



THE REPORT OF THE BOARD OF DIRECTORS

from 30.06.2019

HALF-YEARLY REPORT

According to F.S.A. Regulation no. 5/2018

Report date: 30.06.2019

Name of issuer: Societatea de Investiții Financiare OLTENIA S.A.

Headquarters: județul Dolj, Craiova, Str. Tufănele nr. 1, zip code 200767

Tel./Fax: 0251-419.335 / 0251-419.340

Reg. No./Tax No.: RO 4175676

Trade Register Number: J16/1210/30.04.1993

F.S.A. Register Number: PJR07¹AFIAA/160004/15.02.2018

ISIN: ROSIFEACNOR4

RON Code: 254900VTOOM8GL8TVH59

Subscribed and paid share capital: 58.016.571 RON

Regulated market where issued securities are trade: Bucharest Stock Exchange - Premium Category (SIF5 market symbol)

The main features of securities issued by the issuer: ordinary, indivisible, nominative, of equal value, issued in dematerialized form and grant equal rights to their holders.

I. 1. IMPORTANT EVENTS

In the first six months of 2018, the main events of SIF Oltenia activities, were:

✚ SHARE PURCHASE PUBLIC OFFER (REPURCHASE PROGRAM)

S.I.F. Oltenia S.A. received from the Financial Supervisory Authority Decision no. 66 / 16.01.2019 approving the public offer document for the purchase of shares issued by SIF Oltenia S.A., initiated in accordance with the OGMS Decisions no. 3 of 06.09.2017 and EGMS no. 3 of 25.04.2018, quotation with the following characteristics:

- The number of shares subject to the offer: 19,662,585, representing 3.3822% of the share capital;
- Nominal value: 0.10 RON / share;
- The purchase price: 2.5 RON / share;

- Running time: 28.01.2019-08.02.2019;
- Offer intermediary: SSIF VOLTINVEST S.A.;

The public offer was aimed at acquiring a number of 19,662,585 common, registered shares, issued in dematerialized form, representing 3.3822% of the share capital of S.I.F. Oltenia S.A.

As a result of the quotation, 19,662,585 shares were purchased at a price of 2.5 RON / share, representing 49,056,462.5 RON. The offer was oversubscribed by 13.2 times.

THE ORDINARY GENERAL MEETING OF SHAREHOLDERS

On 20.03.2019 the Board of Directors of S.I.F. Oltenia S.A. **convened on 24.04.2019 Ordinary General Meeting of Shareholders.**

The main items on the agenda were:

- Presentation and approval of the individual and consolidated annual financial statements of S.I.F. Oltenia S.A. for the year 2018, prepared and presented in accordance with the International Financial Reporting Standards (IFRS), based on the Reports of the Board of Directors and the Reports of the Financial Auditor.
- Approval of the distribution of the net profit for the financial year of 2018 in the amount of 96,259,800.47 RON for the following destinations:
 - a) Dividends: 84,081,469.35 RON (87.3485% of net profit), which ensures a gross dividend per share of 0.15 RON.
The proposed dividend provides a shareholder remuneration rate of 7.0175% calculated at the average trading price of the shares in 2018 (2.1375 RON / share) and 7.1942% calculated at the closing price for 2018 (2,0850 RON). /action).
Approval of the date of 17.06.2019 as the DATE OF PAYMENT of the dividends according to the provisions of art. 178 para. (2) of the FSA Regulation no. 5/2018. The distribution of dividends to the shareholders will be carried out in accordance with the legal provisions, the costs related to the payment being borne by the shareholders from the net dividend value.
 - b) Other reserves: 12,178,331.12 RON (12.6515% of net profit) in order to set up the necessary funds to carry out a future repurchase program of approximately 30,000,000 own shares in order to reduce the company's share capital by cancelling the repurchased shares.
Duration of the program: maximum 18 months from the publication in the Official Gazette of Romania of the EGMS decision that will establish the conditions for the redemption program.
- Presentation and approval of the Income and Expense Budget for 2019 and the Strategy for 2019.
- Approval for carrying out in accounting year 2019 of the accounting entry to “incomes” of dividends not raised for more than three years from the date of their demand, for which the right to action is extinguished by prescription, respectively the dividends for the financial year of the year 2015, existing in the balance as unpaid at the end of the day of 02.10.2019.

The works of the assembly were held on 24.04.2019, at the first convocation.

The individual financial statements of SIF Oltenia SA were approved on 31.12.2018, as presented, prepared in accordance with International Financial Reporting Standards (IFRS), based on the Report of the Board of Directors and the Report of the financial auditor.

Also, the consolidated financial statements of SIF Oltenia SA were approved on 31.12.2018, in the form presented, prepared in accordance with International Financial Reporting Standards (IFRS), based on the Report of the Board of Directors and the Report of the financial auditor.

The shareholders approved, with 95.795% votes "for", the distribution of the net profit for the financial year of 2018 in the amount of 96.259.800.47 RON, on the following destinations:

a) Dividends: 84,081,469.35 RON (87.3485% of net profit), which ensures a gross dividend per share of 0.15 RON.

It was approved the date of 17.06.2019 as the DATE OF PAYMENT of the dividends in accordance with the provisions of art. 178 para. (2) of the ASF Regulation no. 5/2018. The distribution of dividends to the shareholders, since the date of 17.06.2019 was a non-working day (Pentecost), actually started on 18.06.2019, in accordance with the legal provisions, the costs related to their payment being borne by the shareholders from the net dividend value.

b) Other reserves: 12,178,331.12 RON (12.6515% of net profit) in order to set up the necessary funds to carry out a future repurchase program of approximately 30,000,000 own shares in order to reduce the company's share capital by cancelling the repurchased shares.

Duration of the program: maximum 18 months from the publication in the Official Gazette of Romania of the EGMS decision that will establish the conditions for the redemption program.

It was approved, with 79,002% votes "for", the Income and Expense Budget for 2019 and the Strategy for 2019 as presented.

The shareholders also approved within the meeting, with 95.795% votes "for", to carry out in the financial year of 2019 the accounting registration for "income" of dividends not raised for more than three years from the date of their demand, for which the right the action is extinguished by prescription, respectively the dividends for the financial year of 2015, as will be recorded in the SIF records Oltenia S.A. as unpaid at the end of the day of 02.10.2019.

Extraordinary General Meeting of Shareholders

On 14.03.2019, SIF Oltenia SA received the request to convene an Extraordinary General Meeting of Shareholders, transmitted by S.I.F. Banat-Crișana S.A. and S.I.F. Muntenia S.A. which held together shares representing 5.00% of the share capital of the company, with items on the agenda mainly referring to the amendment of the Articles of Incorporation of S.I.F. Oltenia S.A.

The request for convocation was analysed by the Board of Directors of the company and, in the meeting of 03.04.2019, the Extraordinary General Meeting of the Shareholders of SIF Oltenia SA was convened for 09.05.2019. It carried out its work on 09.05.2019, at the first convocation, in the presence of the shareholders holding 311,705,860 valid voting rights, representing 55.608% of the total valid voting rights and 53.7270% of the share capital of the company, on the reference date 24.04.2019.

The main modifications of the requested Articles and Memorandum of Association were:

- In Article 8, paragraph 3 is amended and shall have the following content:

"(3) The company is managed by a Board of Directors composed of 5 members, natural persons, elected by the ordinary general meeting of shareholders for a period of 4 years, with the possibility of being re-elected. The invalidation of one or more members of the board of directors of the company by the competent authority leads, for those concerned, to the loss of the capacity of director. "

- In Article 8, paragraph 16, after letter p) a new letter, letter q) is inserted, with the following content:

"Q) approves the conclusion of any acts of acquisition or alienation of certain goods, including securities or other financial instruments, the value of which exceeds, individually or cumulatively, when they are linked, the amount of RON 5 million."

- In Article 8, paragraph 17 is amended and shall have the following content:

"(17) The Board of Directors may set up advisory committees in compliance with the applicable legal provisions and the provisions of the articles of association of the company."

- In Article 8, after paragraph 20, three new paragraphs, paragraphs 21, 22 and 23 are inserted, with the following content:

"(21) The Board of Directors establishes an Investment Committee consisting of the members of the senior management and three employees of

the company. Decisions regarding the appointment or dismissal of the members of the Investment Committee shall be taken by a majority vote of the members of the Board of Directors. "

"(22) The Investment Committee shall have the following tasks: (a) approve or reject the proposal of the General Manager or the Deputy General Manager to conclude the acquisition or alienation of assets belonging to the company assets, including securities or other financial instruments, whose value exceeds, individually or cumulatively, when linked, the amount of 1 million RON; and (b) meets any other tasks established by the Board of Directors regarding the elaboration of recommendations for the Board of Directors and members of the Senior Management in the field of investments, as well as the conduct of investigations regarding the performance of the investment strategy approved by the Board. Board of Directors. "

"(23) The Board of Directors will determine the organization and functioning of the Investment Committee. Decisions within the Investment Committee shall be taken by a majority vote of its members. "

The shareholders approved the modification of the provisions of the constitution of the Financial Investment Company Oltenia - S.A., in the form requested by the two shareholders, with a majority of 59.417% of the valid votes cast.

