comprehensive income, ceded	-	-	-	-	-	-	(231,558)	-	-	-	(231,558)	-	(231,558)
TOTAL comprehensive result for the period	-	-	-	**(104,445)**	-	-	**239,561,578**	**(696,913)**	-	**25,366,400**	**264,126,610**	**3,319,195**	**267,445,805**
Deferred tax related to retained result - unrealized revaluation surplus taxed	-	-	-	-	-	-	-	**7**	-	9,555	9,562	-	9,562
Other reserves – own financing sources	-	-	-	-	-	29,387,787	-	-	-	(29,387,787)	-	-	-
Other reserves – share repurchase	-	2,214,914	-	-	-	-	-	-	-	-	2,214,914	-	2,214,914
Other transfers (retained earnings)	-	-	-	3,911,192	(268,177)	(2,969,009)	**(646)**	-	-	4,027,777	4,701,137	-	4,701,137
Share repurchase – cancellation of own shares repurchased	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease in share capital – cancellation of own shares redeemed	(2,269,029)	-	59,747,655	-	-	(59,696,649)	-	70,877	-	(2,147,146)	-	-	(2,147,146)
Share redemption loss hedge	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with shareholders recognized directly in equity													
1. Dividends prescribed according to the law – transfer to the profit or loss account from other reserves	-	-	-	-	-	(245,237)	-	-	-	**245,256**	19	-	19
2. Dividends payable for 2020	-	-	-	-	-	-	-	-	-	(29,805,749)	(29,805,749)	-	(29,805,749)
3. Variation related to subsidiaries	55,331	-	-	**(22,274)**	-	**(481,144)**	**2,117,304**	**(2,103,110)**	-	**1,351,551**	917,658	2,728,432	3,646,090
4. Increase/decrease of participating interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL TRANSACTIONS WITH SHAREHOLDERS RECOGNIZED DIRECTLY IN EQUITY	**55,331**	-	-	**(22,274)**	-	**726,381**	**2,117,304**	**(2,103,110)**	-	**(28,208,942)**	**(28,888,072)**	**2,728,432**	**(26,159,640)**
Balance as at 30 June 2021	**2,232,562,011**	-	-	**59,218,357**	**29,790,730**	**643,769,142**	**668,736,018**	**(5,939,848)**	**(3,932,56,014)**	**2,396,867,212**	**2,092,247,608**	**41,919,611**	**2,134,167,219**

The Interim Consolidated Financial Statements have been approved by the Board of Directors at the meeting dated 25 September 2022 and have been signed on its behalf by:

Sorin – Iulian Cioacă	Mihai Trifu	Valentina Vlăduțoaia
President – General Manager	Vice President – Deputy General Manager	Economic Manager

Consolidated statement of cash flows

Name of element	30 June 2022	30 June 2021 retreated*	30 June 2021
A	1	2	3
Cash flow from operating activities			
Proceeds from customers, other proceeds	247,711,414	130,876,726	121,168,860
Proceeds from sales of financial investments (shareholdings)	74,967,451	5,201,664	5,201,664
Payments for the acquisition of shares	(72,297,769)	(13,542,030)	(13,542,030)
Payments for the purchase of bonds	-	-	-
Payments to suppliers and employees, other payments	(128,131,886)	(64,439,487)	(59,889,002)
Payments to the state budget, social security budget and local budget	(24,457,900)	(16,583,953)	(15,215,369)
Collected interest	1,194,101	179,316	140,420
Collected dividends	148,344,724	31,429,753	31,429,753
paid interest	(2,282,261)	(1,111,812)	(883,626)
Paid profit tax	(20,215,251)	(442,862)	(193,864)
Proceeds from earthquake insurance	-	-	-
Net cash from operating activities	**224,832,623**	**71,567,315**	**68,216,806**
Cash flow from investing activities:			
Payments for acquisitions of tangible assets	(376,677)	(2,460,145)	(2,449,601)
Proceeds from the sale of tangible assets	-	48,403	48,403
Net cash from investing activities	**(376,677)**	**(2,411,742)**	**(2,401,198)**
Cash flow from financing activities:			
Proceeds from share issue	-	-	-
Proceeds from short-term loans	6,454,048	5,863,854	1,428,139
Short-term loans	(94,454,048)	(86,093,102)	(75,753,901)
Proceeds from long-term loans	1,200,000	-	-
Repayment of long-term loans	(1,000,000)	(938,577)	(938,577)
Payment of liabilities related to financial leasing	(63,360,968)	-	-
Advanced amounts for redemptions of shares	(56,652)	-	-
Dividends paid	(8,004,993)	(5,149,320)	(4,023,045)
Advanced amounts to the Depozitarul Central for dividend payments	(320,231)	(95,174)	(95,174)
Dividend tax paid	(270,814)	(532,668)	(528,443)
Net cash from financing activities	**(159,813,658)**	**(86,944,987)**	**(79,911,001)**
Net increase in cash and cash equivalents	**64,642,288**	**(17,789,414)**	**(14,095,393)**
Cash and cash equivalents as at the beginning of the financial year – 1 January	**53,524,466**	**76,313,115**	**67,517,833**
Cash and cash equivalents as at the end of the reporting period – 30 June	**118,166,754**	**58,523,701**	**53,422,440**

Balances restated for comparability and presentation according to Note 3 to the Financial Statements.

The treasury structure and treasury equivalents comprise the balances of the following accounts: 508, 5121, 531, 532 (excluding interest receivable).

Sorin – Iulian Cioacă	Mihai Trifu	Valentina Vlăduțoaia
President – General Manager	Vice President – Deputy General Manager	Economic Manager

1. REPORTING ENTITY

Societatea de Investiții Financiare Oltenia S.A. (the "Company" or "S.I.F. Oltenia") was established on 1 November 1996 in Craiova – Romania and is the successor of the Private Property Fund V Oltenia, reorganized and transformed in accordance with the provisions of Law no. 133/1996, law for the transformation of the Private Property Funds into financial investment companies.

The Company is classified according to the applicable legal provisions as a closed-ended Alternative Investment Fund (A.I.F.) for retail investors, diversified, self-administered category. S.I.F. Oltenia S.A. is authorized by the Financial Supervision Authority as an Administrator of Alternative Investment Funds (A.I.F.M.), in accordance with Law no. 45/15.02.2018 and as an Alternative Investment Fund for Retail Investors (F.I.A.I.R) dated 08.06.2021, according to Authorization no. 94/08.06.2021. The Company operates in compliance with the provisions of Law no. 74/2015 on Alternative Investment Fund Managers, Law no. 24/2017R on issuers of financial instruments and market operations, Law no.31/1990 on companies, as subsequently amended and supplemented, Law no. 243/2019 on the regulation of alternative investment funds, F.S.A. Regulation no. 5/2018 on issuers of financial instruments and market operations, F.S.A. Regulation no. 7/2020 on the authorization and functioning of alternative investment funds, as subsequently amended and supplemented, and Rule no. 39/2015 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, applicable to the entities authorized, regulated and supervised by the Financial Supervisory Authority in the sector of financial instruments and investments, as well as the Investor Compensation Fund, as subsequently amended and supplemented. The company is self-managed and has its registered office in Craiova, str. Tufănele, nr. 1, postal code 200767, Dolj County.

The company is registered with the Trade Register Office attached to the Dolj Court of Law under number J16/1210/1993 and Unique Registration Code 4175676, fiscal attribute RO.

The Company's shares are listed at the Bucharest Stock Exchange, Premium Category (SIF5 market symbol).

The record of the Company's shares and shareholders is kept under the law by the Depozitarul Central S.A. Bucharest.

The depositary activity provided for by the legislation is carried out by Raiffeisen Bank S.A.

The main field of activity is NACE code 649 - other financial service activities, except insurance and pension funding, and the main activity is NACE code 6499 - other financial service activities n.e.c.

According to the Articles of Association, the main activities that the Company may carry out are the following:

portfolio management;

risk management.

The Company, as A.I.F.M., may also carry out other activities such as:

- administration of the entity;
  - a) legal and fund management accounting services;
  - b) customer inquiries;
  - c) control of compliance with the applicable legislation;
  - d) distribution of income;
  - e) issues and redemptions of equity investments;
  - f) keeping records.

Activities related to the assets of AIFs, namely services necessary to meet the fiduciary duties of the AIFM, facilities management, real estate administration activities, advice to undertakings on capital structure, industrial strategy and related matters, advice and services relating to mergers and the purchase of undertakings and other services connected to the management of the AIF and the companies and other assets in which it has invested.

The subscribed and paid-up share capital is Ron 50,000,000, divided into 500,000,000 shares with a nominal value of Ron 0.1/share.

The main characteristics of the shares issued by the company are: ordinary, nominative of equal value, issued in dematerialised form, paid in full at the time of subscription, evidenced by book entry and grants equal rights to their holders, except for the limitations of the legal regulations and provisions.

The interim consolidated financial statements as at 30 June 2022 comprise the Company and its subsidiaries (hereinafter referred to as the "Group") and are not audited.

The core activities of the Group are represented by the financial investment activity carried out by the Company, as well as by the activities carried out by the subsidiaries, which belong to different sectors of activity such as: food, tourism, rental of premises, etc.

The Interim Consolidated Financial Statements were approved by the Board of Directors at the meeting dated 25 September 2022.

2. BASES OF PREPARATION

a) Declaration of conformity

The interim consolidated financial statements have been prepared in accordance with Rule no. 39/2015 for the approval of the Accounting Regulations compliant with the International Financial Reporting Standards, applicable to the entities authorized, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investment Sector, as well as the Investor Compensation Fund, as subsequently amended and supplemented.

Based on the provisions of Law no. 24/2017 republished and Regulation no. 5/2018 on issuers of financial instruments and market operations, the Company prepares half-yearly consolidated interim accounting reporting in accordance with IFRS.

The consolidated half-yearly accounting report is prepared and submitted to FSA no later than 3 months after the end of the semester. It was drawn up, approved by the Board of Directors and can be consulted in electronic format on the company's website: www.sifolt.ro.

The accounting records of the Group are maintained in Ron.

The main consolidation-specific adjustments are:

- the removal from the statement of financial position of the shareholdings in the group companies;

- elimination of intra-group shareholding transactions and fair value adjustments;

- the recording of the goodwill identified as the difference between the purchase value and the market value of the securities held in the group companies;

- the removal from the statement of profit or loss and other comprehensive income of dividends on the gross amount settled within the group;

- elimination of intra-group balances, transactions, income and expenses;

- minority interests are disclosed in the consolidated statement of financial position as an equity item separate from the equity of the parent undertaking and represent the share held by them in the equity items and profits of the companies of the group.

The date of 31 December 2015 is the date of transition to IFRS as an accounting basis by the Company, date on which the operations determined by the transition from the CNVM Regulation no. 4/2011 to the Accounting Regulations compliant with IFRS.

The accounting records of the Company's subsidiaries are maintained in Ron, in accordance with the Romanian Accounting Regulations ("RCR"). These accounts are restated to reflect the differences between RCR and IFRS accounts. Accordingly, the RCR accounts shall, where necessary, be adjusted to harmonise the consolidated financial statements in all material respects with IFRS.

In addition to the consolidation-specific adjustments, the main restatements of the financial information contained in the financial statements prepared in accordance with RCR, in order to align them with IFRS requirements, consist of:

- grouping several elements into broader categories;

- adjustments of assets and equity items in accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies", as the Romanian economy was a hyperinflationary economy until 31 December 2003;

- adjustments in the profit or loss account to record dividend income at the time of declaration and gross amount;

- adjustments of investment property for their fair value measurement in accordance with IAS 40 “Investment Property”;

- adjustments of tangible assets for their valuation in accordance with the accounting policies of the Group and in accordance with IAS 16 "Property, Plant and Equipment";

- adjustments for the recognition of deferred corporate tax assets and liabilities in accordance with IAS 12 "Corporate taxes";

- disclosure requirements in accordance with IFRS.

b) Presentation of Financial Statements

The Group has adopted a liquidity-based presentation in the consolidated statement of financial position and the presentation of income and expenses has been made in relation to their nature in the consolidated statement of profit or loss and other comprehensive income. These disclosure methods were considered to provide information that is credible and more relevant than what would have been disclosed under other methods permitted by IAS 1 “Presentation of Financial Statements” and IFRS 12 “Presentation of Existing Interests in Other Entities”.

c) Functional and presentation currency

The Group's management considers that the functional currency as defined by IAS 21 “Effects of Exchange Rate Variation” is the Romanian Leu (Ron or Ron). The consolidated financial statements are prepared in Ron, rounded up to the nearest Ron, a currency that the Group's management has chosen as a presentation currency.

d) Basis of assessment

Consolidated financial statements are prepared on the basis of the fair value convention for financial assets and liabilities measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income.

Other financial assets and liabilities as well as non-financial assets and liabilities are presented at amortised cost, revalued value or historical cost.

e) Use of estimates and judgments

Preparation of the consolidated financial statements in accordance with FSA Norm no. 39/2015 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, applicable to the entities authorized, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investment Sector, involves the use by the Group management of estimates, judgments and hypotheses that affect the application of accounting policies as well as the reported value of assets, liabilities, revenues and expenses.

The estimates and assumptions associated with these judgments are based on historical experience as well as other factors considered reasonable in the context of these estimates. The results of these estimates form the basis of judgments on the carrying amounts of assets and liabilities that cannot be obtained from other sources of information. The results obtained may differ from the values of the estimates.

The estimates and assumptions underlying the accounting records shall be reviewed periodically. Revisions to accounting estimates shall be recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period in which the estimate is revised and in future periods, if the revision affects both the current period and future periods.

3. BASIS FOR CONSOLIDATION

a) Subsidiaries

Subsidiaries are entities under the control of the Company. Control exists when the Company is exposed, or has rights to variable returns based on its participation in the investee and has the ability to influence those returns through its power over the investee.

Potential or convertible voting rights that are exercisable at that time shall also be taken into account at the time of the valuation of control.

The financial statements of subsidiaries shall be included in the consolidated financial statements from the time when control begins until the time when it ceases to be controlled. The accounting policies of the Group subsidiaries have been amended in order to align them with those of the Group.

The Companies in which the Company holds more than 50% of the issuer's share capital are 12 (31 December 2021: 12).

Within the consolidation perimeter were included all 12 (twelve) companies in which the holding is more than 50% of the voting rights, as follows:

No.	Company Name	Address	CUI	No. Regs. ORC:	Percentage held by SIF as at 30.06.2022	Percentage held by SIF as at 31.12.2021
1	COMPLEX HOTELIER DÂMBOVIȚA S.A.	TÂRGOVIȘTE, B-DUL LIBERTĂȚII NR. 1, JUD. DÂMBOVITA	10108620	J15/11/1998	99.99	99.99
2	VOLTALIM S.A.	CRAIOVA, B-DUL DECEBAL NR. 120 A, JUD. DOLJ	12351498	J16/698/1999	99.55	99.55
3	MERCUR S.A.	CRAIOVA, STR. CALEA UNIRII NR.14, JUD. DOLJ	2297960	J16/91/1991	97.86	97.86
4	GEMINA TOUR S.A.	RM.VÂLCEA, STR. ȘTIRBEI VODĂ NR. 103, JUD. VÂLCEA	1477750	J38/876/1991	88.29	88.29
5	ARGUS S.A. *	CONSTANȚA, STR. INDUSTRIALĂ NR. 1, JUD. CONSTANȚA	1872644	J13/550/1991	86.42	86.42
6	ALIMENTARA S.A.	SLATINA, STR. ARINULUI NR.1, JUD. OLT	1513357	J28/62/1991	85.22	85.22
7	FLAROS S.A.	BUCUREȘTI, STR. ION MINULESCU 67-93 SECTOR 3	350944	J40/173/1991	81.07	81.07
8	CONSTRUCȚII FEROVIARE S.A.	CRAIOVA, ALEEA I BARIERA VÂLCII NR.28A, JUD. DOLJ	2292068	J16/2209/1991	77.50	77.50
9	UNIVERS S.A.	RM.VÂLCEA, STR.REGINA MARIA NR.4, JUD. VÂLCEA	1469006	J38/108/1991	73.75	73.75
10	PROVITAS S.A.	BUCUREȘTI, B-DUL UNIRII NR. 14, BL. 6A, 6B, 6C, SECT. 4	7965688	J40/10717/1995	70.28	70.28
11	TURISM S.A.	PUCIOASA, STR. REPUBLICII NR.110 , JUD. DÂMBOVITA	939827	J15/261/1991	69.22	69.22
12	LACTATE NATURA S.A.	TÂRGOVIȘTE, B-DUL INDEPENDENȚEI NR. 23 JUD. DÂMBOVIȚA	912465	J15/376/91	66.33	66.33

* *Argus SA Constanta holds majority shareholdings in:*

- *Comcereal SA Tulcea - 99.36% (including the subsidiary Cereal Prest SA Tulcea)*
- *Argus Trans Constanta - 100%*
- *Aliment Murfatlar SRL Constanta - 55.04%,*

In the consolidated financial statements of the Group as at 30 June 2021, only Argus S.A. Constanta was included in the scope of consolidation, without the companies in which Argus SA holds a majority shareholding.

As of 30 June 2021, the consolidated financial statements of Argus Constaţa SA (situations including the aforementioned companies) were included in the scope of consolidation of the Group. In this respect, for the purposes of comparability, the original balance in the consolidated financial statements as at 30 June 2021 has been adjusted.

As at 30 June 2022 the twelve companies comprised in the scope of consolidation of the Group have a weight of 15.40% in the total assets of the Company (31 December 2021: 14.26%) and 16.48% in the net assets (31 December 2021: 17.52%) respectively and were consolidated by the global integration method.

The basic activities carried out by the Company and the companies included in the consolidation perimeter are represented by the financial investment activity carried out by the Company and by the activities carried out by the respective companies, which are mainly represented by the following sectors: food, tourism, rental of premises, etc.

As of 1 January 2018, the management of the Company classified all investments in equity instruments (shares) in the category "Financial assets measured at fair value through other comprehensive income", except for fund units that are measured through the profit or loss account.

b) Associated entities

Associates are those companies in which the Group can exercise significant influence but not control over financial and operational policies.

Participations in which the Group holds between 20% and 50% of the voting rights but over which it does not exercise significant influence are classified as financial assets measured at fair value through other comprehensive income.

c) Transactions eliminated upon consolidation

Intra-Group settlements and transactions, as well as unrealised profits arising from intra-Group transactions, are entirely eliminated from the consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

The Accounting Policies represent the principles, bases, conventions, rules and specific practices applied by the Group in the preparation and presentation of the Financial Statements.

The accounting policies set out below have been applied consistently over all periods disclosed in the consolidated financial statements prepared by the Group.

a) Foreign currency transactions

Transactions denominated in foreign currency are initially recorded in Ron at the official exchange rate on the date of the transactions. Monetary assets and liabilities recorded in foreign currency at the date of the consolidated statement of financial position shall be converted into functional currency at the rate of that day. Gains or losses on their settlement and conversion using the year-end exchange rate of monetary assets and liabilities denominated in foreign currency shall be recognised in the profit or loss account, except those that have been recognised in equity as a result of being accounted for in accordance with hedge accounting.

Conversion differences on equity items held at fair value through profit or loss are presented as fair value gains or losses. Conversion differences on items of financial instruments measured at fair value through other comprehensive income are included in the reserve arising from changes in the fair value of these financial instruments.

The exchange rates of the main foreign currencies, reported to the Leu, used at the reporting date are:

Currency	30 June 2022	31 December 2021	Variation
EUR	4.9454	4.9481	-0.05 %
USD	4.7424	4.3707	+8.50 %

b) Accounting for the effect of hyperinflation

According to IAS 29 *"Financial Reporting in Hyperinflationary Economies"*, the financial statements of a company whose functional currency is the currency of a hyperinflationary economy should be presented in terms of the current purchasing power of the currency at the date of preparation of the statement of financial position, i.e. the non-monetary elements shall be restated by applying the general price index at the date of purchase or contribution. IAS 29 stipulates that an economy is considered hyperinflationary if, among other factors, the cumulative inflation rate exceeds 100% over a three-year period.

The continued fall in the rate of inflation and other factors related to the characteristics of the economic environment in Romania indicate that the economy has ceased to be hyperinflationary, with an effect on financial periods since 1 January 2004. Thus, the provisions of IAS 29 were adopted in the preparation of the consolidated financial statement until 31 December 2003.

Thus, the amounts expressed in the current unit of measurement as at 31 December 2003 are treated as the basis for the carrying amounts reported in the consolidated financial statements and do not represent measured values, replacement cost, or any other measurement of the current value of the assets or prices at which the transactions would take place at this time.

For the preparation of the consolidated financial statements, the Group adjusted to be expressed in the current unit of measurement as at 31 December 2003 the following items:

- share capital and items such as reserves;

- financial assets available for sale valued at cost for which there is no active market or the market is not active.

c) Cash and cash equivalents

Cash comprises cash in hand and at banks and demand deposits.

Cash equivalents are short-term, highly liquid financial investments that are readily convertible into cash and that are subject to an insignificant risk of a change in value.

When preparing the cash flow statement, the Group considers as cash and cash equivalents: actual cash, current bank accounts and bank deposits with an initial maturity of less than 90 days.

d) Financial assets and liabilities

Financial instruments, in accordance with IFRS 9 *'Financial Instruments',* shall include the following:

- Investments in equity instruments (e.g. shares);

- Investments in debt instruments (e.g. securities, bonds, loans);

- Trade receivables and other receivables;

- Cash and cash equivalents;

- Derivative financial instruments

- Participations in subsidiaries, associations and joint ventures - according to the provisions of IFRS 10, IAS 27, IAS 28.

- ***Classification***

The Group classifies financial instruments held in accordance with IFRS 9 "Financial Instruments" into financial assets and financial liabilities.

An asset is a resource controlled by the company as a result of past events and from which future economic benefits are expected to accrue to the company.

A liability is a present obligation of the Company resulting from past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits for the Company.

The Group classifies financial assets as: measured at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss based on:

- the company's business model for the management of financial assets, and

- the characteristics of the contractual cash flows of the financial asset.

In accordance with IFRS 9, financial assets shall be classified in one of the following categories:

Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss are:

- equity instruments held for trading;

- equity instruments designated to be valued at fair value through profit or loss;

- debt instruments

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income.

A financial asset or financial liability is held for trading if it meets all of the following conditions:

- is held for sale and redemption in the near future;

- at initial recognition it is part of a portfolio of identified financial instruments, which are managed together and for which there is evidence of a recent actual pattern of short-term profit tracking.

Additionally, upon initial recognition, the Company may irrevocably designate as a financial asset, which otherwise meets the requirements to be measured at amortised cost or fair value through other comprehensive income, to be measured at fair value through profit or loss, if this eliminates or significantly reduces an accounting mismatch that would otherwise arise.

This category includes financial assets or financial liabilities held for trading and financial instruments designated at fair value through profit or loss at the time of initial recognition.

Derivative financial instruments are classified as held for trading if they are not instruments used for hedge accounting.

Financial assets measured at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income are :

- equity instruments designated at fair value through other comprehensive income;

- debt instruments

A financial asset of the nature of debt instruments must be measured at fair value through other comprehensive income if the conditions are met:

a) the financial asset is held within a business model whose objective is achieved through the collection of contractual cash flows and the sale of financial assets, and

b) the contractual terms of the financial asset give rise, on certain dates, to cash flows which are exclusively payments of principal and interest on the amount of principal due.

The Group may make an irrevocable choice at initial recognition in the case of certain equity investments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income (according to paragraphs 5.7.5 and 5.7.6 of IFRS 9 – Financial Instruments).

The Company's investments in equity instruments (shares) are fully classified as financial assets measured at fair value through other comprehensive income.

The Company's investments in fund units are classified and measured at fair value through profit or loss.

The remaining financial assets and liabilities are presented at amortized cost, revalued amount or historical cost.

The method used to highlight the company's investments in equity instruments (shares) is "first in, first out", in terms of quantifying and evaluating the company's performance based on fair value.

Financial assets measured at fair value through other comprehensive income are measured at fair value through other comprehensive income.

Changes in fair value are recognized in other comprehensive income until the investment is derecognised when the cumulative gain or loss is reclassified from other comprehensive income to a deferred income statement for the period.

Dividends received from entities in which the company holds shares are recognized in profit or loss at gross value only when:

a) the Group's right to receive the dividend payment is established;

b) the economic benefits associated with the dividend are likely to be generated for the company, and

c) the value of the dividend can be measured reliably.

Financial assets measured at amortised cost

Financial assets measured at amortized cost are debt instruments.

A financial asset shall be measured at amortised cost if both of the following conditions are met:

a) the financial asset is held in a business model whose purpose is to hold financial assets for the purpose of collecting contractual cash flows, and

b) the contractual terms of the financial asset give rise, on certain dates, to cash flows which are exclusively payments of principal and interest on the amount of principal due.

Financial liabilities

Financial liabilities are measured at amortized cost, except for financial liabilities classified at fair value through profit or loss.

- ***Initial recognition***

Financial assets and liabilities are recognized on the date on which the company becomes a contractual party under the terms of that instrument. When the Group first recognises a financial asset, it shall classify it according to paragraphs 4.1.1 to 4.1.5 (at amortised cost, at fair value through profit or loss or at fair value through other comprehensive income) of IFRS 9 and measure it in accordance with paragraphs 5.1.1 to 5.1.3 (a financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability that is not at fair value through profit or loss, the transaction costs that are directly attributable to the acquisition or issue of the asset or liability).

The company initially recognizes deposits with banks on the date they are set up.

All other financial assets and liabilities are initially recognized at the date of the transaction.

- ***Evaluation***

After initial recognition, the Group shall measure financial assets in accordance with paragraphs 4.1.1 to 4.1.5 at:

a) amortized cost;

b) the fair value through other comprehensive income; or

c) fair value through profit or loss.

After initial recognition, the Group shall measure financial liabilities in accordance with paragraphs 4.2.1 to 4.2.2 of IFRS 9. Thus, the Group shall classify all financial liabilities at amortised cost, except:

a) financial liabilities at fair value through profit or loss.

b) financial liabilities that arise when the transfer of a financial asset does not meet the conditions for derecognition;

c) financial collateral arrangements, measured at the higher of the amount of the provision for losses (section 5.5 of IFRS 9) and the amount initially recognised less accumulated income (recognised under IFRS 15);

d) commitments to provide a loan at an interest rate below market value measured at the higher of the amount of the provision for losses (section 5.5 of IFRS 9) and the amount initially recognised less the accumulated income (recognised under IFRS 15);

e) the contingent consideration recognized by an acquirer in a business combination (to which IFRS 3 applies). Such a contingent consideration must subsequently be measured at fair value through profit or loss.

Measurement at amortised cost

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition less repayments of principal, plus or minus the accumulated depreciation using the effective interest method for each difference between the initial amount and the amount at maturity, and less any reduction (directly or through the use of an adjustment account) for impairment or impossibility of recovery.

The effective interest rate is the rate that accurately discounts future cash payments or receipts estimated over the expected lifetime of the financial asset or financial liability at the gross carrying amount of the financial asset or at the amortized cost of a financial liability. When calculating the effective interest rate, the entity shall estimate the expected cash flows taking into account all the contractual terms of the financial instrument (e.g. prepayment, extension, call options and similar), but shall not take into account expected credit losses. The calculation shall include all commissions and points paid or received by the parties to the contract that form an integral part of the effective interest rate (see paragraphs B 5.4.1 to B 5.4.3), transaction costs and all other premiums or discounts.

Fair value measurement

Fair value is the price that would be received at the sale of an asset or paid to settle a liability in a transaction carried out under normal conditions between participants in the principal market at the measurement date or in the absence of the principal market in the most advantageous market to which the Group has access at that date.

The group measures the fair value of a financial instrument using the prices quoted on an active market for that instrument. A financial instrument has an active market if quoted prices are available quickly and regularly for that instrument. The company measures instruments listed on active markets using the closing price.

A financial instrument is considered to be quoted in an active market when the quoted prices are available immediately and regularly from an exchange, a dealer, a broker, an industry association, a pricing service or a regulatory agency, and these prices reflect transactions that occur in a real and regular manner, conducted under objective market conditions.

The category of shares listed on an active market includes all those shares admitted to trading on the Stock Exchange or on the alternative market and which present frequent transactions. The market price used to determine fair value is the closing price of the market on the last trading day before the valuation date.

For the calculation of fair value, for equity instruments (shares), the company uses the following hierarchy of methods:

- Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities;

- Level 2: inputs other than quoted prices included in Level 1 that are observable for assets or liabilities, either directly (eg prices) or indirectly (eg price derivatives);

- Level 3: evaluation techniques based largely on unobservable elements. This category includes all instruments for which the valuation technique includes elements that are not based on observable data and for which unobservable input parameters may have a significant effect on the valuation of the instrument.

The fair value measurement of the equity instruments (shares) held is performed as follows:

- for securities listed and traded during the reporting period, the market value was determined taking into account the quotation on the last trading day (closing quotation on the main capital market for those listed on the regulated market - BSE, respectively the reference price for the alternative system - AERO for level 1, and for level 2 the quotations for the shares traded in the last 30 trading days are taken);

- for listed securities that have not been traded in the last 30 days of the reporting period, as well as for unlisted securities, the market value is determined as it results from the entity's last approved annual financial statement;

- for securities issued by credit institutions not admitted to trading, the assessment is made at the book value per share calculated based on the equity value contained in the monthly reports submitted to the BNR;

- for securities not admitted to trading on a regulated market or in an alternative trading system in Romania issued by issuers in which holdings of more than 33% of the share capital are held, they are valued exclusively in accordance with International Valuation Standards based on a evaluation report updated at least annually;

- for securities related to commercial companies undergoing insolvency or reorganization proceedings and which have not been reintroduced to trading, the valuation is made at zero value.

The equity securities issued by mutual funds are valued taking into account the last unit value of the net asset, calculated and published.

- ***Identification and assessment of impairment***

The Group shall recognise a provision for expected credit losses on a financial asset that is measured under 4.1.2 or 4.1.2A (debt instruments measured at amortised cost or fair value through other comprehensive income), a receivable arising from a lease, a loan arrangement and a financial collateral arrangement.

The Group applies the impairment provisions for the recognition and measurement of the provision for losses related to assets measured at fair value through other comprehensive income in accordance with section 4.1.2A (assets held for the purpose of collecting cash flows and selling, the cash flows of which represent exclusively principal repayments or interest payments). The provision thus determined shall be recognised in respect of other comprehensive income and shall not reduce the carrying amount of the financial asset in the statement of financial position.

- ***Derecognition***

The Group derecognises a financial asset when the rights to receive cash flows from that financial asset expire, or when the Company has transferred the rights to receive the contractual cash flows relating to that financial asset in a transaction in which it has materially transferred all the risks and rewards of ownership.

Any interest in the transferred financial assets retained by the Group or created for the Group is separately recognized as an asset or liability.

The Group shall derecognise a financial liability when the contractual obligations have been terminated or when the contractual obligations are cancelled or expired.

When derecognizing equity instruments (shares), the Group uses the first-in - first-out method.

- ***Reclassifications***

If the Group reclassifies financial assets according to pt. 4.4.1 (as a result of the change in the business model for the management of its financial assets), then all the affected financial assets will be reclassified. Financial liabilities cannot be reclassified after initial recognition.

The Company applies the reclassification of financial assets prospectively from the date of reclassification. Any previously recognized gains, losses or interest will not be restated.

In the event of a reclassification, the Group shall proceed as follows:

- when reclassifying an asset from the amortized cost category to fair value through profit or loss, the fair value is determined at the date of reclassification. The difference between the amortized cost and the fair value is recognized in profit or loss;

- on the reclassification of an asset from the fair value through profit or loss category to the amortized cost, the fair value at the date of reclassification becomes the new gross carrying amount;

- when reclassifying an asset from the amortized cost category to fair value through other comprehensive income, the fair value is determined at the date of reclassification. The difference between amortized cost and fair value is recognized in other comprehensive income without adjusting the effective interest rate or expected credit loss;

- at the reclassification of an asset from the fair value category through other elements of the overall result in that of the amortized cost, the reclassification is performed at the fair value of the asset from the date of reclassification. The amounts previously recognized in other comprehensive income are eliminated in relation to the fair value of the asset, without affecting the profit or loss account. The effective interest rate and expected credit losses are not adjusted as a result of the reclassification;

- when an asset is reclassified from fair value through profit or loss to that of fair value through other comprehensive income, the asset continues to be measured at fair value;

- when an asset is reclassified from fair value through other comprehensive income to profit or loss, the financial asset continues to be measured at fair value. The amounts previously recognized in other comprehensive income are reclassified from equity to the income statement as an adjustment from reclassification (in accordance with IAS 1).