At the EGMS of May 9, 2019, the shareholders also approved, by a majority of 92.147% of the validly expressed votes, the reduction of the subscribed share capital of the Oltenia S.A. Financial Investment Company. from RON 58,016,571.4 to 56,054,312.9 as a result of the cancellation of a number of 19,662,585 treasury shares acquired by the company following the period between 28.01.2019 - 08.02.2019 of the public offer to buy its own shares in applying the redemption program approved by the general meeting of shareholders. After the reduction of the share capital, the subscribed share capital of the Financial Investment Company Oltenia SA will have the value of 56,054,312.9 RON, being divided into 560,543,129 shares with a nominal value of 0.10 RON / share.

On the agenda of the EGMS, there was also the "Approval of a program of redemption by the company of its shares, in accordance with the applicable legal provisions, under the following conditions:

(i) size of the program - redemption of 30,000,000 own shares with a nominal value of 0.10 RON / share representing 5.1709% of the current share capital;

(ii) the acquisition price of the shares - the minimum purchase price will be the market price from BVB from the moment of the purchase and the maximum price will be 2.75 RON / share;

(iii) the duration of the program - the period of maximum 18 months from the date of publication of the EGMS decision in the Official Gazette of Romania, Part IV;

(iv) the payment of the repurchased shares will be made from the distributable profit or available reserves of the company registered in the last approved annual financial statement, except for the legal reserves registered in the financial statements 2018, according to the provisions of art. 103¹ letter. d) of Law no. 31/1990 republished and modified, regarding the companies;

(v) the purpose of the program - to reduce the share capital by canceling the repurchased shares. "

This item on the agenda was approved by a majority of 85,038% of the valid votes cast.

The resolutions of the AGEA SIF Oltenia SA of 09.05.2019 have been challenged in court by the shareholders and are being resolved.

🚩 On 11.06.2019, at S.I.F. Oltenia S.A. was registered under no. 5071 / 11.06.2019 the request to convene a General Meeting of Shareholders, transmitted by S.I.F. Banat-Crișana S.A. and S.I.F. Muntenia S.A. which together hold shares representing 5.00% of the share capital of the company, with items on the agenda relating to changes in the administrative and executive management of the company.

At the meeting of the Board of Directors from 08.07.2019, following the analysis of the above mentioned request, the convocation of the Ordinary General Meeting of Shareholders requested by the two shareholders was rejected, due to non-compliance with the legal conditions of form and substance.

Subsequently, FSA issued Decision no. 937 / 18.07.2019, respectively FSA address no. VPI 4888 / 30.07.2019, by which the Board of Directors of S.I.F. Oltenia S.A. the obligation to convene and to ensure the ordinary general meeting of the shareholders within 45 days from the date of issuing the

decision. This was analysed in the BD meetings of 29.07.2019, respectively 01.08.2019, the decision of the Board of Directors being to reject the call of the GMS requested by the two shareholders - SIF Banat Crişana SA and SIF Muntenia SA.

At the top management level of the company the following actions were taken:

- Prior complaint to the F.S.A. against Decision no. 937 issued on July 18, 2019, requesting its revocation;
- Application for suspension of performance Decision no. 937 / 18.07.2019 issued by the Financial Supervisory Authority, defendant F.S.A., file no. 1055/54/2019 on the dockets of Craiova Court of Appeal.

- ✚ The payment of the dividends distributed by SIF Oltenia SA, related to the financial year 2018, started on 18.06.2019 - the date of payment. The gross dividend / share is 0.15 RON for one share held on the registration date - May 28th, 2019.

Payment of dividends distributed by S.I.F. Oltenia SA, is realized through the Central Depository, as well as the participants in their system according to Law 24/2017, art.86, paragraph 5 and ASF Regulation no. 5/2018, art.177 and the Romanian Commercial Bank - the payment agent.

The shareholders were informed about the method of payment of the dividends through a statement sent to the market operator and F.S.A. on May 28, 2019, starting with the same date being available on the company website, the Investor Information / Reporting / Reporting section continues.

I. 2. MAIN RISKS

SIF Oltenia faces both the specific risks arising from its current operation and the indirect risks that arise as a result of the activity of the companies in the portfolio.

Given that the company has taken on an appetite for medium risk, it has been permanently pursued to cover all the specific risks at medium level.

The main risks of the company (the risk related to the economic environment, the operational risk, the market risk, the credit risk and the

liquidity risk) are monitored, evaluated and managed, at the level of SIF Oltenia SA having the key risk management function. The risks are prioritized and measures are taken to reduce the exposure in accordance with the limits of risk tolerance as established by the existing procedures and approved by the Board of Directors.

The risk management is achieved by integrating into the daily activities and by planning and devoting the company's activity according to the established risk appetite.

By the nature of the activity object, the company is exposed to different types of risks associated with the financial instruments and the markets it has exposure.

For the next six months of the financial year, from the analyses carried out, there are no risks and uncertainties that would affect the good performance of the company's activity, except for the risk generated by a possible discontinuance in the company's management activity, both at the level of the Senior Management, as well as of the Board of Directors.

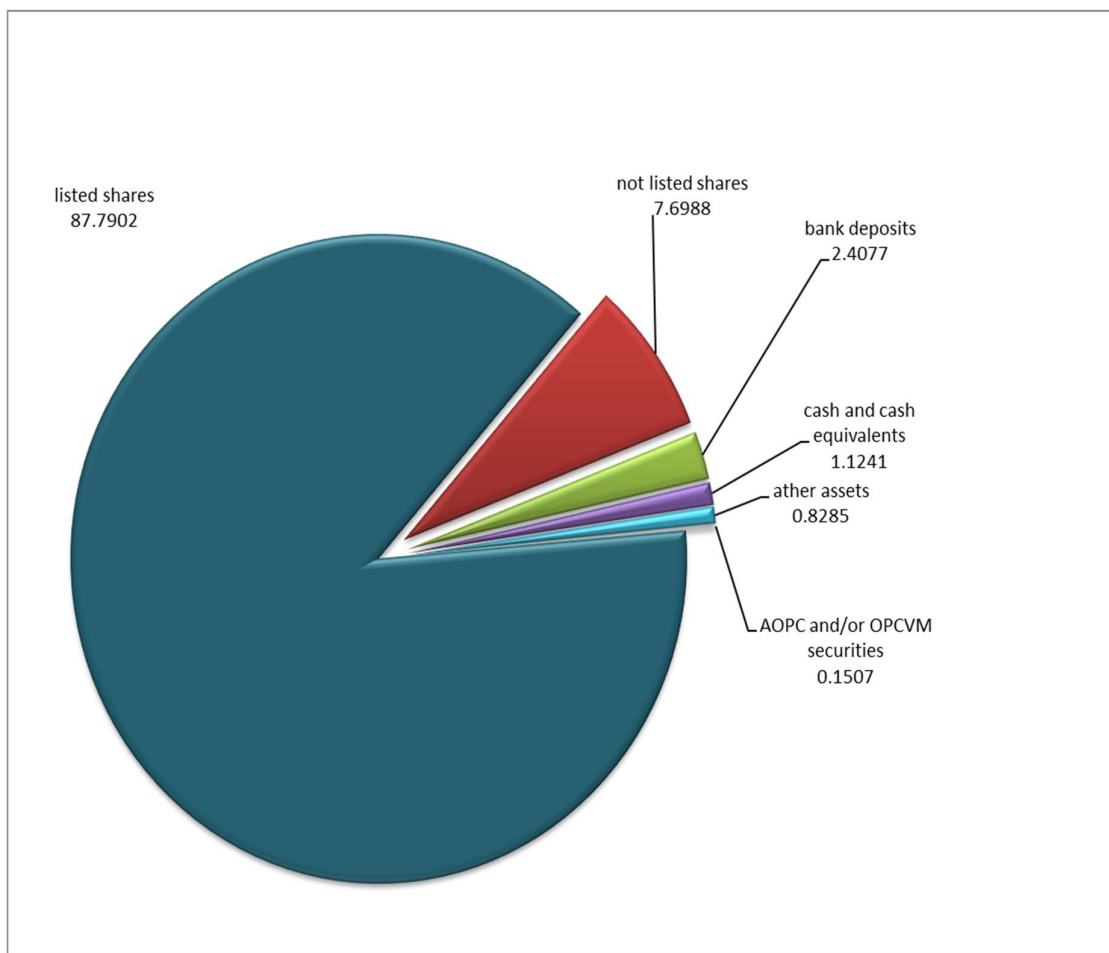
This risk is generated by the request to call an ordinary general meeting of shareholders transmitted on 11.06.2019 by S.I.F. Banat-Crișana S.A. and S.I.F. Muntenia S.A. which together hold shares representing 5.00% of the share capital of the company, with items on the agenda relating to changes in the administrative and executive management of the company.

II. ECONOMIC AND FINANCIAL INFORMATION

1. Financial and economic situation:

As of June 30, 2019, the assets of the company - calculated in accordance with the provisions of Regulation C.N.V.M. no. 15/2004 and Regulation F.S.A. no. 9/2014, as amended by Regulation F.S.A. no. 2/2018 - recorded a market value of 2,160,151,126, up 8.95% from the value recorded on 31.12.2018 (1,982,611,377 RON). Compared with the value registered on June 30, 2018, assets at the reporting date increased by 14.37% (1,888,780,571 RON).

	30.06.2019	
	Total value	Percentage in the total asset of SIF
TOTAL ASSETS	2,160,151,126	100,00
Quoted shares	1,896,401,845	87.7902
Unquoted shares	166,306,618	7.6988
Participation titles AOPC/OPCVM	3,256,345	0.1507
Bank deposits	52,010,519	2.4077
Current accounts and cash	24,281,270	1.1241
Other assets	17,894,529	0.8285



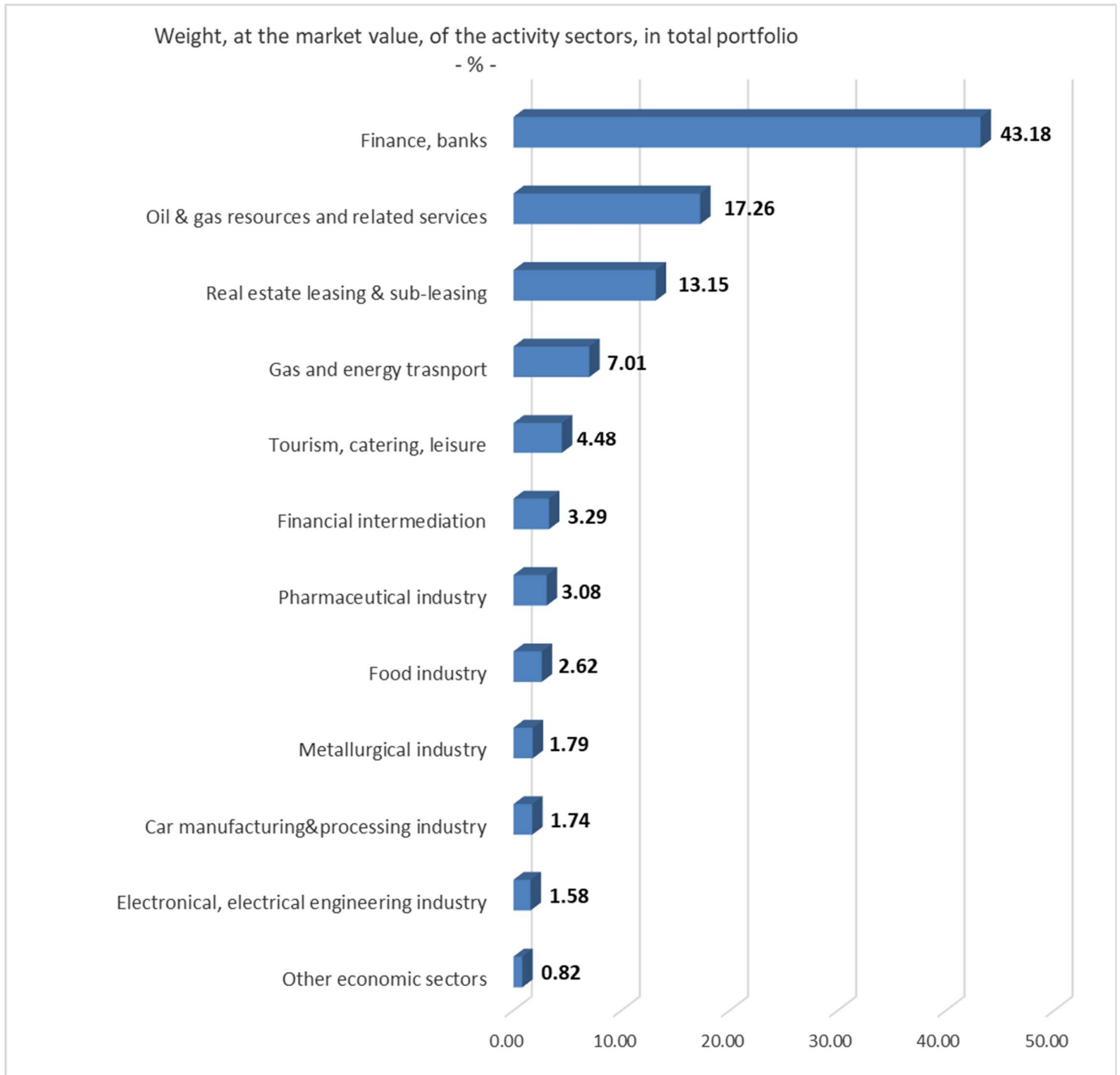
The financial assets of the type of shares have a market value of 2,062,708,463 RON, respectively 95.49% of the total assets managed. In the portfolio of S.I.F. Oltenia S.A., on 30.06.2019, there are holdings in the share capital of a number of 48 issuers, compared with 50 issuers on 30.06.2018 and 49 issuers on 31.12.2018.

The nominal value of the financial assets of the type of shares - 628,243,238 RON - is higher than the value registered on June 30th, 2018 (543,041,860 RON), registering an increase of 15.69% and 16.31% compared to 31.12.2018 (540.162. 674 RON). Compared to 31.12.2018, the market value increased from 1,478,457,359 RON to 2,062,708,463 RON, an increase of 39.52%, respectively.

The market value of the shares is 228.33% higher than the nominal one.

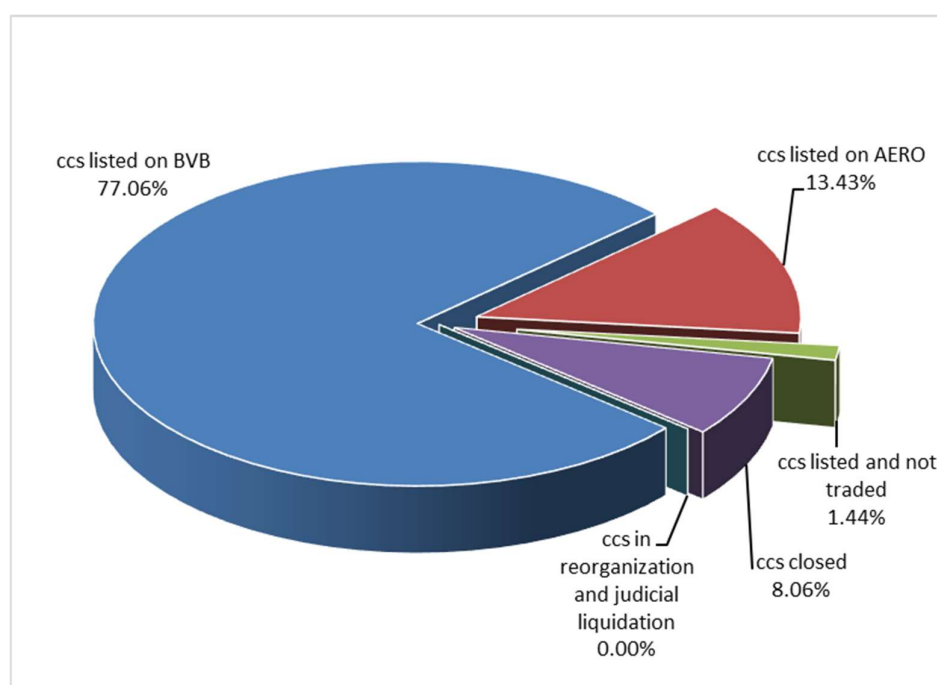
As of 30.06.2019, the amounts placed in bank deposits and current accounts amounting to 76,291,789 RON are 6.20 times lower than on 31.12.2018 (472,929,578 RON). This decrease is due to the fact that the company continued the investment program and the investments in liquid companies on the Bucharest Stock Exchange, depending on the opportunities offered by the market, so that the amount received as a result of the sale of the BCR share package, in October 2018, respectively EUR 140 million to be invested responsibly and lead to profit maximization.

The main sectors of activity represented in the portfolio of shares on 30.06.2019 are:



The structure of the portfolio of shares according to the market on which they are traded is presented as follows:

No.	Portfolio structure	30.06.2019					
		Issuers		Total nominal value of the package		Total market value of the package	
		Co. no.	%	- RON -	%	- RON -	%
1	B.V.B. quoted companies	17	35.42	425,361,993	67.71	1,589,620,593	77.06
2	AeRO (B.V.B.) quoted companies	8	16.67	79,613,839	12.67	277,113,327	13.43
3	Listed and untraded companies	5	10.42	9,916,724	1.58	29,667,925	1.44
4	Closed companies	13	27.08	97,446,428	15.51	166,306,618	8.06
5	Companies in reorganisation, judicial liquidation	5	10.42	15,904,254	2.53	0	0
TOTAL		48	100.00	628,243,238	100.00	2,062,708,463	100.00