- ***Gains and Losses***

Gains or losses resulting from a change in the fair value of a financial asset or financial liability that is not part of a hedging relationship are recognised as follows:

a) Gains or losses on financial assets or financial liabilities classified at fair value through profit or loss are recognised in profit or loss;

b) Gains or losses on a financial asset measured at fair value through other comprehensive income are recognised in other comprehensive income.

When the asset (in the case of equity instruments) is derecognised, accumulated losses or gains previously recognised in other comprehensive income are transferred within retained earnings.

At the time of the depreciation or derecognition of the financial assets and financial liabilities accounted for at amortised cost, as well as through the process of their amortisation, the Group recognizes a gain or loss in the profit or loss account.

e) Other financial assets and liabilities

Other financial assets and liabilities are measured at amortised cost using the effective interest method less any impairment losses.

f) Assets held for sale

Non-current assets and disposal groups are classified as held for sale if their book value is to be recovered primarily by means of a sale transaction and not by their continued use. This condition shall be deemed to be met only when the sale is probable and is expected to be completed more than one year after the date of classification and the assets are available for immediate sale as they stand at that time.

g) Tangible assets

Intangible assets are initially measured at cost. After initial recognition, an intangible asset is recognized at cost less accumulated depreciation and any accumulated impairment losses.

- ***Subsequent expenses***

Subsequent expenses are capitalized only when they increase the amount of future economic benefits embodied in the asset for which they are intended. All other expenses, including expenses for impairment of goodwill and internally generated brands, are recognized in the profit or loss account at the time they are incurred.

- ***Amortization/depreciation of intangible assets***

Depreciation is recognised in the profit or loss account using the straight-line method for the estimated useful life of the intangible assets from the date they are available for use, which most faithfully reflects the expected consumption of the economic benefits embodied in the asset.

The estimated useful lives for the current period and for the comparative periods are:

- computer programs 1-3 years, and licenses during their validity period;

- other intangible assets 1-5 years.

The depreciation methods, useful lives and residual values are reviewed at each end of the financial year and adjusted accordingly.

h) Tangible assets

- ***Recognition and evaluation***

Tangible fixed assets recognized as assets are initially measured at acquisition cost (for those purchased for consideration), at the value of the contribution (for those received as a contribution in kind when establishing / increasing the share capital), respectively at the fair value from the acquisition date for those received free of charge.

The cost of a tangible asset consists of the purchase price, including irrecoverable taxes, after deducting any discounts of a commercial nature and any costs directly attributable to bringing the asset to the location and in the condition necessary for it to be used for the purpose set by management, such as: employee expenses arising directly from the construction or purchase of the asset, site development costs, initial costs of delivery and handling, installation and assembly costs, professional fees.

Tangible assets are classified by the Group in the following asset classes of the same nature and with similar uses:

Land and constructions

Equipment, vehicles

Other equipment, machinery, furniture

- ***Valuation after recognition***

For subsequent recognition, the company adopted the revaluation model.

After recognition as an asset, items of property, plant and equipment in the nature of construction and land whose fair value can be measured reliably are recognized at revalued value, which is fair value at the date of revaluation less any subsequent amortization and any accumulated impairment losses. Other property, plant and equipment are measured at cost less accumulated depreciation and any impairment losses.

Revaluations must be made with sufficient regularity to ensure that the carrying amount does not differ materially from what would have been determined using fair value at the reporting period.

If an item of property, plant and equipment is revalued, then the entire class of property, plant and equipment to which that item belongs is subject to revaluation.

If the carrying amount of an asset is increased as a result of a revaluation, the increase is recognized in other comprehensive income and accumulated in equity, as a revaluation surplus.

However, the increase will be recognized in profit or loss to the extent that it offsets a decrease in the revaluation of the same asset previously recognized in profit or loss.

If the carrying amount of an asset is reduced as a result of a revaluation, that decrease is recognized in profit or loss.

However, the reduction will be recognized in other comprehensive income to the extent that the revaluation surplus shows a credit balance for that asset. Transfers from revaluation surplus to retained earnings are not made through profit or loss.

Land and buildings are shown at revalued value, which represents the fair value at the date of revaluation less accumulated depreciation and impairment losses. The reassessments are carried out by specialized assessors, members of the National Association of Romanian Valuers ("ANEVAR"). The frequency of revaluations is dictated by the dynamics of the markets to which the land and buildings owned by the company belong.

- ***Subsequent costs***

Daily maintenance and repair expenses related to tangible assets are not capitalized, they are recognized as costs of the period in which they occur. These costs consist mainly of labour and consumable expenses and may also include the cost of small value components.

Expenses related to the maintenance and repair of tangible assets are recorded in the profit or loss account when they occur.

Significant improvements to tangible assets, which increase their value or lifetime, or which significantly increase their capacity to generate economic benefits, are capitalized.

- ***Depreciation***

Depreciation is calculated at book value (acquisition cost or revalued value less residual value). Depreciation is recognised in the profit or loss account using the straight-line method for the estimated useful life of tangible assets (less land and assets in progress).

Depreciation is recorded from the date on which they are available for use, for the activity for which they are intended, this method reflecting most faithfully the expected manner of consumption of the economic benefits embodied in the asset.

The depreciation of an asset shall cease at the earliest on the date when the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with IFRS 5 and on the date the asset is derecognised.

The depreciation methods, useful lives and residual values are reviewed by the Group Management at each reporting date.

The estimated useful lives for the current period and for the comparative periods are as follows:

- construction	12-50 years
- technical installations and means of transport	2-20 years
- other equipment, machinery and furniture	2-15 years

- ***Accounting treatment of revaluation surplus***

The Group opted for the following accounting treatment of revaluation surplus: the revaluation surplus included in the equity of an item of property, plant and equipment is transferred directly to retained earnings as depreciation and when the asset is derecognised, upon disposal or disposal.

The revaluation surplus included in the revaluation reserve is capitalized by transferring it to the retained earnings, as measured by the depreciation and the write-off of the asset. The highlighting of revaluation reserves is carried out on each asset and on each revaluation operation that has taken place. The decrease of revaluation reserves can be made only within the limit of the existing credit balance, related to the respective asset.

- ***Impairment***

An asset is impaired when its carrying amount exceeds its recoverable amount.

On the occasion of each reporting date, the Group must check whether there are any indications of asset impairment. Where such indices are identified, the Group shall estimate the recoverable amount of the asset.

If the carrying amount of an asset is impaired as a result of a revaluation, that impairment must be recognized in profit or loss. However, the reduction must be recognized in other comprehensive income to the extent that the revaluation surplus shows a credit balance for that asset. The reduction recognized in other comprehensive income decreases the amount accumulated in equity as a revaluation surplus.

The land does not depreciate. The depreciation of other tangible assets is calculated using the straight-line method, allocating costs related to the residual value, in accordance with the related useful life.

- ***Derecognition***

The carrying amount of an item of property, plant and equipment is derecognised (eliminated from the consolidated statement of financial position) upon disposal or when no future economic benefit is expected from its use or disposal.

Tangible assets that are scrapped or sold are removed from the balance sheet together with the appropriate cumulative depreciation. The gain or loss arising on derecognition of an item of property, plant and equipment is included in the current income statement when the item is derecognised.

i) Real-estate investment

Real estate investments are real estate (land, buildings or parts of a building) owned by the Group (as owner) for the purpose of renting or to increase the value or both, and not for:

- to be used in the production or supply of goods or services or for administrative purposes, or

- to be sold in the ordinary course of business.

Some properties include a part that is owned for rent or for the purpose of increasing value and another part that is owned for the purpose of producing goods, providing services or for administrative purposes.

If these parts can be sold separately (or leased separately under a finance lease), then they are accounted for separately. If the parts cannot be sold separately, the property is treated as investment property only if the part used for the production of goods, the provision of services or for administrative purposes is insignificant.

- ***Recognition***

A real estate investment is recognized as an asset if and only if:

- a future economic benefit associated with real estate investment is likely to enter the company;

- the cost of the real estate investment can be measured reliably.

- ***Evaluation***

Initial assessment

A real estate investment is initially measured at cost, including transaction costs. The cost of a purchased real estate investment consists of its purchase price plus any directly attributable expenses (for example, professional fees for the provision of legal services, fees for the transfer of ownership and other transaction costs).

Subsequent evaluation

The Group's accounting policy on the subsequent measurement of real estate investments is based on the fair value model. This policy is applied uniformly to all real estate investments.

The assessment of the fair value of real estate investments is carried out by valuers who are members of ANEVAR. Fair value shall be based on market price quotations, adjusted, where appropriate, to reflect differences in the nature, location or conditions of the asset. These valuations are periodically reviewed by the company's management.

Gains or losses resulting from a change in the fair value of real estate investments are recognized in the income statement in the period in which they occur.

The fair value of real estate investments reflects market conditions at the balance sheet date.

- ***Transfers***

Transfers to and from the category of real estate investments must be made when and only when there is a change in the use of the asset highlighted by:

- start of use by the Group - for transfers from the category of investment properties to the category of tangible assets used by the Group;

- commencement of the fitting-out process with a view to sale - for transfers from the category of investment property to the category of stocks held for sale, accounted for in accordance with IFRS 5;

- termination of use by the Group - for transfers from the category of tangible assets used by the Group in the category of real estate investments;

- starting an operational lease with another party - for transfers from the category of stocks to the category of real estate investments.

For the transfer of an investment property measured at fair value to property, plant and equipment, the implicit cost of the asset for its subsequent accounting purposes shall be its fair value at the date of the change in use.

- ***Derecognition***

The carrying amount of a real estate investment is derecognised at the time of the disposal or when the investment is permanently withdrawn from use and no future economic benefits are expected from its disposal.

Gains or losses on the disposal or disposal of an investment property shall be determined as the difference between the net proceeds of disposal and the carrying amount of the asset and shall be recognised in profit or loss during the disposal or disposal period.

j) Inventories

Inventories are assets held for sale in the ordinary course of business, assets in the course of production to be sold in the ordinary course of business, or assets in the form of raw materials, materials and other consumables to be used in the production process or for the provision of services.

Inventories are valued at the lower of cost and net realizable value. The cost of inventories includes all the costs related to the acquisition and processing, as well as other costs incurred in bringing the inventories in the form and place where they are currently located.

The net realisable value is the estimated selling price, which could be obtained in the ordinary course of business, less the estimated costs for the completion of the good and the estimated costs for carrying out the sale. The cost of stocks which are not normally fungible and of goods and services produced for and intended for separate orders shall be determined by specific identification of the individual costs. For stocks, the cost is determined on exit using the 'first in, first out' (FIFO) method.

k) Impairment of non-financial assets

The carrying amount of non - financial assets of the company, other than deferred tax assets, is reviewed at each reporting date to identify impairment. If there are such indications, the recoverable amount of those assets is estimated.

An impairment loss is recognized when the carrying amount of the asset or its cash-generating unit exceeds the recoverable amount of the asset or cash-generating unit. A cash-generating unit is the smallest identifiable cash-generating group that is independent of other assets and other groups of assets. Impairment losses are recognized in the profit or loss account.

The recoverable amount of an asset or a cash-generating unit is the maximum of its value in use and its fair value less costs to sell that asset or unit. To determine the net value in use, future cash flows are

discounted using a pre-tax discount rate that reflects current market conditions and the specific risks of the asset.

Impairment losses recognised in previous periods are measured at each reporting date to determine whether they have decreased or no longer exist. Impairment loss shall be reversed if there has been a change in the estimates used to determine the recovery value. Impairment loss shall be reversed only if the carrying amount of the asset does not exceed the carrying amount that would have been calculated, net of depreciation and depreciation, if the impairment loss had not been recognized.

l) Share capital

The share capital consists of ordinary, registered shares of equal value, issued in dematerialised form, paid in full at the time of subscription, evidenced by book entry and grants equal rights to their holders, except for the limitations of the legal regulations and provisions.

m) Provisions

Provisions are recognized in the profit or loss account when the Group has a current (legal or constructive) obligation generated by a past event, when an outflow of resources incorporating economic benefits is required to settle the obligation and when a credible estimate can be made regarding the amount of the obligation.

For the determination of the provision, future cash flows are discounted using a pre-tax discount rate that reflects current market conditions and the risks specific to that liability. The amount recognized as a provision constitutes the best estimate of the expenses necessary to settle the current obligation at the end of the reporting period.

Provisions shall be reconsidered at the end of the reporting period and adjusted to reflect the current best estimate. If the outflow of resources incorporating economic benefits is no longer probable, the provision shall be cancelled.

Provisions are not recognized for costs that are incurred in carrying on business in the future.

The Group records provisions for onerous contracts in situations where the benefits expected to be derived from a contract are less than the unavoidable expenses associated with the performance of the contractual obligations.

Employee Benefits

- ***Short-term benefits***

Short-term employee benefits include salaries, bonuses and social security contributions.

Short-term employee benefit obligations shall not be discounted and shall be recognised in the income statement as the related service is rendered.

Short-term employee benefits are recognized as an expense when services are rendered. A provision is recognized for amounts expected to be paid as short-term cash premiums or employee profit-sharing schemes provided that the Group has a legal or constructive obligation to pay such amounts as a result of past services rendered by employees and if that obligation can be reliably estimated.

In addition to salaries and other salary-related rights, according to the Memorandum of Association (Articles of Association) and the Collective Labour Agreement, the Directors, the managers with a mandate agreement and the employees of the Company have the right to receive bonuses (incentives) under the conditions of fulfilling the net profit indicator established by the revenue and expenditure budget approved by the General Meeting of Shareholders for the current year, within the limit of the amount approved by the General Meeting of Shareholders for the approval of the financial statements of that year.

This obligation shall first be recognised in the profit or loss account for the financial year in which the profit was made in the form of provisions for employee benefits. The distribution of these premiums

(incentives) is carried out in the following year, after their approval by the General Meeting of Shareholders.

- ***Defined contribution plans***

The Group makes payments on behalf of its own employees to the pension system of the Romanian state, health insurance and work insurance contribution, in the course of the normal activity. All employees of the Group are members and have the legal obligation to contribute (through individual social contributions) to the pension system and the health system of the Romanian state.

The labour insurance contribution is recognized in the profit or loss account of the period.

The Group has no further obligations.

The Group is not engaged in any independent pension scheme and consequently has no other obligations in this respect. The Group has no obligation to provide services subsequent to former or current employees.

- ***Long-term employee benefits***

The Group's net obligation in terms of long-term service benefits is the amount of future benefits that employees have earned in return for services rendered by them in the current period and prior periods. Under the collective bargaining agreements in force, persons retiring at old age may receive, on the date of retirement, an allowance equal to a maximum of two salaries at the time of retirement.

o) Dividends to be distributed

Dividends are treated as a distribution of profit during the period in which they were declared and approved by the Ordinary General Shareholders Meeting. Profit available for distribution is the profit of the year recorded in the financial statements prepared in accordance with IFRS.

p) Recognition of income

Income is measured at the fair value of the consideration received or receivable. Revenues are reduced corresponding to the estimated value of the goods returned by customers, rebates and other similar items.

- ***Income from sale of goods and provision of services***

Revenue from the sale of goods and the provision of services shall be recorded net of trade discounts, value added tax and other taxes linked to turnover.

Income from the sale of goods is recognised in the profit or loss account at the time when significant risks and advantages arising from ownership of the goods are transferred to the buyer, which is most often the case when they are delivered.

Income from the provision of services is recognized in the profit or loss account according to their stage of execution.

- ***Dividend income***

Dividend income shall be recognised in the profit or loss account on the date on which the right to receive such income is established.

Dividend income is recorded at the gross amount including dividend tax, which is recognized as current corporate tax expense. The actual calculation is made according to the tax provisions in force at the date of calculation.

In the case of dividends received in the form of shares as an alternative to cash payment, dividend income is recognized at the level of cash that would have been received, in correspondence with the increase of the related participation. The Group does not record dividend income related to shares received free of charge when they are distributed pro rata to all shareholders.

- ***Interest income and expenses***

Interest income and expenses are recognised in the profit or loss account by the effective interest method. The effective interest rate is the rate that accurately discounts the cash payments and receipts expected in

the future over the expected lifetime of the financial asset or liability (or, where applicable, over a shorter duration) applied to the carrying amount of the financial asset or liability.

- ***Rental income***

Rental income is generated by investment property leased by the group in the form of operating leases and is recognized in the linear profit or loss account throughout the contract period.

r) Recognition of expenses

The expenses are recorded during their performance, and their recognition in the profit or loss account is made in compliance with the principle of the independence of the year.