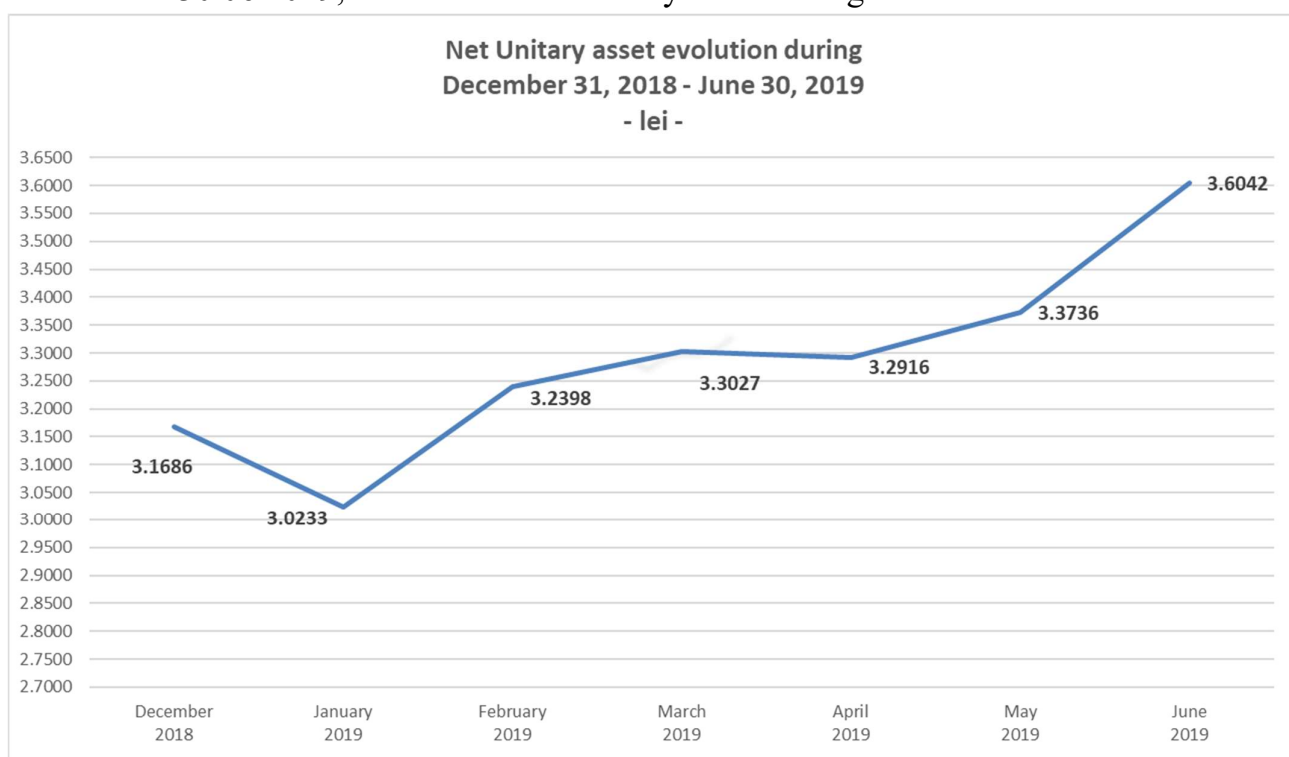
The net assets of the company - as of 30.06.2019 - calculated according to the legal provisions (respectively the FSA Regulation no. 9 / 2014, as amended by the FSA Regulation no. 2/2018), is 2,091,036,437 RON, up 16.18% from the value recorded on 30.06.2018 (1,799,763,828 RON).

The unit value of the net asset, as of June 30th, 2019, is 3,6042 RON / share.

In the first half of 2019, the value of the net assets experienced the following evolution:

Date	Net asset value - RON -	VANU - RON -
31.01.2019	1,754,020,087	3.0233
28.02.2019	1,879,620,372	3.2398
31.03.2019	1,916,096,732	3.3027
30.04.2019	1,909,682,698	3.2916
31.05.2019	1,957,269,681	3.3736
30.06.2019	2,091,036,437	3.6042

At 30.06.2019, the value of the unitary net asset registered an increase



of 16.18% compared to the value recorded on 30.06.2018 (3.1022 RON) and of 13.75% compared to the value recorded on 31.12.2018 (3.1686 RON).

Within the assets of the type of shares, the most important investments - in terms of weight in assets - are represented by:

No.	Issuer name	Market value according to FSA Regulation no.9/2014 - RON -	Percentage in the share capital of the issuer (%)	Percentage in the total asset of S.I.F. (%)	Percentage in the net asset of S.I.F. (%)
1	BANCA TRANSILVANIA S.A. Cluj Napoca - <i>BVB Premium</i>	493,232,951	4.2770	22.8333	23,5880
2	BRD – Groupe Societe Generale Bucharest - <i>BVB Premium</i>	359,886,636	4.0855	16.6603	17,2109
3	OMV PETROM S.A. Bucharest - <i>BVB Premium</i>	287,235,445	1.2838	13.2970	13,7365
4	MERCUR S.A. Craiova - <i>AeRO Standard</i>	133,570,917	97.8593	6.1834	6,3878
5	S.N.T.G.N. TRANSGAZ S.A. Mediaș - <i>BVB Premium</i>	87,591,960	2.0665	4.0549	4,1889
6	S.N.G.N. ROMGAZ S.A. Mediaș - <i>BVB Premium</i>	68,790,631	0.5543	3.1845	3,2898
7	FLAROS S.A. Bucharest - <i>AeRO Standard</i>	64,136,280	81.0712	2.9691	3,0672
8	ANTIBIOTICE S.A. Iași - <i>BVB Premium</i>	63,441,101	18.8999	2.9369	3,0340
9	C.N.T.E.E. TRANSELECTRICA Bucharest - <i>BVB Premium</i>	56,947,968	3.6994	2.6363	2,7234
10	ARGUS S.A. Constanța - <i>AeRO Premium</i>	51,327,293	86.4160	2.3761	2,4546
TOTAL		1,666,161,182		77.1318	79.6811

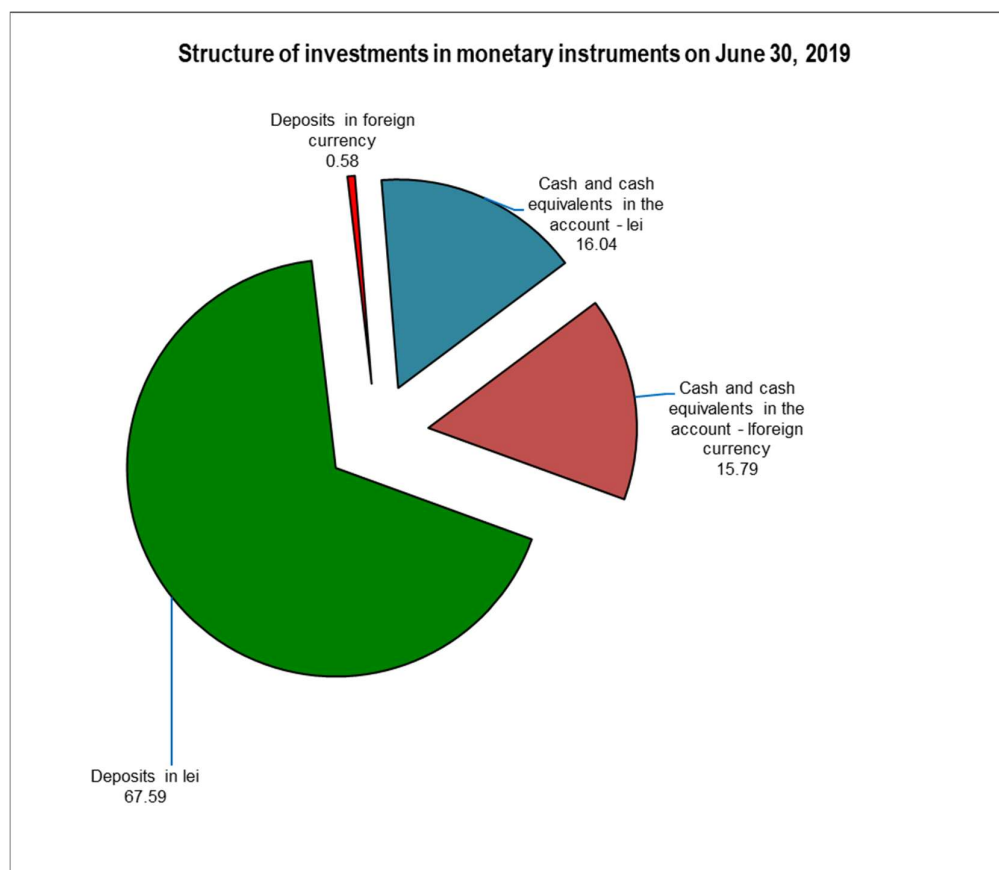
The value of the 10 most important investments in the portfolio represents 79.68% of the company's net assets. Of the 10 holdings above, 7 are listed in the Premium category of the Bucharest Stock Exchange - they are also part of the most liquid securities on the capital market - and represent 67.77% of the company's net assets.

S.I.F. OLTENIA S.A. registers, as of June 30, 2019, disposals and placements on the money market in a total amount of 76,291,789 RON (amount calculated in accordance with F.S.A. Regulation no. 9/2014), representing 3.53% of total assets.

Availability and placements on the money market have the following structure:

Type of financial asset	Updated value (Calculated according to ASF Regulation no. 9/2014) - RON -	Percentage in the total asset of S.I.F. (%)	Percentage in the net asset of S.I.F. (%)
Bank deposits in RON *	51,568,743	2.3873	2.4662
Bank deposits in currency *	441,776	0.0205	0.0211
Current accounts and cash RON	12,237,935	0.5665	0.5853
Current accounts and cash Currency	12,043,335	0.5575	0.5760
TOTAL	76,291,789	3.5318	3.6485

* The bank deposits in RON and in foreign currency include - according to the ASF Regulation no. 9 / 2014 - and the interest receivable.



The cash availabilities and the monetary placements on 30.06.2019 have a weight of 3.53% in the total assets of SIF Oltenia S.A. compared to 23.85% at 31.12.2018 and 3.05% at 30.06.2018.

The analysis of the financial statements - drawn up for 30.06.2019 - highlights the main issues presented below.

The assets of the company, according to the balance sheet data, have the value of 2,160,151,126 RON and show an increase of 14.37% compared to the value registered on 30.06.2018 (1,888,780,571 RON), respectively an increase of 8.95% against the registered value at the beginning of the year (1,982,611,377 RON).

The share of financial assets assessed at fair value - in the amount of 2,062,708,463 RON - represents 95.49% of the total assets of the company.

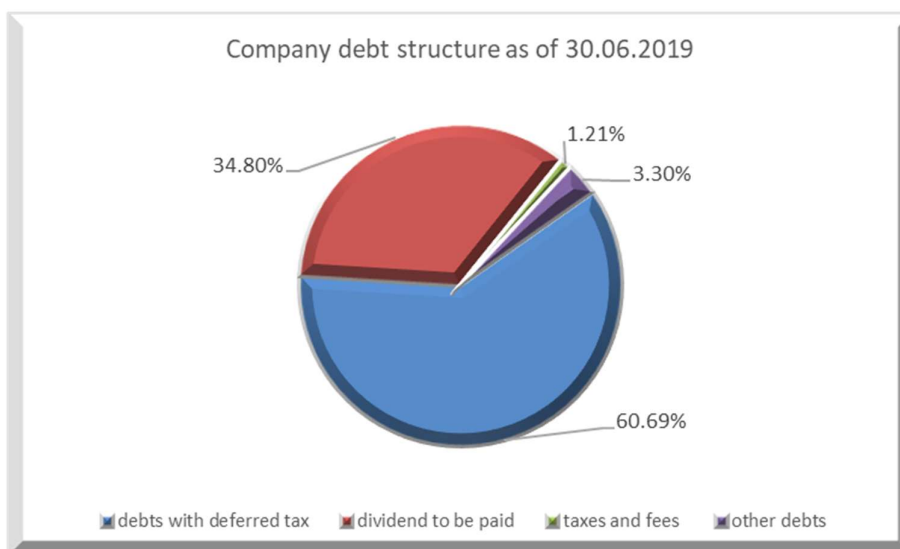
As of June 30, 2019, the liability of the company is 2,160,151,126 RON.

Liabilities:

- liability	190,579,939 RON
- equities	1,969,571,187 RON

The debts of the company at the reporting date, in the amount of 190,579,939 RON, in structure, are presented as follows:

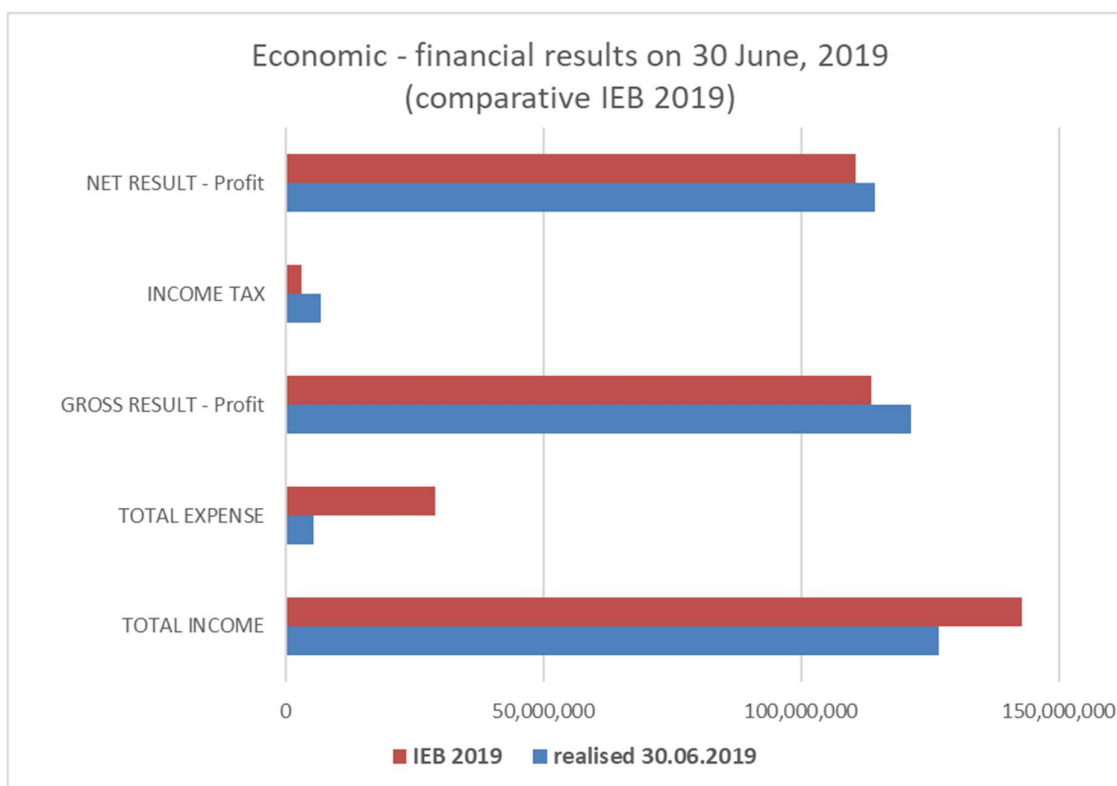
- debts with deferred tax	115,667,151 RON
- payment dividends	66,313,636 RON
- taxes and fees	2,302,278 RON
- other debts	6,296,874 RON



The company does not record outstanding payments.

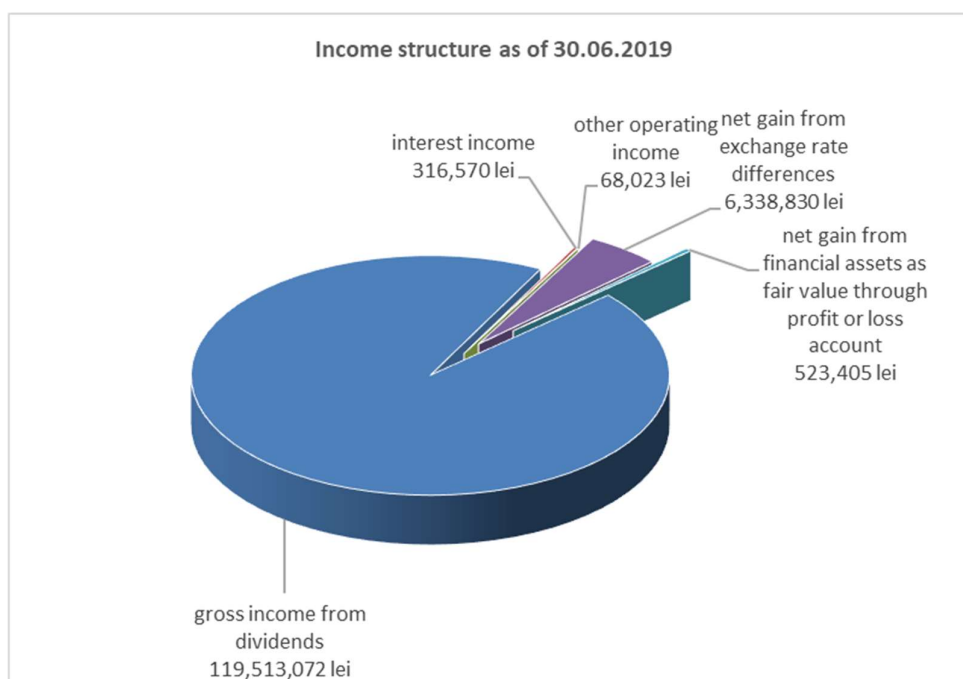
The main economic-financial results on 30.06.2019

No.	Index name	Achieved 30.06.2019 - RON -	30.06.2018 - RON -	Yearly forecasts IEB 2019 - RON -	30.06.2019 / IEB 2019 (%)
1.	TOTAL INCOME	126,759,900	79,735,829	142,683,000	88.84
2.	TOTAL EXPENSE	5,514,039	5,119,406	28,978,767	19.03
3.	GROSS RESULT - Profit	121,245,861	74,616,423	113,704,223	106.63
4.	INCOME TAX	6,961,171	4,239,062	3,129,309	222.45
5.	NET RESULT - Profit	114,284,690	70,377,361	110,574,924	103.35



S.I.F. OLTENIA S.A. on 30.06.2019, it realized total revenues in the amount of 126,759,900 RON, which represents 158.97% compared to the value registered on 30.06.2018 (79,735,829 RON). The main groups of income realized by the company are:

- gross income from dividends (dividend income is recorded at gross value)	119,513,072 RON
- interest income	316,570 RON
- other operating income:	68,023 RON
- net gain from exchange rate differences	6,338,830
- net gain from financial assets at fair value through profit or loss account	523,405



The total expenses - at 30.06.2019 - are at the level of 5,514,039 RON and represent 107.71% of the value registered on 30.06.2018 (5,119,406 RON).