Operating expenses are recognized in the income statement in the period in which they were incurred.

Expenses from bank charges shall be recorded at the time of their occurrence.

Transaction expenses are recognized together with the revenues from these operations, on the transaction date in the case of quoted securities, respectively on the date of receipt of the last instalment in the case of sale by instalments of unquoted securities.

At the time of entry, the cost of the securities shall be represented by the acquisition cost.

Expenditure on management fees, quotas and fees shall be recognised at the time of their occurrence. ***Commission expenses related to transactions*** are recognized at the date of the transactions.

Salary expenses and related contributions are recognized at the time of their occurrence, in compliance with the principle of independence of the year.

s) Gains and losses from foreign exchange rate differences

Transactions in foreign currency shall be recorded in the functional currency (RON), by converting the amount into foreign currency at the official exchange rate communicated by the National Bank of Romania, valid on the transaction date.

At the reporting date, monetary items denominated in foreign currency are converted using the exchange rate of the last foreign exchange auction day of the year.

Differences in exchange rates occurring on the settlement of monetary items or the conversion of monetary items at rates different from those at which they were converted at initial recognition (during the period) or in previous financial statements are recognized as a gain or loss in the profit or loss account, in the period in which they occur.

t) Corporate tax

The corporate tax for the year comprises the current tax and the deferred tax. Current corporate tax includes corporate tax on dividends recognised on a gross basis.

Corporate tax is recognized in profit or loss or other comprehensive income if the tax relates to capital items.

Current tax is the tax payable related to the profit realized in the current period, determined based on the percentages applied at the reporting date and all the adjustments related to the previous periods.

For the period ended 30 June 2022, the corporate corporate tax rate was 16% (31 December 2021: 16%). The tax rate related to dividend income was 5% and zero (31 December 2021: 5% and zero).

Deferred tax is determined using the balance sheet method for those temporary differences that arise between the tax base for the calculation of tax on assets and liabilities and their carrying amount used for reporting in the consolidated financial statements.

Deferred tax shall not be recognised for the following temporary differences: initial recognition of goodwill, initial recognition of assets and liabilities arising from transactions that are not business combinations and that do not affect either accounting or tax profits, and differences arising from investments in subsidiaries, provided that they are not reversed in the near future.

Deferred tax is calculated based on the tax percentages expected to be applicable to temporary differences upon their reversal, based on the legislation in force at the reporting date.

Deferred tax assets and liabilities are offset only if there is a legal right to offset current liabilities and liabilities against tax and if they relate to the tax collected by the same tax authority for the same taxable entity or for different tax authorities but who wish to settle current assets and liabilities with tax using a net basis or the related assets and liabilities will be realized simultaneously.

The deferred tax asset is recognised only to the extent that it is probable that future profits can be used to cover the tax loss. The claim shall be reviewed at the end of each financial year and shall be reduced to the extent that the related tax benefit is unlikely to be realised. Additional taxes arising from the distribution of dividends are recognized on the same date as the obligation to pay dividends.

u) Earnings per Share

The group presents basic and diluted earnings per share for ordinary shares. The basic earnings per share is determined by dividing the profit or loss attributable to the ordinary shareholders of the Group by the weighted average number of ordinary shares related to the reporting period.

Diluted earnings per share are determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares with the dilution effects generated by potential ordinary shares.

v) Segment reporting

A segment is a distinct component that provides certain products or services (segment of activity) or provides products and services in a specific geographical environment (geographic segment) and that is subject to risks and benefits different from those of the other segments.

On 30 June 2022, the activity carried out by the Company together with the companies in the portfolio in which it holds more than 50% of the share capital, included in the scope of consolidation, was segmented on the following main activities:

- financial investment activity
- rental of premises
- food industry
- tourism

5. FINANCIAL RISK MANAGEMENT

The group, according to the specificity of the activity, is or may be subject to financial risks resulting from the activity carried out in order to achieve the objectives set.

The risk management policy establishes the main coordinates of the control and management activity of the aspects that may have or even end up having an impact on the Group's activity.

The risk management activity targets both the general risks and the specific risks, as they are provided by the national and international legal regulations.

The Group attaches the utmost importance to effective risk management in order to achieve the objectives of the strategy and to ensure the benefits to shareholders.

The management of significant risks involves providing the framework for identifying, assessing, monitoring and controlling these risks in order to maintain them at an acceptable level in relation to the risk appetite and its ability to mitigate or hedge these risks.

The investment activity leads to the exposure of the Group to a number of risks associated with the financial instruments held. The Group may face both specific risks arising from its day-to-day operation

and indirect risks arising as a result of carrying out operations and services in collaboration with other financial entities.

The main risks identified in the Group's activity are:

- market risk (price risk, currency risk, interest rate risk)
- credit risk
- liquidity risk
- operational risk

a) Market risk

Market risk represents the risk of incurring losses due to unfavorable market price fluctuations (such as, for example, share prices, interest rates, foreign exchange rates).

The company monitors market risk with the aim of optimizing profitability in relation to the associated risk, in accordance with approved policies and procedures. For the management of market risk, among the instruments used by the Group are: investment due diligence and monitoring of portfolio holdings, following the macroeconomic and sectoral context. From the point of view of S.I.F. Oltenia S.A., the relevant market risks are: price risk (position risk), foreign exchange risk, interest rate risk.

- ***Price risk (position risk)***

It is generated by market price volatility, such as fluctuations in the market for financial instruments as a result of changes in market prices, changes caused either by factors affecting all instruments traded in the market or by factors specific to individual instruments or their issuers.

The Group monitors both the systemic component (general risk determined by factors at macro level) and the specific risk, determined by the issuers' own activity, so that when price risks are not in accordance with internal policies and procedures to act in consequence by rebalancing the asset portfolio.

As of 30 June 2022, and 31 December 2021, the Group has the following structure of assets subject to price risk:

in RON	Company no.	Market Value 30 June 2022	Company no.	Market Value 31 December 2021
Capital investments				
Listed companies	23	1,787,255,633	23	2,002,743,609
Unlisted companies	20	86,102,122	21	86,706,194
fund shares	4	4,652,815	4	4,652,463
Total capital investments	**47**	**1,878,010,570**	**48**	**2,094,102,266**

The market value of the portfolio of listed shares (on BSE – regulated market, BSE-AERO – alternative trading system) as of 30 June 2022 represents 95.40% of the total value of the portfolio of shares managed (31 December 2021: 95.85%).

Within the managed portfolio there are a number of 7 issuers, out of the 20 that constitute the BET index of the Bucharest Stock Exchange. The market value of the stakes held in the 7 issuers, as of 30 June 2022, represents 73.70% of the market value of the shares held in the listed companies (31 December 2021: 79.18%).

The Group holds shares in companies operating in various sectors of activity. The Group monitors the risk concentration by business sectors by diversifying the portfolio to avoid excessive exposure to an issuer, business sector, geographical region. The structure of the Group by sectors of activity is as follows:

Portfolio structure	The market value of the participation in 30 June 2022		The market value of the participation in 31 December 2021	
Economic sectors with a share in the Group's value portfolio:	*(RON)*	*%*	*(RON)*	*%*
Finance / Banking	885,266,502	47.14	1,153,088,518	55.06
oil, methane gas and ancillary services	353,207,161	18.80	345,485,479	16.50
financial intermediation	238,625,012	12.71	197,976,371	9.46
energy and gas transport	104,701,611	5.58	117,620,064	5.62
Pharmaceutical industry	95,456,947	5.08	107,751,847	5.15
tourism, catering, leisure	80,674,353	4.30	84,628,021	4.04
mechanical engineering	55,394,481	2.95	56,818,684	2.71
electronics, electrotechnics industry	30,102,350	1.60	24,170,137	1.15
manufacture of basic metals	28,134,143	1.50	-	-
renting and subletting of real estate	1,667,245	0.08	1,710,053	0.08
storage and trade in cereals	-	-	-	-
Other activities	127,950	0.01	200,629	0.01
TOTAL EQUITY SECURITIES	**1,873,357,755**	**99.75**	**2,089,449,803**	**99.78**
FUND UNITS	**4,652,815**	**0.25**	**4,652,463**	**0.22**
OVERALL TOTAL	**1,878,010,570**	**100,00**	**2,094,102,266**	**100,00**

From the analysis of the data presented above, on 30 June 2022, the Group held shares in issuers operating in the field of finance, banks with a weight of 47.14% of the total portfolio, down compared to 31 December 2021, when the same sector of activity recorded a weight of 55.06%.

The Group owns fund units in the amount of 4,652,815 as of 30 June 2022 (31 December 2021: 4,652,463 RON). They are exposed to price risk as a result of investments made by the Investment Funds: shares, bank deposits, bonds, other financial instruments.

- ***Foreign exchange risk***

Currency risk is the risk that the value of a financial instrument will be affected as a result of fluctuations in foreign exchange rates. This risk takes into account all positions held by the Group in foreign currency deposits, financial instruments denominated in foreign currency, regardless of the holding period or the level of liquidity recorded by those positions. The Group did not use derivatives in the reporting period ending on 30 June 2022 to protect itself from exchange rate fluctuations. Most of the Group's financial assets and liabilities are denominated in the national currency, thus the currency exchange fluctuations do not significantly affect the Group's business.

As of 30 June 2022, foreign currency funds amounted to 957,205 Ron (31 December 2021: Ron 2,487,940), representing 0.81% (31 December 2021: 4.65%) of total funds.

Given that most of the Group's assets are denominated in the national currency, exchange rate fluctuations do not directly significantly affect the Group's business. These fluctuations have an influence on the assessment of investments such as deposits in foreign currency and cash in current accounts. In the case of Argus SA, as well as in the case of the leasing activities of real estate assets carried out by other companies within the consolidation perimeter, however, the fluctuations of the exchange rate may influence their results.

Cash in foreign currency as at 30 June 2022 represents 0.04% (31 December 2021: 0.11%) of total financial assets, so the currency risk is insignificant.

The concentration of assets and liabilities by currency is presented as follows:

in RON	Book value	RON	EUR	USD
30 June 2022				
Financial assets				
Cash and cash equivalents	13,142,710	12,395,530	712,909	34,271
Deposits with banks	104,612,318	104,402,293	210,025	-
Financial assets measured at fair value through	1,873,357,755	1,873,357,755	-	-

other comprehensive income				
Financial assets measured at fair value through profit or loss	4,652,815	4,652,815	-	-
loans and advances	44,789,606	44,789,606	-	-
Other financial assets	109,794,838	109,794,838	-	-
Total financial assets	**2,150,350,042**	**2,149,392,837**	**922,934**	**34,271**
Other financial liabilities				
Dividends payable	61,871,601	61,871,601	-	-
Other financial liabilities	55,848,570	55,848,570	-	-
Total financial liabilities	**117,720,171**	**117,720,171**	-	-

in RON	**Book value**	**RON**	**EUR**	**USD**
31 December 2021				
Financial assets				
Cash and cash equivalents	16,426,242	14,617,311	1,748,263	60,668
Deposits with banks	37,108,220	36,429,211	210,563	468,446
Financial assets measured at fair value through other comprehensive income	2,089,449,803	2,089,449,803	-	-
Financial assets measured at fair value through profit or loss	4,652,463	4,652,463	-	-
loans and advances	34,018,497	34,018,497	-	-
Other financial assets	177,889,704	177,889,704	-	-
Total financial assets	**2,359,544,929**	**2,357,056,989**	**1,958,826**	**529,114**
Other financial liabilities				
Dividends payable	46,798,631	46,798,631	-	-
Other financial liabilities	147,092,574	147,092,574	-	-
Total financial liabilities	**193,891,205**	**193,891,205**	-	-

- ***Interest rate risk***

Interest rate risk is the current or future risk of earnings and capital losses due to adverse changes in interest rates. The interest rate directly influences the income and expenses attached to variable interest-bearing financial assets and liabilities. The group is exposed to interest rate risk on holdings in transferable securities and money market instruments.

The interest rate directly influences the income and expenses attached to variable interest-bearing financial assets and liabilities.

Most of the assets in the portfolio do not bear interest. Consequently, the Group is not significantly affected by the interest rate risk. Interest rates applied to cash and cash equivalents are short-term.

At Group level, the share of borrowed resources in the total financing resources of the companies is not significant, except for Argus S.A. Constanța and Lactate Natura S.A. Târgoviște.

In order to benefit from the volatility of interest rates, for a greater flexibility in the policy of allocation of cash funds, it will be ensured that the placement of cash in monetary instruments will be done especially on a short term, of 1-3 months.

The risk of interest rate decrease is moderate taking into account the amounts placed in deposits in relation to the total liquidity of the Group.

The following table summarises the Group's exposure to interest rate risk.

in RON	Book value	Less than 3 months	Between 3 and 12 months	Between 1 and 5 years	No interest
30 June 2022					
Cash and cash equivalents	13,142,710	-	-	-	13,142,710
Deposits with banks	104,612,318	104,393,826	218,492	-	-
Financial assets measured at fair value through other comprehensive income	1,873,357,755	-	-	-	1,873,357,755
Financial assets measured at fair value through profit or loss	4,652,815	-	-	-	4,652,815
loans and advances	44,789,606	-	-	-	44,789,606
Other financial assets	109,794,838	-	-	-	109,794,838
Total financial assets	**2,150,350,042**	**104,393,826**	**218,492**	-	**2,045,737,724**
Other financial liabilities					
Dividends payable	61,871,601	-	-	-	61,871,601
Other financial liabilities	55,848,570	-	-	-	55,848,570
Total financial liabilities	**117,720,171**	-	-	-	**117,720,171**

in RON	Book value	Less than 3 months	Between 3 and 12 months	Between 1 and 5 years	No interest
31 December 2021					
Cash and cash equivalents	16,426,242	-	-	-	16,426,242
Deposits with banks	37,108,220	35,982,334	722,308	403,578	-
Financial assets measured at fair value through other comprehensive income	2,089,449,803	-	-	-	2,089,449,803
Financial assets measured at fair value through profit or loss	4,652,463	-	-	-	4,652,463
loans and advances	34,018,497	-	-	-	34,018,497
Other financial assets	177.889.704	-	-	-	177.889.704
Total financial assets	**2,359,544,929**	**35,982,334**	**722,308**	**403,578**	**2,322,436,709**
Other financial liabilities					
Dividends payable	46,798,631	-	-	-	46,798,631
Other financial liabilities	147,092,574	-	-	-	147,092,574
Total financial liabilities	**193,891,205**	-	-	-	**193,891,205**

b) Credit risk

Credit risk is the Group's risk of incurring losses or not achieving the estimated profits as a result of the Borrower's failure to meet its contractual obligations or as a result of its failure to meet its financial obligations.

Credit risk expresses the possibility that borrowers or issuers of debt financial instruments will not meet their obligations at maturity due to the deterioration of the borrower's financial situation and insolvency or due to the general situation of the economy. Credit risk arises in relation to any type of debt.

The indicators used to measure the risk of issuers' insolvency are the following: exposure rate to issuers at high risk of bankruptcy (in the next 2 years), exposure rate to unlisted issuers, exposure rate by business sector.

Credit risk may affect the activity of the Indirect Group, in the case of portfolio companies experiencing financial difficulties in paying their payment obligations corresponding to dividends. Given the diversity of investments and the fact that most of them are carried out in stable entities with increased liquidity in the market, this risk is greatly mitigated and properly managed by the Group.

The Group may be exposed to credit risk through investments in bonds, current accounts, bank deposits, as well as other receivables.

The monitoring of credit risk involves the diversification of investments, of exposure by economic sector, the diversification of maturities in the case of deposits so that the risks involved are minimised.

The sector with high exposure is the "finance, banks" sector with an exposure of over 20% in total active, which as of 30 June 2022 represents 47.14% of the total portfolio.

As far as cash is concerned, it is placed with several banks, so the risk of concentration is also avoided. Bank deposits are made with banking institutions in Romania.

As a result of the evaluation of the main elements of the credit risk, we can conclude that they fall within the approved risk limits for an average risk appetite.

c) Liquidity risk

Liquidity risk is the current or future risk of impairment of profits and capital, determined by the inability of the Group to meet its obligations at maturity.

The Group seeks to maintain a level of liquidity appropriate to its underlying obligations in order to be able to discharge its obligations at the date they become due and monitors assets and liabilities against contractual maturities.

The Group shall hold liquid assets, the sum of the amounts of which covers the difference between liquidity outflows and liquidity inflows in stressed situations, so as to ensure that the Group maintains levels of liquidity buffers that are adequate to enable it to deal with any imbalances between liquidity inflows and outflows in stressed situations.