The net profit obtained by the company on 30.06.2019 is 114,284,690 RON and represents 103.35% compared to the net profit established through the Income and Expenditure Budget for the whole of 2019.

The companies in the portfolio of S.I.F. Oltenia S.A. who have paid, until 30.06.2019, the dividends due for the financial year 2018 are:

	Dividends collected by SIF OLTENIA SA (net value) - RON -
B.R.D. GROUPE SOCIETE GENERALE	44,041,544
BANCA TRANSILVANIA S.A.	33,259,759
OMV PETROM S.A.	18,652,124
S.N.G.N. ROMGAZ S.A.	7,220,741
TRANSELECTRICA S.A.*	2,344,358
UNIVERS S.A.	1,703,805
ELECTROMAGNETICA S.A.	706,871
BURSA DE VALORI BUCHAREST S.A.	410,429
SIF MOLDOVA S.A.	108,861
PROVITAS S.A.	48,351
TOTAL	108,496,843

* - additional dividends (from reserves) approved in December 2018 and paid in January 2019.

The amounts received by the company from dividends, until 30.06.2019, have a net value of 108,496,843 RON.

Simplified interim individual statement of cash flows as of June 30th, 2019

- RON -

Item name	Reporting period	
	30.06.2019	30.06.2018
A	1	2
Cash flows from operating activities:		
Receipts from customers, other receipts	7,061,759	617,390
Receipts from sales of financial investments (equity securities)	44,140,279	5,156,993
Payments for the purchase of shares	(358,888,942)	(3,763,015)
Payments to suppliers and employees, other payments	(4,167,612)	(3,693,543)
Payments to the state budget, social insurance budget and local budget	(1,698,669)	(1,601,071)
Interest collected	297,678	1,479
Dividends collected	108,496,843	62,358,238
Interest paid	-	-
Tax on profit paid	(98,156,346)	(4,716,643)
Proceeds from insurance against earthquakes	-	-
Net cash from operating activities	(302,915,010)	54,359,828
Cash flows from investment activities:		
Payments for the purchase of tangible assets	(13,720)	(5,742)
Proceeds from the sale of property, plant and equipment	-	-
Net cash from investment activities	(13,720)	(5,742)
Cash flows from financing activities:		
Proceeds from the issue of shares	-	-
Receipts from long-term loans	-	-
Payment of debts related to financial leasing	-	-
Advance amounts for redemption of shares	(35,181,343)	-
Dividends paid	(58,216,075)	(52,343)
Advance amounts to the Central Depository for dividend payments	-	-
Dividend tax paid	(330,532)	(426,472)
Net cash from financing activities	(93,727,950)	(478,815)
Net increase in cash and cash equivalents	(396,656,680)	53,875,271
Cash and cash equivalents at the beginning of the reporting period	472,928,957	3,813,119
Cash and cash equivalents at the end of the reporting period	76,272,277	57,688,390

2. Analysis of the company's activity

2.1. S.I.F. OLTENIA S.A. registered, on 30.06.2019, total cash availabilities of RON 76,291,789 (including interest receivable), increasing by 32.19% compared to the same period of last year (57,714,484 RON).

They are placed in bank deposits at different maturity dates. This policy aimed to achieve a high liquidity of investments in the money market, so that the amounts necessary to carry out in good conditions the company's activity are permanently. In these circumstances, we consider that there are no factors that can affect the liquidity of the company.

2.2. In accordance with the strategy approved by the Ordinary General Meeting of Shareholders of 24.04.2019, S.I.F. OLTENIA S.A. will continue the trading policy on the capital market, so that a high degree of liquidity is permanently ensured.

2.3. In the first 6 months of 2019, the number of shares in the portfolio of S.I.F. OLTENIA S.A. reduced from 49 to 48, S.I.F. OLTENIA S.A. coming out of the shareholding of one (1) issuer, ELECTRICA S.A. - company listed on the Bucharest Stock Exchange Premium category.

Between 01.01.2019 - 30.06.2019, shares were sold, taking into account the opportunities offered by the market. Thus, the sale value of the shares was 44.01 million RON.

During the same period, total investments in shares of 355.51 million RON were made.

In the first 6 months of 2019, the most important investments on the capital market (on the primary and secondary market) were in securities issued by:

- BANCA TRANSILVANIA S.A. Cluj Napoca
- BRD - GROUPE SOCIETE GENERALE S.A. Bucharest
- S.I.F. BANAT CRIȘANA S.A. Arad
- S.N.G.N. ROMGAZ S.A. Mediaș
- ANTIBIOTICE S.A. Iași
- OMV PETROM S.A. Bucharest

2.4. Portfolio risk

CLASSIFICATION OF ASSET CATEGORIES WITHIN THE LIMITS IMPOSED BY THE LEGISLATION

In accordance with Art. 235 (1) of Regulation C.N.V.M. no. 15/2004, S.I.F. OLTENIA S.A. falls into the category A.O.P.C. (Other Collective Investment Organizations) with a diversified investment policy.

The limits of holding on different categories of assets are regulated by art. 188 of Regulation C.N.V.M. no. 15/2004.

In the first semester of 2019, the structure of the portfolio and its classification in the legal provisions were periodically analysed.

The structure of the portfolio of financial assets as of 30.06.2019 is presented as follows:

a) Securities and money market instruments not admitted to trading - the allowed limit: 20% of assets

Asset type	Asset value according to ASF Regulation no. 9/2014 - RON -	Percentage in net assets - % -	Percentage in total assets - % -
Shares held in "closed" type companies *	166,306,618	7.9533	7.6988
Bank deposits	52,010,519	2.4873	2.4077
TOTAL	218,317,137	10.4406	10.1066

b) Securities and / or money market instruments issued by the same issuer - exposure to one issuer: 10% of assets

BANCA TRANSILVANIA S.A. Cluj Napoca (market symbol TLV)

Asset type	Active value according to ASF Regulation no. 9/2014 - RON -	Percentage in net assets - % -	Percentage in total assets - % -
Shares issued by Banca Transilvania S.A. Cluj Napoca	493,232,951	23.5880	22.8333
Bank deposits	778,390	0.0372	0.0360
TOTAL	494,011,341	23.6252	22.8693

The deposits that exceed the share of 10% on 30.06.2019 are:

No.	Issuer	Total value -RON -	Percentage in net asset of SIF - % -	Percentage in total asset of SIF - % -
1	BANCA TRANSILVANIA (shares + bank deposits)	494,011,341	23.6252	22.8693
2	B.R.D.-GROUPE SOCIETE GENERALE BUCURESTI	359,886,636	17.2109	16.6603
3	OMV PETROM BUCURESTI	287,235,445	13.7365	13.2970
	TOTAL	1,141,133,422	54.5726	52.8266

It is found that in the case of BANCA TRANSILVANIA holdings, BRD GROUPE SOCIETE GENERALE and OMV PETROM BUCHAREST, art. 188 lit. b) of Regulation 15/2004, namely the limit of 10% can be increased up to a maximum of 40%, provided that the total value of the securities and money market instruments held by SIF in each of the issuers in which it has holdings of more than 40 % shall in no case exceed 80% of the value of its assets.

b) Financial instruments issued by entities belonging to the same group - allowed limit: 50% of assets

Within the portfolio the group **Banca Transilvania** is highlighted.

Group name	Asset value according to ASF Regulation no. 9/2014 - RON -	Percentage in net assets - % -	Percentage in total assets - % -
Group Banca Transilvania, from which:			
- shares Banca Transilvania	493,232,951	23.5880	22.8333
- shares BT ASSET MANAGEMENT SAI	3,692,785	0.1766	0.1710
- securities BT INDEX	2,180,510	0.1043	0.1009
Bank deposits	778,390	0.0372	0.0360
TOTAL	499,884,636	23.9061	23.1412

d) Exposure to counterparty risk in a transaction with derivatives –

n/a

e) The value of current accounts and cash - the maximum allowed limit: 10% of the value of the assets.

The value of current accounts and of the cash evidenced in the net assets at 30.06.2019 is 24,281,270 RON and represents 1.12% of the value of the assets.

	30.06.2019 - RON -
Current accounts and cash in RON	12,237,935
Current accounts and cash in currency	12,043,335
Total current accounts and cash	24,281,270
Total asset	2,160,151,126
Percentage in total asset	1.1241

f) Bank deposits at the same bank - the allowed limit: 30% of assets

On 30.06.2019 SIF Oltenia had bank deposits in RON and foreign currency at Banca Transilvania and BCR.

Deposits BANCA TRANSILVANIA

	30.06.2019
Deposits in RON	336,614
Deposits in currency	441,776
Total deposits	778,390
Total asset	2,160,151,126
Percentage in total asset	0.0360

Deposits BANCA COMERCIALĂ ROMÂNĂ

	30.06.2019
Deposits in RON	51,232,129
Deposits in currency	0
Total deposits	51,232,129
Total asset	2,160,151,126
Percentage in total asset	2.3717

The total deposits in bank deposits is 52,010,519 RON, representing 2.41% of the value of the assets.

g) Global exposure to derivatives – n/a.

h) Securities of participation in the AOPC - the allowed limit: 50% of assets.

S.I.F. OLTENIA S.A. holds participation titles in UCITS / AOPC registered in the net assets on 30.06.2019, amounting to 3,256,345 RON, representing 0.15% of the assets value.

If we take into account the shares held at S.I.F. BANAT CRIȘANA S.A., S.I.F. MOLDOVA S.A. and S.I.F. TRANSILVANIA S.A., the value of the securities rises to 54,995,282 RON, respectively 2.55% of the value of the assets.

Issuer	Total value	Percentage in total asset of SIF
	30.06.2019	
AOPC unlisted		
BT INDEX RO	2,180,510	0.1009
FDI NAPOCA	215,810	0.0100
FDI TRANSILVANIA	391,747	0.0181
FDI TEHNOGLOBINVEST	468,278	0.0217
Total AOPC unlisted	3,256,345	0.1507
AOPC listed		
SIF Banat Crişana	43,370,479	2.0078
SIF Moldova	4,994,464	0.2312
SIF Transilvania	3,373,994	0.1562
Total AOPC listed	51,738,937	2.3952
Total AOPC	54,995,282	2.5459

3. Changes affecting the capital and management of the company

3.1. S.I.F. OLTENIA S.A. was not unable to meet its financial obligations during the reporting period.

3.2. Changes regarding the rights of holders of securities issued by the company – n/a.

4. Significant transactions – n/a.

5. Disputes in which the company is involved

On 30.06.2019, at the Legal Directorate of the Financial Investment Company Oltenia S.A. 32 cases were registered in the state of the court, of which:

- 12 cases - plaintiff;
- 14 cases - defendant;
- 3 cases - insolvency proceedings;
- 2 cases - warranty call;
- 1 cause - intervener.

According to their purpose, the causes are structured as follows:

- 5 cases - annulment of A.G.A. / cancellation of operations with shares, in which S.I.F. Oltenia S.A. has the status of plaintiff;
- 3 cases - companies in insolvency proceedings, as follows:
 - *in 2 cases* S.I.F. Oltenia S.A. has the capacity of chirographic creditor;
 - *in one case* S.I.F. Oltenia S.A. has the capacity of a contribution creditor.
- 24 – other cases.

According to their purpose, we exemplify the following causes:

- ❖ Cases in which S.I.F. Oltenia S.A. has the plaintiff capacity, mainly aims to annul the decisions of the GMS, regarding: changes of the articles and memorandum of association, setting up of new companies with contributions in kind, active acquisition, operations with shares, merger, decisions adopted with the violation of the limits of competence, among the defendant companies including: COREALIS SA Craiova, PRODPLAST S.A. Bucharest, CEREALCOM S.A. Alexandria, of which we exemplify:

a) file no. 9270/63/2017, in the role of the Craiova Court of Appeal, having as its object the annulment of the AGEA Corealis S.A. from May 18, 2017, regarding

the implementation of irrevocable court decisions. The substantive court on 02.05.2019 admits the action of S.I.F. Oltenia S.A. and annul the Corealis S.A. from May 18, 2017. Corealis S.A. filed an appeal on 10.07.2019. Deadline: not set.

b) file no. 7294/63/2018, in the role of the Craiova Court of Appeal, with the object of finding the absolute nullity of the Decisions of the AGEA Corealis S.A. as of 01.10.2018. The substantive court, the Dolj Court on 04.03.2019 admits the request of S.I.F. Oltenia S.A. and annuls the Decision of AGEA Corealis S.A. as of 01.10.2018. On 06.05.2019 Corealis S.A. appealed. Deadline: 05.09.2019;

c) file no. 7400/63/2018, pending before the Dolj Court, having as its object the suspension of the Decisions of the AGEA Corealis S.A. from 01.10.2018, it was solved by admitting the request of S.I.F. Oltenia S.A. The court temporarily suspends Corealis S.A. from 01.10.2018 until the settlement of the file no. 7294/63/2018. Corealis S.A. filed an appeal, and on 13.12.2018 the Craiova Court of Appeal rejects the appeal, so that the case remains suspended until the resolution of the file no. 7294/63/2018.

d) file no. 7443/63/2018, which is before the Dolj Court, having as its object an application against the registration of the mention no. 69549 / 12.10.2018 of ORC Dolj regarding the Decisions of the AGEA Corealis S.A. as of 01.10.2018. On 18.02.2019 the court admits the request for intervention of S.I.F. Oltenia S.A. and order the communication of the Decision to the Trade Register Office of the Dolj Court. With appeal.

e) file no. 32433/3/2015, before the Bucharest Court, the defendant-Prodplast S.A. Bucharest, having as object the cancellation of PPLI shares from 08.08.2015. On 20.12.2018, the court rejects the request of S.I.F. Oltenia S.A. With call within 30 days of communication. Decision not communicated until the date of this Report.

In the chapter "other causes", in which S.I.F. Oltenia S.A. has the applicant's quality, files having diversified object are registered: criminal complaints, forced performances, claims-damages, appeals to forced performance through appropriation on the appropriate dividends, intervention requests, of which we exemplify:

a) forced performance against the debtor A.V.A.S. (currently A.A.A.S.) for the recovery of the amount of 633,567 RON, according to the Civil Sentence no. 1581 / 21.10.2010, file no. 19477/3/2010, representing the amount due by A.A.A.S. to S.C. RETIZOH S.A., respectively 70% of the value of a building returned to the former owners. The respective company executed this amount also from the account of S.I.F. Oltenia S.A., using the provisions applicable to joint and several liability.

So far, the amount of 7,875 RON has been collected and distributed to S.I.F. Oltenia S.A. the sum of 35,565 RON from the sale price of the shares held by A.A.A.S. the Biofarm S.A. Bucharest (in forced performance by other creditors) the amount not collected until the reporting date. The performance continues. A.A.A.S. challenged the sale of the shares held in Biofarm, an appeal admitted in the first instance, the solution being appealed. S.I.F. Oltenia S.A. filed a request for intervention. A.A.A.S. also challenged the report of the distribution of the price resulting from the sale of BIOFARM shares, in which S.I.F. Oltenia S.A., file suspended until the first appeal of A.A.A.S.

b) action having as object compensation for the breach of the obligation to carry out the compulsory public offer of the actions in application of the provisions of art. 203 of Law 297/2004 - regarding actions S.C. MOBILA S.A. Radauti. The lawsuit concerning the actions of S.C. MOBILA S.A. Rădăuți is in forced performance of the debts from the enforceable titles obtained at B.E.J. Cojocaru Mihai Bogdan (exec file no. 666/2015), which on 25.09.2018 issued to Banca Transilvania S.A. the address on the account on Amattis S.A. and Geochis S.A., and on 25.10.2018, the bank communicated the establishment of the impoundment without recording any amounts of money.

On 14.06.2019 it is communicated by the executor that the address was sent to ANAF to indicate the assets of the debtors or the bank accounts held. ANAF shows that the debtors appear with bank accounts at BRD GROUPE SOCIETE GENERALE SA, BANCA TRANSILVANIA SA, CREDIT EUROPE BANK SA, GUARANTEES BANK ROMANIA SA, without indicating amounts of money, following which the executor will issue addresses for setting up these banks.

c) S.I.F. Oltenia S.A. has promoted an action in money claims for compelling CEREALCOM S.A. Alexandria at the payment of the sum of 1,660,826 RON, representing the value of the package of shares due upon withdrawal from the company, in accordance with the provisions of art. 134 of Law no. 31/1990 R, as subsequently amended and supplemented. The case was settled on 28.12.2017 by rejecting the request of S.I.F. Oltenia SA. An appeal was also filed on 03.07.2018, the Bucharest Court of Appeal admits the appeal of S.I.F. Oltenia S.A. and sends the case for re-examination. The case is pending before the Teleorman Court in the re-examination - file no. 483/87/2016 *. Deadline: 16.09.2019.

❖ **Cases in which S.I.F. Oltenia S.A. has the quality of defendant:**

a) file no. 6584/63/2014, plaintiff Buzatu Florian Teodor, having as object the money claims in the amount of 1,758,550 RON and the moral damages in the amount of 40,000 RON, motivated by the fact that he was revoked from the position of administrator in the AGOA S.I.F. Oltenia S.A from 29.04.2011: the case is under review under no. 6584/63/2014 *. On 12.04.2018, the Dolj Court rejects the plaintiff's action, which makes an appeal, and the Craiova Court of Appeal rejects his appeal. The case is before the High Court of Cassation and Justice. Deadline: 21.11.2019.

b) file no. 7680/63/2018, Corealis S.A. filed an application for annulment of the AGEA S.I.F. Oltenia S.A. from 04.10.2018. The case is before the Dolj Court. Deadline: 21.11.2019.

c) file no. 15674/4/2018 **, before the Bucharest Court, having as object the claims Prodplast S.A. Bucharest, consisting of the costs incurred in the file no. 19321/3/2016, both on the merits and on appeal, in the total amount of RON 57,913.51. The substantive court partly accepts the Prodplast request and obliges S.I.F. Oltenia S.A. to pay the amount of RON 30,000 - costs in the file no. 19321/3/2016 and the sum of RON 1,505 - costs in the present case. S.I.F. Oltenia S.A. filed an appeal on 14.12.2018, the Bucharest Court the VI-VI section declining the competence of the III-III section. Deadline: 18.09.2019.