The structure of assets and liabilities in terms of liquidity is analysed in the following table:

in RON	Book value	Less than 3 months	Between 3 and 12 months	Between 1 and 5 years	No pre-set maturity
30 June 2022					
Financial assets					
Cash and cash equivalents	13,142,710	-	-	-	13,142,710
Deposits with banks	104,612,318	104,393,826	218,492	-	-
Financial assets measured at fair value through other comprehensive income	1,873,357,755	-	-	-	1,873,357,755
Financial assets measured at fair value through profit or loss	4,652,815	-	-	-	4,652,815
loans and advances	44,789,606	-	-	-	44,789,606
Other financial assets	109,794,838	-	-	-	109,794,838
Total financial assets	**2,150,350,042**	**104,393,826**	**218,492**	-	**2,045,737,724**
Other financial liabilities					
Dividends payable	61,871,601	61,871,601	-	-	-
Other financial liabilities	55,848,570	55,848,570	-	-	-
Total financial liabilities	**117,720,171**	**117,720,171**	-	-	-

in RON

	Book value	Less than 3 months	Between 3 and 12 months	Between 1 and 5 years	No pre-set maturity
31 December 2021					
Financial assets					
Cash and cash equivalents	16,426,242	-	-	-	16,426,242
Deposits with banks	37,108,220	35,982,334	722,308	403,578	-
Financial assets measured at fair value through other comprehensive income	2,089,449,803	-	-	-	2,089,449,803
Financial assets measured at fair value through profit or loss	4,652,463	-	-	-	4,652,463
loans and advances	34,018,497	-	-	-	34,018,497
Other financial assets	177,889,704	-	-	-	177,889,704
Total financial assets	**2,359,544,929**	**35,982,334**	**722,308**	**403,578**	**2,322,436,709**
Other financial liabilities					
Dividends payable	46,798,631	46,798,631	-	-	-
Other financial liabilities	147,092,574	147,092,574	-	-	-
Total financial liabilities	**193,891,205**	**193,891,205**	-	-	-

The share of highly liquid assets (cash and cash equivalents, bank deposits) in total assets is 4.47%, increasing compared to 31 December 2021 (1.88%). For the relevant maturity bands, the liquidity need shall cover the maturity of the liabilities in those maturity bands. The risk of not having the liquidity needed to meet the short-term payment obligations is reduced by monitoring cash flow, by determining the expected inflows and outflows of liquidity within certain time periods. The liquidity risk remains influenced by the liquidity of the capital market, the volume of the main listed holdings of the Group and their average liquidity, with the risk that it will not be possible to obtain a price higher than or at least equal to that with which these participations are evaluated in the calculation of the net asset, according to the FSA regulations, if liquidity is to be obtained within a reasonable period of time.

The Company continuously monitors the liquidity profile of the portfolio, analysing the impact of each asset on liquidity, adopting a prudential policy on cash outflows, permanently assessing the quantitative and qualitative risks of the positions held and of the investments expected to be realized.

We estimate that this risk falls within the approved risk limits for an average risk appetite.

d) Operational risk:

Operational risk refers to losses resulting from acts taken (or negligence) in the conduct of business activities. Operational risk is also assimilated to the legal risk that represents the risk of incurring losses caused by the failure to apply or improper application of the legal or contractual provisions.

For the management of operational risk, each type of events that can generate significant risks and the ways of manifesting them are taken into account, in order to eliminate or diminish financial or reputational losses.

In the category of operational risk are pursued:

- *IT risk* - represents a sub-category of operational risk that refers to the risk caused by the inadequacy of IT strategy and policy, information technology and information processing, with reference to its management capacity, integrity, controllability and continuity, or by the improper use of information technology.

- *Strategic risk* - represents the current or future risk of affecting profits and capital caused by changes in the business environment or by unfavourable business decisions, inadequate implementation of decisions or lack of response to changes in the business environment. The management of the companies adopts a

prudent policy in order to minimize exposure to this risk. The main milestones in the pursuit of strategic risk are the pursuit of efficiency indicators according to the strategic objectives assumed. In order to avoid strategic risk, the market evolution is monitored in relation to the provisions assumed by the revenue and expenditure budget. At Group level, we estimate that the strategic risk is low, the business policy adopted by the company's management being a prudential one.

- *Reputational* risk - represents the current or future risk of affecting profits and capital determined by the unfavourable perception on the image of the Group companies by shareholders, investors or supervisory authorities/institutions. The objective of companies is to satisfy the interests of shareholders and investors and to conduct a fair business in accordance with capital market regulations.

- *The risk associated with the outsourced activities* - represents the financial, reputational and operational impact that the Group companies may have on the inadequate performance by the service provider of the outsourced activity, including the risk of the company continuing in optimal conditions of carrying out financial activities and/or complying with the provisions of the legislation in force, as a result of the failure or difficulties encountered by the legal person employed by the company, on the basis of a contract to carry out certain activities. It is managed by the departments managing the concluded contracts.

- *Model risk* - represents a possible loss that each company in the Group could record as a result of decisions that could be based mainly on the results of internal models, due to errors in the development, implementation or use of these models. It is managed at the level of each compartment.

- *Risk of a conflict of interest* - represents any situation in which the interests of the Group Companies are divergent from the personal interests of their employees, directors, directors or close relatives.

- *Sustainability risks* – is an environmental, social or governance event or condition that, if it occurs, could cause a significant, actual or potential, negative effect on the value of the investment. Sustainability risks are integrated into the classification and management of existing risks, as they also affect the types of existing risks to which the company is exposed in its activities.

In order to assess the level of operational risk to which it is exposed, the Group acts to identify and classify operational risk events in specific categories, which would allow the establishment of the most effective methods of control and mitigation of potential effects. The functional departments within the Group are responsible for the preliminary analysis of the operational risks arising in their area of activity.

The Group has a policy of maintaining an optimal level of equity for the purpose of developing the Company and achieving the proposed objectives. The main objective of the Group is business continuity for the purpose of providing profitability to its shareholders.

Considering the complexity of the Group's activity, the volume of activity, the staff structure, the level of computerization, the complexity of the monitoring and control procedures and the other intrinsic aspects related to the risk policy, we estimate that the operational risk at Group level is an average one.

e) Capital adequacy

Management's capital adequacy policy focuses on maintaining a sound capital base in order to support the Group's continued development and the achievement of investment objectives.

Equity consists of share capital, created reserves, current result and retained earnings. As of 30 June 2022, the Group's equity is Ron 2,404,424,488 (31 December 2021: 2,483,206,252 Ron). The Group is not subject to any legal capital adequacy requirements.

6. FINANCIAL ASSETS AND LIABILITIES

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and liabilities are presented as at 30 June 2022, as follows:

in RON	Fair value through other comprehensive income	Fair value through profit or loss account	amortised cost	Book value	Value Fair Value
Cash and cash equivalents	-	-	13,142,710	13,142,710	13,142,710

Deposits with banks	-	-	104,612,318	104,612,318	104,612,318
Financial assets measured at fair value through other comprehensive income	1,873,357,755	-	-	1,873,357,755	1,873,357,755
Financial assets measured at fair value through profit or loss	-	4,652,815	-	4,652,815	4,652,815
Other financial assets	-	-	154,584,444	154,584,444	154,584,444
Total financial assets	**1,873,357,755**	**4,652,815**	**272,339,472**	**2,150,350,042**	**2,150,350,042**
Dividends payable	-	-	61,871,601	61,871,601	61,871,601
Other financial liabilities	-	-	55,848,570	55,848,570	55,848,570
Total financial liabilities	-	-	**117,720,171**	**117,720,171**	**117,720,171**

The carrying amounts and fair values of financial assets and liabilities are presented as at 31 December 2021, as follows:

in RON	**Fair value through other comprehensive income**	**Fair value through profit or loss account**	**Amortised cost**	**Book value**	**Fair Value**
Cash and cash equivalents	-	-	16,426,242	16,426,242	16,426,242
Deposits with banks	-	-	37,108,220	37,108,220	37,108,220
Financial assets measured at fair value through other comprehensive income	2,089,449,803	-	-	2,089,449,803	2,089,449,803
Financial assets measured at fair value through profit or loss	-	4,652,463	-	4,652,463	4,652,463
Other financial assets	-	-	211.908.201	211.908.201	211.908.201
Total financial assets	**2,089,449,803**	**4,652,463**	**265,442,663**	**2,359,544,929**	**2,359,544,929**
Dividends payable	-	-	46,798,631	46,798,631	46,798,631
Other financial liabilities	-	-	147,092,574	147,092,574	147,092,574
Total financial liabilities	-	-	**193,891,205**	**193,891,205**	**193,891,205**

7. DIVIDEND INCOME

Dividend income is recorded on a gross basis. The tax rates for dividends for the period ended on 30 June 2022 were 5% and zero (31 December 2021: 5% and zero). Dividend income, mainly by contributors, is described as follows:

in RON	**30 June 2022**	**30 June 2021 restated**	**Restatements 30 June 2021**	**30 June 2021**
BRD - GROUPE SOCIETE GENERALE S.A.	102,139,351	-	-	-
BANCA TRANSILVANIA S.A. Cluj Napoca	27,947,282	-	-	-
OMV PETROM S.A. Bucharest	18,461,124	18,343,571	-	18,343,571
S.N.T.G.N. TRANSGAZ S.A. Mediaș	3,605,869	1,980,552	-	1,980,552
BUCHAREST STOCK EXCHANGE	475,582	409,494	-	409,494
S.I.F. MOLDOVA S.A.	202,758	148,682	-	148,682
DEPOZITARUL CENTRAL S.A. Bucharest	86,693	32,553	-	32,553
ELBA TIMIȘOARA	59,046	-	-	-
S.N. NUCLEAR ELECTRICA	11,327	8,974	-	8,974

S S.N.G.N. ROMGAZ S.A. Mediaș	-	4,029,655	-	4,029,655
ȘANTIERUL NAVAL Orșova	-	3,200,338	-	3,200,338
BRD - GROUPE SOCIETE GENERALE S.A. Bucharest	-	2,150,580	-	2,150,580
ALIMENT MULFATLAR S.R.L. Constanța	-	-	(1,384,000)	1,384,000
TOTAL	**152,989,032**	**30,304,399**	**(1,384,000)**	**31,688,399**

8. INCOME FROM INTERESTS

in RON	**30 June 2022**	**30 June 2021 restated**	**Restatements 30 June 2021**	**30 June 2021**
Interest income on bank deposits	962,275	145,811	25,905	119,906
Interest income on current bank accounts	9,864	8,924	57	8,867
Income from loans	-	23,475	-	23,475
Total	**972,139**	**178,210**	**25,962**	**152,248**

9. OTHER OPERATING INCOME

in RON	**30 June 2022**	**30 June 2021 restated**	**Restatements 30 June 2021**	**30 June 2021**
Revenue from sold production	185,543,100	52,800,961	1,624,973	51,175,988
Rental income	14,494,524	12,162,279	1,790,556	10,371,723
Income from sales	2,409,379	8,757,598	6,075,414	2,682,184
Other operating income	1,539,213	515,115	139,997	375,118
Income from provisions for current assets amortization/depreciation	2,975,797	144,881	-	144,881
Revenue from operational subsidies	-	-	-	-
Other financial income	171,571	72,035	100	71,935
Financial income from adjustments for impairment losses of financial assets	42,528	204	-	204
Income from deferred profit tax	-	-	-	-
Total	**207,176,112**	**74,453,073**	**9,631,040**	**64,822,033**

10. NET GAIN FROM FOREIGN EXCHANGE RATE DIFFERENCES

in RON	**30 June 2022**	**30 June 2021 restated**	**Restatements 30 June 2021**	**30 June 2021**
Income from Exchange rate differences	3,471,527	836,693	5,131	831,562
Expenses from Exchange rate difference	2,859,487	67,140	4,268	62,872
Net gain from foreign exchange rate differences	**612,040**	**769,553**	**863**	**768,690**

11. GAIN ON FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

in RON	**30 June 2022**	**30 June 2021**
Gains on financial assets measured at fair value through profit or loss	846,747	1,461

Losses on financial assets measured at fair value through profit or loss	(829,860)	-
Gains / losses on financial assets measured at fair value through profit or loss	**16,887**	**1,461**

2. COMMISSIONS AND ADMINISTRATIVE AND SURVEILLANCE FEES

in RON	**30 June 2022**	**30 June 2021 restated**	**Restatements 30 June 2021**	**30 June 2021**
Commission expenses due to SSIF for equity transactions	151,914	10,616	-	10,616
Expenses related to commissions due for shareholder registry services	101,521	102,236	(801)	103,037
Expenses related to commissions with the depositing company	246,416	229,619	-	229,619
BSE expenses	57,253	52,250	-	52,250
Expenses related to taxes due to capital market entities (FSA)	856,856	810,963	-	810,963
Expenditure on audit fee	85,627	170,605	26,699	143,906
Other expenses related to commissions, fees and contributions	320,788	267,580	-	267,580
Total	**1,820,375**	**1,643,869**	**25,898**	**1,617,971**

13. OTHER OPERATING EXPENSES

in RON	**30 June 2022**	**30 June 2021 restated**	**Restatements 30 June 2021**	**30 June 2021**
Raw materials and materials expenses	132,229,751	40,603,061	1,024,812	39,578,249
fees and taxes expenses	1,960,744	1,901,756	196,853	1,704,903
Personnel expenses	17,710,174	20,054,789	1,745,129	18,309,660
Amortization/depreciation and provisions expenses	6,202,584	2,952,971	372,469	2,580,502
Third party services expenses	21,774,298	16,007,999	7,496,410	8,511,589
Expenses with late payment penalties to suppliers	46,993	71,675	-	71,675
Other expenditure	400,456	650,917	-	650,917
Total	**180,325,000**	**82,243,168**	**10,835,673**	**71,407,495**

Other operating expenses include expenses with raw materials and materials, personnel expenses, expenses with other taxes and duties, expenses with amortization and provisions, expenses with external services.

Salaries and similar expenses

in RON	**30 June 2022**	**30 June 2021 restate**	**Restatements 30 June 2021**	**30 June 2021**
Salaries expenses	16,926,405	19,271,932	1,693,620	17,578,312
Social security and welfare expenses	783,769	782,857	51,509	731,348
Other salary expenses acc. to court judgments	-	-	-	-
Total	**17,710,174**	**20,054,789**	**1,745,129**	**18,309,660**

The actual number of staff per category during the reporting period ending on 30 June 2022 is as follows:

	30 June 2022	**30 June 2021 restated**	**Restatements 30 June 2021**	**30 June 2021**
Personnel with mandate contract	24	24	7	17

Employees with higher education	117	126	11	115
Employees with secondary education	311	314	28	286
Employees with general education	56	61	18	43
Total	**508**	**525**	**64**	**461**

The evolution of the number of employees by categories during the reporting period ended on 30 June 2022 is as follows:

	No. of employees 31 December 2021	**Entries of employees in the year 2022**	**Employee outflows in the year 2022**	**No. of employees 30 June 2022**
Employees with higher education	124	12	15	121
Employees with secondary education	295	60	48	307
Employees with general education	66	1	11	56
Total	**485**	**73**	**74**	**484**

** Does not include persons under mandate contract.*

The effective number of employees as at 30 June 2022 is 484 (31 December 2021: 485). The average number of employees as at 30 June 2022 is 462 (31 December 2021: 483).

The Group makes payments to institutions of the Romanian state in the account of the pensions of its employees.

All employees are members of the Romanian state pension plan. The Group does not operate any other pension or benefit plan after retirement and therefore has no other obligations related to pensions. Furthermore, the Group is not obliged to provide additional benefits to employees after retirement.

The Group did not grant advances or credits to the members of the Board of Directors, to the directors during the reporting period, except for the advances for travels in the interest of the service, justified within the legal term, so that at the end of the period no amount of this nature is due.

14. CORPORATE TAX

in RON	**30 June 2022**	**30 June 2021 restated**	**Restatements 30 June 2021**	**30 June 2021**
Current corporate tax	2,633,320	176,082	-	176,082
Tax on micro enterprises / specific income	206,240	91,094	23,702	67,392
Dividends tax	7,536,462	1,320,502	-	1,320,502
Deferred profit tax	205,932	141,590	24,200	117,390
Total profit tax	**10,581,954**	**1,729,268**	**47,902**	**1,681,366**

Reconciliation of profit before tax, with profit tax expense in the profit or loss account:

in RON	**30 June 2022**	**30 June 2021 restated**	**Restatements 30 June 2021**	**30 June 2021**
Profit before tax	180,257,761	27,961,546	(2,399,211)	30,360,757
Tax in accordance with the statutory tax rate of 16% and other rates	25,866,950	4,601,803	-	4,601,803

Effect on corporate tax, of:

in RON	**30 June 2022**	**30 June 2021 restated**	**Restatements 30 June 2021**	**30 June 2021**
Non-taxable income	(24,465,656)	(6,024,664)	-	(6,024,664)
Dividend tax rate	7,536,462	1,320,502	-	1,320,502

Non-deductible expenses	1,233,464	1,598,943	-	1,598,943
Tax loss from current activity	-	-	-	-
Sponsorship amounts within legal limits	(1,438)	-	-	-
Records and reversals of temporary differences	205,932	141,590	24,200	117,390
Profit tax	**10,375,714**	**1,638,174**	**24,200**	**1,613,974**
Tax on micro enterprises/ specific income	206,240	91,094	23,702	67,392
Total profit tax	**10,581,954**	**1,729,268**	**47,902**	**1,681,366**

Cash and cash equivalents

in RON	**30 June 2022**	**31 December 2021**
Cash in vault	184,946	124,348
Current bank accounts	12,865,642	16,287,445
Cash equivalents	92,122	14,449
Cash and cash equivalents	**13,142,710**	**16,426,242**

Current accounts opened with banks are at the disposal of the Group at all times and are not restricted.

16. DEPOSITS PLACED WITH BANKS

in RON	**30 June 2022**	**31 December 2021**
Demand bank deposits	104,581,023	37,098,227
Attached receivables	31,295	9,993
Total deposits placed with banks	**104,612,318**	**37,108,220**

Bank deposits are at all times available to the Group and are not restricted or encumbered.

17. Financial assets

- ***Financial assets measured at fair value through other comprehensive income***

As of 30 June 2022, and 31 December 2021, the structure of the Group's portfolio according to the market on which it was traded was as follows:

in RON	**Market value 30 June 2022**	**Market Value 31 December 2021**
- Securities admitted or traded on a regulated market in Romania;	1,745,298,011	1,963,248,924
- Securities admitted or traded on an alternative market in Romania;	41,957,622	39,494,685
- Securities not admitted to trading on a regulated market or on an alternative trading system;	86,102,122	86,706,194
Total	**1,873,357,755**	**2,089,449,803**

On 30 June 2022 and 31 December 2021, in the category of shares measured at fair value are included, mainly, the value of the shares held in the following issuers: Banca Transilvania S.A. Cluj Napoca, BRD – Groupe Societe Generale S.A. Bucharest, OMV Petrom S.A. Bucharest, S.I.F Banat - Crișana S.A. Arad, S.I.F Muntenia S.A. Bucharest, Antibiotice S.A. Iași, SNGN Romgaz S.A. Mediaș, SNTGN Transgaz S.A. Mediaș, CNTEE Transelectrica S.A. Bucharest, etc.

- ***Financial assets at fair value through profit or loss***

Financial assets at fair value through profit or loss as at 30 June 2022 and 31 December 2021 are presented as follows:

in RON	**30 June 2022**	**31 December 2021**
BT INDEX Romania open-end investment fund	3,473,778	3,368,366
Napoca open-end investment fund	273,756	289,500
Transilvania open-end investment fund	405,024	412,701
Tehnoglobinvest open-end investment fund	500,257	581,896
Total	**4,652,815**	**4,652,463**

The movement in financial assets measured at fair value through other comprehensive income for the reporting periods ended 30 June 2022 and 31 December 2021 is presented in the following tables:

in RON	**Shares measured at fair value**	**Actions valued at cost**	**Total**
1 January 2022	**2,089,449,803**	-	**2,089,449,803**
Procurement	72,207,667	-	72,207,667
Sales	(57,108,195)	-	(57,108,195)
Impairment losses	-	-	-
Change in fair value	(231,191,520)	-	(231,191,520)
Reclassifications 2021	-	-	-
30 June 2022	**1,873,357,755**	-	**1,873,357,755**

The share entries in the first semester of 2022 amounted to 72,207,667 RON and mainly represent the acquisition of shares on the capital market at S.I.F. Muntenia (40.84 million RON), S.I.F. Banat-Crișana (26.46 million RON), Bucharest Stock Exchange (2.12 million RON), Banca Transilvania (1.55 million RON), Electromagnetica (0.71 million RON) and Antibiotice (0.52 million RON).

The sales of shares during the reporting period were in the amount of 57,108,195 RON and represent the cost of the shares exited from the portfolio of the respective Company: Banca Transilvania (40.20 million RON), S.I.F. Banat-Crișana (11.56 million RON), SNGN Romgaz (5.28 million RON) and Comcereal S.A. Drobeta Turnu Severin (0.11 million RON).

in RON	**Shares measured at fair value**	**Actions valued at cost**	**Total**
January 2021	**1,728,210,994**	-	**1,728,210,994**
Procurement	174,577,958	-	174,577,958
Sales	(57,576,476)	-	(57,576,476)
Impairment losses	(4,202,957)	-	(4,202,957)
Change in fair value	248,440,284	-	248,440,284
Reclassifications 2021	-	-	-
31 December 2021	**2,089,449,803**	-	**2,089,449,803**

The inflows of shares during 2021 amounted to 174.57 million RON and mainly represent the acquisition of shares on the capital market at S.I.F Muntenia (78.83 million RON), S.I.F. Banat-Crișana (40.58 million RON), Antibiotice Iași (26.94 million RON), Banca Transilvania (27.14 million RON), Bucharest Stock Exchange (0.94 million RON) and Sinterom (0.14 million RON).

The sales of shares during the reporting period amounted to 57.56 million RON and represent the cost of the shares exited from the portfolio of the respective Company: Banca Transilvania (31.41 million RON), OMV Petrom (13.6 million RON), SNGN Romgaz (6.22 million RON), S.I.F. Transilvania (3.57 million

RON), Altur S.A. Slatina (1.32 million RON), CNTEE Transelectrica (0.74 million RON), Cerealcom Alexandria (0.41 million RON), Evergent Investments (0.26 million RON) and Corint S.A. Târgoviște (0.03 million RON).

The most important participations in companies and investment funds in the Group's portfolio as of 30 June 2022, at market value, are in the amount of Ron 1,659,453,581 and are presented in the following table:

No.	Company	Percentage of total securities - % -	Market value as at 30 June 2022 - RON -
1	BANCA TRANSILVANIA S.A. Cluj	26.48	497,221,234
2	B.R.D. - GROUPE SOCIETE GENERALE S.A.	18.54	348,270,039
3	OMV PETROM S.A. București	13.85	260,053,547
4	S.I.F. BANAT - CRIȘANA S.A.	5.93	111,417,682
5	S.I.F. MUNTENIA S.A.	5.59	104,887,229
6	ANTIBIOTICE S.A. Iași	5.08	95,456,947
7	S.N.G.N. ROMGAZ S.A. Mediaș	4.96	93,153,614
8	S.N.T.G.N. TRANSGAZ S.A. Mediaș	2.98	55,984,530
9	C.N.T.E.E. TRANSELECTRICA S.A. București	2.58	48,445,506
10	TURISM FELIX S.A. Băile Felix	2.37	44,563,253
Total		**88.36**	**1,659,453,581**

The most important participations in companies and investment funds in the Group's portfolio as of 31 December 2021, at market value, are in the amount of 1,911,687,176 Ron and are presented in the following table:

No.	Company	Percentage of total securities - % -	Market value as at 31 December 2021 - RON -
1	BANCA TRANSILVANIA S.A. Cluj	29.79	623,764,043
2	B.R.D. - GROUPE SOCIETE GENERALE S.A.	23.33	488,461,147
3	OMV PETROM S.A. București	12.71	266,188,144
4	ANTIBIOTICE S.A. Iași	5.15	107,751,847
5	S.I.F. BANAT - CRIȘANA S.A.	4.91	102,810,576
6	S.N.G.N. ROMGAZ S.A. Mediaș	3.79	79,297,335
7	S.I.F. MUNTENIA S.A.	3.63	76,051,820
8	C.N.T.E.E. TRANSELECTRICA S.A. București	2.86	59,891,423
9	S.N.T.G.N. TRANSGAZ S.A. Mediaș	2.74	57,444,996
10	TURISM FELIX S.A. Băile Felix	2.39	50,025,845
Total		**91.29**	**1,911,687,176**

- ***Fair values hierarchy***

For the calculation of fair value, for equity instruments (shares), the company uses the following hierarchy of methods:

- Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities;

- Level 2: inputs other than quoted prices included in Level 1 that are observable for assets or liabilities, either directly (e.g. prices) or indirectly (e.g. price derivatives);

- Level 3: evaluation techniques based largely on unobservable elements. This category includes all instruments for which the valuation technique includes elements that are not based on observable data and for which unobservable input parameters may have a significant effect on the valuation of the instrument.

In RON	30 June 2022	31 December 2021
Level 1	1,638,444,607	1,968,922,933
Level 2	152,687,625	37,708,745
Level 3	86,878,338	87,470,588
Total	**1,878,010,570**	**2,094,102,266**

The fair value measurement of participations (equity instruments - shares) held at 30 June 2022 is made as follows:

- for securities listed and traded during the reporting period, the market value was determined taking into account the quotation on the last trading day (closing quotation on the main capital market for those listed on the regulated market - BSE, respectively the reference price for the alternative system - AERO for level 1, and for level 2 the quotations for the shares traded in the last 30 trading days are taken);

- for listed securities that have not been traded in the last 30 days of the reporting period, as well as for unlisted securities, the market value is determined as it results from the entity's last approved annual financial statement;

- for securities issued by credit institutions not admitted to trading, the assessment is made at the book value per share calculated based on the equity value contained in the monthly reports submitted to the BNR;

- for securities not admitted to trading on a regulated market or in an alternative trading system in Romania issued by issuers in which holdings of more than 33% of the share capital are held, they are valued exclusively in accordance with International Valuation Standards based on an evaluation report updated at least annually;

- for securities of companies in insolvency proceedings or reorganization and witch have not been reintroduced to trading, the valuation is made at zero.

The equity securities issued by mutual funds are valued taking into account the last unit value of the net asset, calculated and published.

Also, having regard to the provisions of Article 114 (4) and (5) of the FSA Regulation no. 9/2014, supplemented by the FSA Regulation no. 20/2020, the management of S.I.F. Oltenia S.A. has approved the update of the valuation methodology for holdings without an active market, where S.I.F. Oltenia S.A. has majority ownership*: Mercur S.A. Craiova, Univers S.A. Râmnicu Vâlcea, Alimentara S.A. Slatina and Flaros S.A. Bucharest*, using the evaluation method allowed by the regulations in force. This methodology is considered by the company to be more relevant, ensuring an increased convergence between the monthly reporting of the net asset and the financial accounting situation, as well as a reduction of the monthly volatility of the values of these companies included in the monthly reporting *"Statement of assets and liabilities of S.I.F. Oltenia S.A."* (Annex 10) to investors.

Thus, in the case of issuers listed on a stock market but with very low liquidity and high volatility, the fair value has been determined in accordance with international valuation standards on the basis of an effective valuation report by an independent and updated ANEVAR authorized valuer, updated at least annually. This is the case of the companies Mercur S.A. Craiova, Univers S.A. Râmnicu Valcea, which were evaluated on the basis of the financial statements of 30.09.2021, Alimentara S.A. Slatina (*assessed on the basis of the financial statements as of 31.05.2022)* and Flaros S.A. Bucharest - the assessment was made on the basis of the financial statements at 31.12.2021 (in the case of Flaros S.A. Bucharest, the method has been applied with the calculation of the total asset value for February 2022).

We note that the shares held in the Group companies have been removed from the statement of financial position.

18. CREDITS AND RECEIVABLES

in RON	30 June 2022	31 December 2021
Trade receivables	33,619,439	28,725,905
debtors	10,126,534	4,078,212
Receivables related to the state budget and social security fund	711,451	1,052,741
Other receivables	3,477,006	3,394,067
Adjustments for receivables impairment (debtors)	(3,144,824)	(3,232,428)
TOTAL	**44,789,606**	**34,018,497**

19. TANGIBLE ASSETS

in RON	Land and buildings	Equipment and machinery	Other fixtures and fittings, tools and equipment	Advances and tangible assets in progress	Total
January 2021	**122,073,443**	**90,980,328**	**3,590,227**	**3,038,652**	**219,682,650**
Increases	225,728,560	3,916,268	69,334	2,937,034	232,651,196
discounts	(38,969,789)	(3,972,294)	(152,991)	(4,104,077)	(47,199,151)
31 December 2021	**308,832,214**	**90,924,302**	**3,506,570**	**1,871,609**	**405,134,695**
Increases	687,406	320,147	46,694	1,025,794	2,080,041
discounts	(340,783)	(81,610)	(11,368)	(59,729)	(493,490)
30 June 2022	**309,178,837**	**91,162,839**	**3,541,896**	**2,837,674**	**406,721,246**
Cumulated amortization/depreciation					
January 2021	**31,523,946**	**78,587,798**	**2,128,432**	**1,274,373**	**113,514,549**
Amortization/depreciation recorded during the year	3,096,100	5,083,105	239,255	-	8,418,460
Deductions or reversals	(34,681,465)	(3,833,857)	(147,122)	-	(38,662,444)
31 December 2021	**(61,419)**	**79,837,046**	**2,220,565**	**1,274,373**	**83,270,565**
Amortization/depreciation recorded during the year	4,339,724	1,546,372	291,125	-	6,177,221
Deductions or reversals	(132,183)	(36,184)	(11,369)	-	(179,736)
30 June 2022	**4,146,122**	**81,347,234**	**2,500,321**	**1,274,373**	**89,268,050**
Net book value as at 01 January 2021	**90,549,497**	**12,392,530**	**1,461,795**	**1,764,279**	**106,168,101**
Net book value as at 31 December 2021	**308,893,633**	**11,087,256**	**1,286,005**	**597,236**	**321,864,130**
Net book value as at 30 June 2016	**305,032,715**	**9,815,605**	**1,041,575**	**1,563,301**	**317,453,196**

20.Investments in real estate

in RON	30 June 2022	31 December 2021
Balance as at the beginning of the financial period	**166,017,540**	**106,334,747**

Real Estate Investment Valuation	-	54,222,677
Reclassifications from the category of tangible assets	113,226	(3,040,985)
Reclassifications in the category of tangible assets	(31,564)	8,501,101
Acquisition of investment property	-	-
Sales of investment properties	(302,597)	-
Balance at end of reporting period	**165,796,605**	**166,017,540**

21. OTHER ASSETS

in RON	**30 June 2022**	**31 December 2021**
Tangible assets	4,064,501	178,173
Other non-current receivables	549,994	(446,060)
Inventories	44,863,777	121,836,367
Prepaid expenses	1,612,287	271,151
Goodwill	58,704,279	56,050,073
TOTAL	**109,794,838**	**177,889,704**

22.Dividends payable

in RON	**30 June 2022**	**31 December 2021**
Dividends payable for 2021	15,420,317	-
Dividends payable for 2020	7,611,482	7,705,697
Dividends payable for 2019	14,873,486	15,039,533
Dividends payable for 2018	21,289,295	21,374,579
Dividends payable for 2017	417,259	418,621
Dividends payable for 2016	412,328	412,510
Dividends payable for 2015	597,316	597,572
Dividends payable for 2014	487,290	487,291
Dividends payable for 2013	652,681	652,681
Dividends payable for 2012	11,973	11,973
Dividends payable for 2011	10,598	10,598
Dividends payable for 2010	7,929	7,929
Dividends payable previous years	79,647	79,647
Total dividends payable	**61,871,601**	**46,798,631**

23. TAXES AND DUTIES

in RON	**30 June 2022**	**31 December 2021**
Liabilities related to the social security fund	1,229,239	2,630,425
Other liabilities related to the state budget	5,285,662	20,192,838
Other taxes and charges	77,376	86,991
Total	**6,592,277**	**22,910,254**

24. DEFERRED PROFIT TAX LIABILITY

Deferred corporate tax liabilities are determined by the following items:

in RON	Active	Debts	Net	Tax
30 June 2022				
Differences from changes in fair value of financial assets measured at fair value through other comprehensive income	509,573,579	6,345,919	503,227,660	70,388,947
Financial assets measured at fair value through other comprehensive income - received free of charge	32,039,577	-	32,039,577	5,102,355
Revaluation of tangible assets	21,947,468	-	21,947,468	3,511,596
Retained result representing reserves from revaluations of tangible assets	97,351,202	1,380,700	95,970,502	15,825,519
Adjustments to assets	4,947,815	1,962,410	2,985,405	477,665
Provisions for litigations and other provisions	18,685,784	119,785	18,565,999	2,970,562
Other reserves	41,164,142	-	41,164,142	6,586,263
TOTAL	**725,709,567**	**9,808,814**	**715,900,753**	**104,862,907**

The amount of deferred tax is directly recognized by the decrease in equity and does not affect income and expenses.

in RON	Active	Debts	Net	Tax
31 December 2021				
Differences from changes in fair value of financial assets measured at fair value through other comprehensive income	734,224,479	3,290,970	730,933,509	113,091,678
Financial assets measured at fair value through other comprehensive income - received free of charge	32,161,693	-	32,161,693	5,081,484
Revaluation of tangible assets	17,637,824	-	17,637,824	3,547,489
Retained result representing reserves from revaluations of tangible assets	97,230,512	1,380,700	95,849,812	15,813,251
Adjustments to assets	4,841,048	1,962,410	2,878,638	460,582
Provisions for litigations and other provisions	373,600	201,556	172,044	27,527
Other reserves	58,730,466	-	58,730,466	9,396,877
TOTAL	**945,199,622**	**6,835,636**	**938,363,986**	**147,418,888**

25. OTHER LIABILITIES

in RON	30 June 2022	31 December 2021
Personnel liabilities	2,185,229	2,094,941
Trade liabilities	9,938,453	14,783,109
Bank loans and other similar liabilities (leasing)	28,451,149	112,477,927
loans and similar debts	-	10,616,642
Guarantees received	2,700,078	(4,510,053)
Sundry creditors	1,778,244	1,585,652
Amounts payable for financial assets	-	30,743
Deferred income	1,186,168	954,410
For liabilities and charges	9,609,249	9,059,203
Other debts	-	-
Total other liabilities	**55,848,570**	**147,092,574**

As at 30 June 2022, the Group's loans are mainly located on banking units as follows:

In RON

Company	Bank	Currency	Interest rate	Final maturity	Balance on 30 June 2022
Argus S.A. Constanta	BANCA TRANSILVANIA	RON	Robor 3M + bank margin	31.07.2022	110,000,000
Lactate Natura S.A.	CEC	RON	Robor 3M 1, 2	04.06.2023	109,127
Lactate Natura S.A.	CEC	RON	Robor 3M 3, 5	03.09.2022	2,276,975
Total					**112,386,102**

As of 31 December 2021, the Group's loans are mainly located on banking units as follows:

In RON

Company	Bank	Currency	Interest rate	Final maturity	Balance on 31 December 2021
Argus S.A. Constanta	BANCA TRANSILVANIA	RON	Robor 3M + bank margin	31.07.2022	110,000,000
Lactate Natura S.A.	CEC	RON	Robor 3M 1, 2	04.06.2023	151,098
Lactate Natura S.A.	CEC	RON	Robor 3M 3, 5	03.06.2022	2,276,975
Total					**112,428,073**

The guarantees granted for obtaining the loans were the following:

- ***LACTATE NATURA***

For the loan due on 03.09.2022:

- 1st degree real estate mortgage on the Târgoviște Dairy Factory;

- Security mortgage on the accounts opened by the company with CEC Bank S.A.;

For the loan due on 04.06.2023:

- 2nd degree real estate mortgage on the Târgoviște Dairy Factory;

- Mortgage on the current account opened by the company with CEC Bank S.A. Târgoviște branch;

- Mortgage on movable property set up in favour of the bank.

- ***Argus***

- mortgage on fixed assets with a net book value of 31,308,247 Ron on 30 June 2022.

- inventories of raw materials, semi-finished products and finished products in the amount of 42,986,588 Ron;

- Receivables related to assigned debtors.

26. CAPITAL AND RESERVES

- ***Share capital:***

The share capital, according to the Articles of Association of the Company, has the value of Ron 50,000,000, is divided into 500,000,000 shares with a nominal value of Ron 0.1/share and is resulting from the direct subscriptions made to the share capital of the Company and by transforming into shares the amounts due as dividends under Law no. 55/1995 and by the effect of Law no. 133/1996.

The shares issued by the Company are traded on the Bucharest Stock Exchange - Premium Category (SIF5 market symbol).

The record of shares and shareholders is kept by the Depozitarul Central S.A. Bucharest.

The shares of the Company are ordinary, nominative of equal value, issued in dematerialised form, paid in full at the time of subscription, evidenced by book entry and grant equal rights to their holders, except for the limitations of the legal regulations and provisions.

- Based on the Decision no. 4 of the Extraordinary General Shareholders Meeting of March 31, 2022, the Company acquired a number of 25,000,000 own shares, representing 5% of the share capital. The purchase of the shares was made within the public offer to purchase shares issued by the Company, approved by the FSA by Decision no. 671/May 31, 2022. The offer covered a number of 25,000,000 shares (nominal value – 0.10 RON/ share), the purchase price of 2.50 RON/share, the period of implementation: 8 June 2022 – 22 June 2022, and the intermediary of the offer was SWISS CAPITAL S.A. A number of 104,085,853 shares of S.I.F. Oltenia S.A. were subscribed, representing 416% of the object of the Offer, the allocation index being of 0.2401863393. The payment of the redeemed shares and the size of the related fund were made from the available reserves.

The share capital according to the Articles of Association is as follows:

in RON	30 June 2022	31 December 2021
Statutory share capital	50,000,000	50,000,000
Effect of IAS-29 on Share Capital	2,609,400,431	2,609,389,550
Total	**2,659,400,431**	**2,659,389,550**

As of 30 June 2022, the number of shareholders is 5,730,417 (31 December 2021: 5,732,113) which in the structure is as follows:

	Number of shareholders	Number of shares	Amount (MDL)	(%)
30 June 2022				
resident individuals	5,728,332	207,574,119	20,757,412	41.52
non-resident individuals	1,906	1,870,716	187,071	0.37
Total individuals	**5,730,238**	**209,444,835**	**20,944,483**	**41.89**
resident legal entities	153	230,904,708	23,090,471	46.18
non-resident legal entities	26	59,650,457	5,965,046	11.93
Total legal entities	**179**	**290,555,165**	**29,055,517**	**58.11**
Total 30 June 2022	**5,730,417**	**500,000,000**	**50,000,000**	**100,00**

	Number of shareholders	Number of shares	Amount (MDL)	(%)
31 December 2021				
resident individuals	5,730,002	227,821,753	22,782,175	45.56
non-resident individuals	1,900	2,202,879	220,288	0.44
Total individuals	**5,731,902**	**230,024,632**	**23,002,463**	**46.00**
resident legal entities	185	206,924,700	20,692,470	41.38
non-resident legal entities	26	63,050,668	6,305,067	12.62
Total legal entities	**211**	**269,975,368**	**26,997,537**	**54.00**
Total 31 December 2021	**5,732,113**	**500,000,000**	**50,000,000**	**100.00**

- ***Legal reserves***

According to the legal requirements, the Group constitutes legal reserves in the amount of 5% of the profit recorded according to the applicable accounting regulations up to the level of 20% of the share capital according to the Articles of Association. Legal reserves may not be distributed to shareholders.

As of 30 June 2022, the legal reserves are 23,828,872 Ron (31 December 2021: 23,828,872).

- ***Dividend***

During the reporting period ended on 30 June 2022, the Group declared payment dividends amounting to Ron 22,976,954 (31 December 2021: 29,799,206 Ron).

- ***Differences from changes in fair value of financial assets measured at fair value through other comprehensive income***

It comprises the cumulative net changes in the fair values of financial assets measured at fair value through other comprehensive income, from the date of their classification in this category to their derecognition or impairment.

The reserves from the measurement of financial assets measured at fair value through other comprehensive income are recorded at net value by the related deferred tax and are as of 30 June 2022 in the amount of: Ron 439,954,410 (31 December 2021: Ron 628,863,670).

Deferred tax related to these reserves is recorded on equity and deducted from reserves in the measurement of financial assets measured at fair value through other comprehensive income.

- ***Other reserves***

in RON	**30 June 2022**	**31 December 2021**
Other reserves - own financing sources	503,883,236	475,687,202
Other reserves – created following the application of Law no. 133/1996*	144,636,073	144,636,073
Other reserves	44,744,131	44,012,782
Total	**693,263,440**	**664,336,057**

** The reserve related to the initial portfolio was established following the application of Law no. 133/1996, as the difference between the value of the portfolio contributed and the value of the share capital subscribed to the Company. These reserves shall be treated as a contribution premium.*

27. MINORITY INTEREST

The minority interest in the equity of the companies included in the consolidation is as follows:

in RON	**30 June 2022**	**31 December 2021**
Profit or loss for the year related to non-controlling interests	4,437,078	807,051
Other shareholders' equity	83,558,237	84,261,446
Total	**87,995,315**	**85,068,497**

28 EARNINGS PER SHARE

In RON	**30 June 2022**	**30 June 2021**
Profit attributable to ordinary shareholders	165,238,729	27,954,414
Weighted average number of ordinary shares	500,000,000	500,000,000
Basic earnings per share	0.3305	0.0559

Diluted earnings per share equals the basic earnings per share because the Group did not record potential ordinary shares.

29. WARRANTIES GRANTED

Apart from the guarantees granted for obtaining bank loans and the issuance of bonds Mercur S.A., the Group has no guarantees granted.

30. ENVIRONMENTAL QUOTAS

Within the Group, Argus S.A. Constanta recorded a provision for future costs regarding environmental elements in the amount of 692,025 RON, representing costs for the closure of a technological waste cell. The Group's management does not consider the expenses associated with these items to be significant.

31. TRANSFER PRICE

The Romanian legal framework contains rules on transfer pricing between affiliated persons since 2000.

The Romanian tax legislation includes the arm's length principle, according to which the transactions between the affiliated parties must be carried out at the arm's length, in compliance with the transfer pricing principles.

Local taxpayers who carry out transactions with affiliated parties must prepare and make available to the tax authorities, upon their written request, the transfer pricing documentation file, within the time limit granted by the authorities (large taxpayers who carry out transactions with affiliated persons over the ceilings established by the legislation are required to prepare annually the transfer pricing file starting with the transactions of 2016).

Failure to submit the transfer pricing documentation file or the submission of an incomplete file may result in the application of penalties for non-compliance.

However, regardless of the existence of the file, in addition to the content of the transfer pricing documentation file, the tax authorities may interpret the transactions and circumstances differently from the interpretation of the management and, as a result, may impose additional tax obligations resulting from the adjustment of the transfer pricing (materialized in income increases, deductible expense reductions, thus increasing the taxable base of the profit tax).

As a result, it is expected that the tax authorities will initiate thorough checks of transfer pricing to ensure that the tax result is not distorted by the effect of the prices practiced in the relations with affiliated persons. The company cannot quantify the result of such check.

32. TRANSACTIONS AND BALANCES WITH PARTIES IN SPECIAL RELATIONS

Subsidiaries of the Company

In accordance with the legislation in force, the Company has control in a number of 12 issuers as at 30 June 2022 (31 December 2021: 12 issuers). All subsidiaries of the Company at the reporting date are based in Romania. For these, the percentage of ownership of the Company is not different from the percentage of the number of votes held.

Company Name	Percentage held as at 30 June 2022 - % -	Percentage held as at 31 December 2021 - % -
COMPLEX HOTELIER DÂMBOVIȚA S.A. Târgoviște	99.99	99.99
VOLTALIM S.A. Craiova	99.55	99.55
MERCUR S.A. Craiova	97.86	97.86
GEMINA TOUR S.A. Rm. Vâlcea	88.29	88.29
ARGUS S.A. Constanța	86.42	86.42
ALIMENTARA S.A. Slatina	85.22	85.22
FLAROS S.A. București	81.07	81.07
CONSTRUCTII FEROVIARE S.A. Craiova	77.50	77.50
UNIVERS S.A. Rm. Vâlcea	73.75	73.75
PROVITAS S.A București	70.28	70.28
TURISM PUCIOASA S.A. Dâmbovița	69.22	69.22
LACTATE NATURA S.A. Târgoviște	66.33	66.33

Intra-Group settlements and transactions, as well as unrealised profits arising from intra-Group transactions, are entirely eliminated from the consolidated financial statements.

Associates of the Company

As of 30 June 2022, the Company held participations of more than 20% but not more than 50% of the share capital in a number of 7 issuers (31 December 2021: 7 issuers). All these companies are headquartered in Romania. For these issuers, the percentage of ownership by the Company is not different from the percentage of the number of votes held.

Company Name	Percentage held at 30 June 2022 - % -	Percentage held at 31 December 2021 - % -
SINTEROM S.A. Cluj-Napoca	32.13	32.13
ELECTRO TOTAL S.A. Botoșani *	29.86	29.86
TURISM FELIX S.A. Băile Felix	29.26	29.26
ȘANTIERUL NAVAL Orșova S.A.	28.02	28.02
TURISM LOTUS FELIX S.A. Băile Felix	27.46	27.46
ELECTROMAGNETICA S.A. București	26.95	26.14
ANTIBIOTICE S.A. Iași	26.55	26.41

**Company under liquidation*

Following the analysis of the quantitative and qualitative criteria presented in IAS 27 - "Separate Financial Statements" and IFRS 10 – "Consolidated Financial Statements", the Group concluded that it does not have investments in associated entities as at 30 June 2022 and 31 December 2021.

33. KEY MANAGEMENT PERSONNEL

30 June 2022

Members of the Board of Directors: Sorin – Iulian Cioaca – President, Mihai Trifu - Vice-President, Codrin Matei, Mihai Zoescu and Andreea Cosmănescu.

Senior Management: Sorin – Iulian Cioaca – General Manager, Mihai Trifu - Deputy General Manager.

31 December 2021

On 31 December 2021, the composition of the Board of Directors was: Sorin – Iulian Cioaca - President, Mihai Trifu - Vice-President, Codrin Matei, Mihai Zoescu and Andreea Cosmănescu.

Senior Management: Sorin – Iulian Cioaca – General Manager, Mihai Trifu - Deputy General Manager.

The Group has no obligations contracted with respect to the payment of pensions to former members of the Board of Directors and Management and therefore has no accruals of this nature accounted for.

The Group has not granted any loans or advances (with the exception of advances for travels in the interest of the service, justified within the legal term) to the members of the Board of Directors and management and has no accounting commitments of this nature.

The Group has not received or given any guarantees in favour of any related party.

34. SEGMENT REPORTING

Segment reporting is represented by segmentation by activities that take into account the branch of activity of which the main object of activity of the companies within the consolidation perimeter is part. The company together with the companies in the portfolio in which the holdings are over 50%, included in the scope of consolidation, carries out its activity on the following main business segments:

- financial investment activity
- rental of premises
- food industry
-tourism

We present below the benchmarks for possible analysis on 30 June 2022 and 31 December 2021:

- Assets, liabilities and equity according to the Consolidated Statement of Financial Position

Indicators	Premises rental		Manufacture of food products		Tourism		Financial activity		TOTAL	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Fixed assets	312,151,621	330,891,037	175,004,985	179,162,770	25,077,299	25,233,936	1,849,913,290	2,102,944,614	2,362,147,195	2,638,232,357
Current assets	33,378,509	21,345,948	106,291,949	162,464,480	3,865,512	3,698,572	126,348,984	21,419,678	269,884,954	208,928,678
Prepaid expenses	734,279	44,304	649,638	129,395	111,152	24,827	72,624	72,624	1,567,693	271,150
Debts	36,211,318	37,259,111	45,141,019	135,872,274	2,024,159	1,899,946	135,068,346	180,791,021	218,444,842	355,822,352
Deferred income	587,497	452,693	198,298	205,207	203,142	87,121	-	12,134	988,937	757,155
Provisions	1,728,719	1,800,676	2,372,982	195,047	139,874	150,703	5,500,000	5,500,000	9,741,575	7,646,426
Minority Interests	34,903,194	35,857,797	49,747,451	45,753,230	3,344,670	3,457,470	-	-	87,995,315	85,068,497
Shareholders' equity	272,833,681	276,911,012	184,486,822	159,730,887	23,342,118	23,362,095	1,835,766,552	1,938,133,761	2,316,429,173	2,398,137,755

The indicators presented have been established on the basis of the individual financial statements of the Company and of the companies within the scope of consolidation.

Within the fixed assets held on 30 June 2021 by the Group, a weight of 78.31% is held by the assets from the financial investment activity represented by the portfolio of financial assets, respectively 79.71% on 31 December 2021.

- Income, expenses and result according to the consolidated statement of profit or loss and other comprehensive income

Indicators	Premises rental		Manufacture of food products		Tourism		Financial activity		TOTAL	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Total income	15,325,972	11,317,560	192,031,057	54,028,237	3,599,939	2,675,238	151,450,555	35,365,462	362,407,523	103,386,497
Total expenditure	7,438,265	7,518,294	164,247,168	52,099,011	3,691,578	2,957,600	6,772,751	10,450,835	182,149,762	73,025,740
Gross result	7,887,707	3,799,266	27,783,889	1,929,226	(91,639)	(282,362)	144,677,804	24,914,627	180,257,761	30,360,757
Net result	7,112,822	3,518,893	25,576,382	1,929,100	(130,596)	(306,148)	137,117,199	23,537,546	169,675,807	28,679,391

The net profit as at 30 June 2022 was mainly made from the financial investment activity in proportion of 80.81% (82.07% as at 30 June 2021).

35. COMMITMENTS AND CONTINGENT LIABILITIES

- ***Court proceedings***

The grouping has a number of legal actions arising out of the normal course of business. The Group's management believes that these actions will not have a material impact on the financial statements.

On 30 June 2022, 146 cases were registered in court, of which:

- *66 cases having the capacity of plaintiff;*
- *34 cases having the capacity of defendant;*
- *2 cases having the capacity of intervener;*
- *38 cases in insolvency proceedings;*
- *2 cases as injured party;*
- *1 cause as summoned under warranty;*
- *3 third-party cases seized.*

According to their subject-matter, the cases are structured as follows:

- *60 commercial cases;*
- *3 cases – annulment of G.S.M. judgments;*
- *38 cases under insolvency procedure: in 32 cases they have the capacity of unsecured creditor, in 6 cases they have the capacity of contribution creditor;*
- *45 other cases.*

The total of 146 cases is structured as follows:

- *121 causes are found in the companies included in the consolidation perimeter, as follows:*
  - *53 cases as plaintiff for the amount of 5,694,092 RON;*
  - *29 cases as defendant for the amount of Ron 3,615,108;*
  - *35 cases in the insolvency procedure for the amount of Ron 12,271,299;*
  - *3 third-party cases seized;*
  - *1 case – intervener.*
- *25 causes belong to the Company and consist mainly of:*
  - *13 cases - as plaintiff;*
  - *5 cases - as defendant;*
  - *3 cases - in insolvency proceedings;*
  - *1 cause - summoned under warranty;*
  - *1 case – intervener;*
  - *2 causes - as the injured party.*

According to their subject matter, the 25 cases belonging to the Company are structured as follows:

- *3 cases - annulment of G.S.M. resolutions, in which the Company has the capacity of plaintiff;*
- *3 cases - companies under insolvency proceedings, as follows:*
  - *in a case the Company has the capacity of unsecured creditor;*
  - *in 2 cases, the Company has the capacity of contribution creditor;*
- *19 other cases.*

- ***Environmental quotas***

The company did not record any provision for future costs regarding environmental elements. Management does not consider the expenses associated with these items to be significant.

- ***Transfer price***

The Romanian tax legislation contains rules on transfer pricing between affiliated persons since 2000.

The current legislative framework defines the "market value" principle for transactions between affiliated persons, as well as transfer pricing methods. As a result, it is expected that the tax authorities will initiate thorough checks of transfer pricing to ensure that the tax result is not distorted by the effect of the prices practiced in the relations with affiliated persons.

The company cannot quantify the result of such check.

36. Post-balance sheet date events

- **SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.**

- By the current report no. 7535/ 26 July 2022, the Company informed the investors and shareholders of the continuation of the steps to complete the legal procedures regarding the withdrawal from the shareholding of the Export-Import Bank of Romania EximBank S.A., in accordance with the provisions of Companies Law 31/1990, republished. In this context, on 26 July 2022, the Company requested the Export-Import Bank of Romania EximBank S.A. to pay the amount of 42,416,585.841 Ron, representing the equivalent value of 4,364,430 shares held by the Company at the price established by the valuation report.

- By the Decision of the Financial Supervisory Authority no.1040/03.08.2022, it was approved the acquisition project and the acquisition by the Company of the capacity of significant shareholder of SIF Banat-Crișana SA Arad. The approved acquisition project aims at the purchase by the Company, within a maximum period of 60 working days, of a maximum of 6,500,000 shares of S.I.F. Banat-Crișana SA, which will lead to the acquisition by the Company of the capacity of significant shareholder of S.I.F. Banat-Crișana S.A. Arad.
- By the current report no. 8337/16.08.2022, S.I.F. Oltenia S.A. informed the investors and shareholders of the completion of the legal procedures regarding the withdrawal from the shareholding of the Export-Import Bank of Romania EximBank SA, in accordance with the provisions of Law no. 31/1990 on commercial companies, republished. Thus, on August 16, 2022, S.I.F. Oltenia S.A. collected the amount of Ron 42,416,586, representing the equivalent value of 4,364,430 shares held by S.I.F. OLTENIA S.A. at the price established by the valuation report.

- **ALIMENTARA SA Slatina**

In the General Shareholders Meeting dated 31 August 2022, it was approved:
- reduction of the share capital with 31 shares held by the company.
- the amendment of the Articles of Association as a result of the amendment of the share capital.
- performance by the Board of Directors of transactions on the capital market and of transactions with securities that are not admitted to trading or are not traded on a trading venue, with a maximum value of Ron 14,000,000, for a period of 12 months from the date of adoption of the decision of the Extraordinary General Shareholders Meeting.

The current report dated 12.08.2022 presents the report for the first semester of 2022 with the economic and financial results.

- **ARGUS S.A. Constanta**

In the Ordinary General Shareholders Meeting dated 08.08.2022, it was approved:
- Consolidated financial statements as at 31.12.2021 related to ARGUS Group.

In the General Shareholders Meeting dated 08.08.2022, it was approved:
- Extension of the credit line in the amount of Ron 7,500,000 for a period of 12 months.

- The contracting by Argus S.A. Constanta of bank loans in the maximum amount of Ron 220,000,000.
- Accessing factoring facilities with a maximum value of Ron 28,850,000.
- Ratification of AC Argus SA Decision no.12/29.06.2022 regarding the contracting by Argus S.A. of loans from BRD Groupe Societe Generale within the "RURAL INVEST" Program.
- Supplementing the secondary object of activity of Argus S.A. with NACE code 3511 - Production of electricity.
- Updating the Articles of Association.

The current report dated 09.08.2022 presents the consolidated annual report 2021.
The current report dated 12.08.2022 presents the report for the first semester of 2022 with the economic and financial results.

- **COMPLEX HOTELIER DÂMBOVIȚA S.A. Târgoviște**

Not applicable.

- **CONSTRUCTII FEROVIARE CRAIOVA S.A.**

The current report dated 16.08.2022 presents the report for the first semester of 2022 with the economic and financial results.
In the General Shareholders Meeting dated 14 September 2022, it was approved:
- The performance by the Board of Directors of transactions on the capital market and of transactions with securities that are not admitted to trading or are not traded on a trading venue, with a maximum value of Ron 2,500,000, for a period of 12 months from the date of adoption of the decision of the Extraordinary General Shareholders Meeting.

- **FLAROS S.A. Bucharest**

By the report published on BSE as of August 31, 2022, the report on the first semester of 2022 is presented with the economic and financial results.
In the General Shareholders Meeting dated 4 September 2022, it was approved:
- The performance by the Board of Directors of transactions on the capital market and of transactions with securities that are not admitted to trading or are not traded on a trading venue, with a maximum value of Ron 20,000,000, for a period of 12 months from the date of adoption of the decision of the Extraordinary General Shareholders Meeting.
- Amendment of the Articles of Association by eliminating the shareholding structure.

- **GEMINA S.A. Rm. Vâlcea**

Not applicable.

- **LACTATE NATURA S.A. Târgoviște**

- By the report published on BSE of 07.07.2022, the company informs the investors about the approval of the prospectus for the increase of the share capital by FSA.
- By the report published on BSE of 12.07.2022, the company informs investors about the exceeding of the threshold of 75% of the share capital of which the shareholder S.I.F. Oltenia S.A.
- Through the reports published on BSE from 24.08.2022, the company informs the investors about the results of the subscription of shares in stage II and about the results of the share capital increase.
- By the report published on BSE of 25.08.2022, the company informs investors about the change in the financial calendar 2022.
- By the report published on BSE of 26.08.2022, the company informs the investors about the registration with the Trade Register of the share capital increase.
- By the report published on BSE of 05.09.2022, the company informs the investors about the payment of the loan to CEC BANK.
- By the report published on BSE of 06.09.2022, the company informs investors about the issuance of the certificate of registration of financial instruments by FSA.
- By the report published on BSE from 08.09.2022, the company informs investors about the operation of the share capital increase by the Depozitarul Central.

- By the report published on BSE from 08.09.2022, the company informs investors about the full reimbursement of the loans contracted with Voltalim S.A., Complex Hotelier Dâmbovița S.A. and Turism Pucioasa S.A.
- The report published on BSE on 09.09.2022 presents the report for the first semester of 2022 with the economic and financial results.

- **MERCUR S.A. Craiova**

The report published on BSE on August 12, 2022 informs the early redemption of the bonds issued by the company.

By the report published on BSE from 16.08.2022, the report on the first semester of 2022 is presented with the economic and financial results.

The report published on BSE from 15.09.2022 informs investors about the interest rate for issued bonds, related to the coupon payment for the period 15.09.2022-15.03.2023 as 8.08%.

- **PROVITAS S.A. Bucharest**

Not applicable.

- **TURISM S.A. Pucioasa**

Starting with 01.07.2015
- He has terminated the mandate agreement with Mrs. Sfetcu Florina Viorica, from the position of General Manager.
- Mrs. Sbanț Anica was appointed General Manager, for a period of 2 years.
- Mrs. Sfetcu Florina Viorica was appointed as Chief Financial Officer for a period of 2 years.

- **UNIVERS S.A. Rm. Vâlcea**

By the report published on BSE from 16.08.2022, the report on the first semester of 2022 is presented with the economic and financial results.
The report published on BSE on 17 August 2022 presents an amendment to the Board of Directors report for the first half of 2022.
In the General Shareholders Meeting dated 1 September 2022, it was approved:
- The performance by the Board of Directors of transactions on the capital market and of transactions with securities that are not admitted to trading or are not traded on a trading venue, with a maximum value of Ron 21,500,000, for a period of 12 months from the date of adoption of the decision of the Extraordinary General Shareholders Meeting.
- Amendment of the Articles of Association by eliminating the shareholding structure.

- **VOLTALIM S.A. Craiova**

In the General Shareholders Meeting dated 2 September 2022, it was approved:
- The performance by the Board of Directors of transactions on the capital market and of transactions with securities that are not admitted to trading or are not traded on a trading venue, with a maximum value of Ron 39,700,000, for a period of 12 months from the date of adoption of the decision of the Extraordinary General Shareholders Meeting.

The impact of the COVID-19 pandemic and the war of the Russian Federation with Ukraine on the activity of the company

The economic repercussions of Russia's invasion of Ukraine and the new containment measures in China are the two main negative influences on short-term global growth. These influences put pressure on global supply chains after a short relaxation in the early part of the year. The financial conditions at international level have tightened, reflecting the strengthening of monetary policy, the decrease in the quotations of high-risk assets and the increase in yields. After the strong relaxation during the coronavirus crisis in 2020, the fiscal stance in the euro area became more restrictive in 2021 and a gradual tightening is still expected in 2022 and 2023. The slight tightening projected for 2022 notably reflects the reversal of a significant part of emergency support in the context of the pandemic, which will only be partially offset

by additional incentive measures in response to the energy commodity price shock and other expenditure related to the Russian-Ukrainian war. In this context, according to macroeconomic projections by Eurosystem experts in June 2022, the share of the consolidated general government deficit in the euro area in GDP is projected to continue to decline – from 5.1% in 2021 to 3.8% in 2022 and further to 2.4% at the end of the forecast horizon.

Impact on the portfolio

According to the Monthly Report of FSA, the market capitalization recorded a decrease of 16% at the end of June 2022 compared to the end of 2021. In June 2022, the first 3 companies traded on BSE were Fondul Proprietatea (FP) with a share of 51.80% of the total value traded in that period, Banca Transilvania SA (TLV: 10.71%) and OMV Petrom SA (SNP: 8.60%).
The effects caused by the war in Ukraine along with the increase in inflation and the tightening of monetary policy have generated sales on the capital market in Romania. Thus, on 30 June 2022, the BET index depreciated by 5.87%, and the BET-TR index appreciated by only 0.8% compared to 31 December 2021, while the representative index of the AeRO market (BET-AeRO) depreciated by 12.83% compared to 31 December 2021.
The downward trend present on the capital market in the first 6 months of 2022 determined the depreciation of financial assets measured at fair value through other comprehensive income of the Company by 4.92% compared to the similar period of last year and by 8.04% compared to 31 December 2021.
The global economic instability, the increase in inflation and the tightening of the monetary policy will continue to generate high volatility on the financial markets, without excluding sudden decreases in stock exchange prices, amid the profit/exit of portfolio investors.
In line with the strategic objectives, the Company will continue to carefully follow the evolution of the companies in the portfolio, so that the vulnerabilities induced by the conflict in Ukraine, as well as another wave of COVID-19 virus have a minimal impact on the value of the company's assets. Informing shareholders and investors will continue to be a priority, communication being made through current reports, e-mails and the company's website.

Impact on operations and business continuity

The Group faces both the specific risks arising from its day-to-day operation and the indirect risks arising from the activity of the portfolio companies and the domestic and international macroeconomic environment.
Considering that the Group has assumed an appetite for medium risk, it has been constantly sought to classify all specific risks at the medium level.
The main risks of the Group (market risk, credit risk, liquidity risk, operational risk) are monitored, evaluated and managed. The risks are prioritized and measures are established to reduce the exposure in accordance with the risk tolerance limits, as they were established by the existing procedures and approved by the Board of Directors.
At Group level, financial market developments are continuously monitored in order to identify possible events that could have an impact on the Group's activity.
The risks associated with the pandemic have now been reduced, but the war in Ukraine continues to represent a significant risk affecting economic growth, the main risk being the continued disruption of the supply of energy products for the euro area. The balance of risks associated with inflation is especially inclined towards their increase.
However, a possible moderation of demand in the medium term would reduce price pressures.

Considering the current economic context - the effects of the COVID-19 pandemic are still being felt, in conjunction with the effects caused by the crisis in Ukraine - the Group considers that many of the economic sectors represented in the portfolio will feel the financial impact and will have effects on the operations carried out by them. As a result, S.I.F. Oltenia S.A. will carefully monitor macroeconomic and sectoral developments, in order to implement a prudent approach to capitalizing on investment opportunities, within the assumed risk limits.

The Group maintains as its main objective the generation of added value for shareholders and investors. The senior management will take into account the present risk factors (the persistence of the sanitary crisis, the internal political climate, the regional geo-political context) so that the trading activity leads to the long-term increase of the value of the assets through profitable investments/divestments. Communication with shareholders and investors is normal, as they are continuously informed about relevant events taking place at company level through current reports, e-mail and website updates.

None of the companies included in the scope of consolidation are covered by the Order of the Minister of Public Finance no. 881/25 June 2012, respectively it is not obliged to prepare and report financial statements under the conditions of I.F.R.S. They manage the accounting records according to the regulations of O.M.F.P. 1802/2014 for the approval of the accounting regulations regarding the individual annual financial statements and the consolidated annual financial statements. In order to consolidate, they draw up the second set of financial statements under I.F.R.S. conditions. The financial statements drawn up under I.F.R.S. conditions result from the restatement of the financial statements drawn up on the basis of O.M.F.P. 1802/2014.

The consolidated financial statements have been prepared in accordance with Rule no. 39/2015 for the approval of the Accounting Regulations compliant with the International Financial Reporting Standards, applicable to the entities authorized, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector, as well as the Investor Compensation Fund.

These financial statements are intended exclusively for use by the Group, its shareholders and the FSA and do not generate changes in shareholders' rights regarding dividends.

Sorin – Iulian Cioacă	Mihai Trifu	Valentina Vlăduțoaia
President – General Manager	Vice President – Deputy General Manager	Economic Manager