d) file no. 57180/300/2015, in the role of the Bucharest Court, having as object appeal to the performance formulated by A.A.A.S. at the crossing by the Central Depository - third party struck. The court partly admits the action. S.I.F. Oltenia S.A. filed an appeal, admitted by the court in part, rejecting the return of the forced performance formulated by A.A.A.S. Decision not communicated until the date of this Report.

e) file no. 6876/1/2006, on the dockets of Timișoara Court of Appeal, having as object the Law 10/2001, in contradistinction with Tincu Emilian, Claude Silvia Alice and Hoch Ileana: case suspended until the settlement of the file no. 4040/101/2008, in the role of the Mehedinți Court, in which S.I.F. Oltenia S.A. is not a part.

f) file no. 3609/63/2019, plaintiff SSIF Voltinvest S.A., in the role of the Dolj Court, having as its object the suspension of the performance of the A.G.E.A. S.I.F. Oltenia S.A. from May 09, 2019. Deadline: 13.08.2019.

g) file no. 3608/63/2019, plaintiff SSIF Voltinvest S.A., in the role of the Dolj Court, having as object the finding of the absolute nullity of the Decisions S.I.F. Oltenia S.A. from May 09, 2019. Deadline: 11.09.2019.

h) file no. 3839/63/2019, plaintiff Ungureanu Liviu, in the role of the Dolj Court, having as its object the suspension of the performance of the A.G.E.A. S.I.F. Oltenia S.A. from May 09, 2019. Case related to file no. 3609/63/2019. Deadline: 13.08.2019.

i) file no. 3838/63/2019, plaintiff Ungureanu Liviu, in the role of the Dolj Court, having as object the finding of absolute nullity of the Decisions of S.I.F. Oltenia S.A. from May 09, 2019. Deadline: 03.09.2019.

j) file no. 3621/63/2019, plaintiff SSIF Voltinvest SA, in the role of the Dolj Court, having as object a request for intervention in its own interest to the ORC from the Dolj Court, on the basis of GEO no. 116/2006. Deadline: during the verification period request according to art. 200 Code of Civil Procedure.

In the insolvency files, at the date of the analysis, 3 cases remained, out of which two, S.I.F. Oltenia S.A. is a creditor, respectively ELECTROTOTAL Botosani and SCCF Bucharest and a cause in which S.I.F. Oltenia S.A. is a creditor - CORINT S.A. Targoviste.

6. Modifications in the management of the company

Between 01.01.2019 - 30.06.2019 there were no changes in the management of the company.

Board of Directors

Board of Directors of S.I.F. OLTENIA S.A. had the following composition:

1. Tudor Ciurezu – Chairman/General Manager
2. Cristian Buşu – Vice-President/Deputy General Manager
3. Anina Radu – non-executive manager
4. Radu Hanga – non-executive manager
5. Ana Barbara Bobircă – non-executive manager
6. Nicolae Stoian – non-executive manager
7. Carmen Popa – non-executive manager

The audit committee formed at the level of the Board of Directors during the analysed period had the following composition:

1. Radu Hanga – independent non-executive manager, Chairman
2. Ana Barbara Bobircă – independent non-executive manager
3. Nicolae Stoian – non-executive manager

The nomination and remuneration committee set up at the level of the Board of Directors had the following composition:

1. Ana Barbara Bobircă - independent non-executive manager, Chairman
2. Radu Hanga - independent non-executive manager
3. Tudor Ciurezu – Board of Directors Chairman

Top management

During the analysed period, the activity of S.I.F. OLTENIA S.A. was coordinated, as members of the Top Management, by:

- Tudor Ciurezu - General Manager
- Cristian Buşu - Deputy General Manager

this, according to the provisions of the Articles of Incorporation and Internal Regulations of the company, Mr. Tudor Ciurezu, as Chairman of the Board of Directors, also performs the role of General Manager, and Mr. Cristian Buşu, as Vice-Chairman of the Board of Directors, also performs the function of Deputy General Manager.

Key position staff

During the analysed period, the persons with key positions within S.I.F. OLTENIA S.A. were:

Internal audit

During the period analysed, the internal audit activity was carried out by Mrs. Cimpoeru Ana - employee of the issuer for an indefinite period.

Internal control / conformity

During the analysed period, the activity of internal control / compliance was carried out by Mrs. Viorica Bălan - Representative of the Compliance Department.

Risk manager

During the analysed period, the risk management activity of the company was performed by Mrs. Daniela Budin - Representative of the Risk Management Department.

External financial audit

The external financial auditor of the company is JPA AUDIT & CONSULTANȚĂ S.R.L. Bucharest.

On 30.06.2019, the number of employees S.I.F. OLTENIA S.A. it was 46 persons, compared to 44 persons existing on 31.12.2018 and 45 persons on 30.06.2018.

7. Events after the reporting period

After the first six months of 2019, the main events of the activity of S.I.F. Oltenia S.A. were:

1) Concerning the request to convene a General Meeting of Shareholders registered under no. 5071 / 11.06.2019, transmitted by S.I.F. Banat-Crișana S.A. and S.I.F. Muntenia SA, with items on the agenda regarding changes in the administrative and executive management of the company, in the meeting of the Board of Directors from 08.07.2019, following the analysis of the above mentioned request, the summons of the Ordinary General Meeting of the requested Shareholders was rejected through the joint application registered with SIF Oltenia S.A. under no. 5071 / 11.06.2019 formulated by the

shareholders of SIF Banat Crişana S.A. and SIF Muntenia S.A. (shareholders holding jointly representing 5.00% of the share capital of S.I.F. Oltenia S.A.), due to non-compliance with the legal conditions of form and fund.

2) The Board of Directors meeting on 08.07.2019, took note of the resignation of Mr. Tudor Ciurezu, starting with 01.07.2019, as a member of the Nomination and Remuneration Committee and completed the composition of the Committee with the administrator Anina Radu.

Thus, the new composition of the committee is:

-Ana Barbara Bobirca – independent non-executive manager, Chairman

-Radu Hanga - independent non-executive manager

-Anina Radu – non-executive manager

3) S.I.F. Oltenia S.A. took note of Decision F.S.A. no. 937 / 18.07.2019, which establishes the task of the Board of Directors of S.I.F. Oltenia S.A. the obligation to convene and to ensure the ordinary general meeting of the shareholders within 45 days from the date of issuing the decision, including on the agenda the items proposed by the shareholders S.I.F. Banat Crişana S.A. and S.I.F. Muntenia S.A. by the request registered at the issuer's headquarters with no. 5071 / 11.06.2019.

F.S.A. decision no. 937 / 18.07.2019 was submitted for analysis to the Board of Directors of S.I.F. Oltenia S.A. in the meeting dated 29.07.2019 and the convening of the Ordinary General Meeting of Shareholders was rejected and motivated by the decrease of the shareholding of the two requesting shareholders below the legal and statutory threshold of 5% of the share capital of S.I.F. Oltenia S.A., according to the Statement of Holdings transmitted by Banat Crişana S.A. Financial Investment Company under no. 1663 / 23.07.2019.

4) Also S.I.F. Oltenia S.A. took note of the address of the F.S.A. no. VPI 4888 / 30.07.2019, regarding the Decision of the F.S.A. no. 937 / 18.07.2019 establishing by the Board of Directors of S.I.F. Oltenia S.A. the obligation to convene and to ensure the ordinary general meeting of the shareholders within 45 days from the date of issuing the decision, without the need for an

assessment of the fulfilment of the conditions provided by art. 119 paragraph (1) of Law no. 31/1990.

In the meeting of the Board of Directors from 01.08.2019, the convening of the Ordinary General Meeting of the S.I.F. Shareholders was rejected. Oltenia S.A. Motivation: decrease of the shareholding of the two requesting shareholders below the legal and statutory threshold of 5% of the share capital of S.I.F. Oltenia S.A., according to the Declaration of holdings transmitted by S.I.F. Banat Crişana S.A. under no. 1663 / 23.07.2019 (registered with S.I.F. Oltenia S.A. under no. 6535 / 24.07.2019) and of non-compliance with the legal conditions of form and substance of the request of the two shareholders.

NOTE

The financial statements as of 30.06.2019 have not been audited.

Associate Professor PhD Ec. Tudor CIUREZU
Chairman / General Manager

Associate Professor PhD Cristian BUŞU
Vice-President / Deputy General Manager

Ec. Elena SICHIGEA
Financial Manager

SIMPLIFIED INTERIM INDIVIDUAL FINANCIAL STATEMENTS

as of June 30th, 2019

drawn up in accordance with Regulation 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 of the Financial Instruments and Investments Sector

UNAUDITED

SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.

SIMPLIFIED INTERIM INDIVIDUAL FINANCIAL STATEMENTS as of June 30th, 2019

Table of contents

	<u>page</u>
Simplified interim individual statement of the profit or loss and of other items of the comprehensive income	1
Simplified interim individual statement of the financial position	2
Simplified interim individual statement of the changes in own equity	3 - 4
Simplified interim individual statement of treasury flows	5
Selected explanatory notes to simplified interim individual financial statements	6 - 45

SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.

Simplified interim individual statement of the profit or loss and of other items of the comprehensive income as of June 30th, 2019

<i>In RON</i>	<i>Note</i>	June 30th, 2019	June 30th, 2018
Incomes			
Incomes from dividends	6	119,513,072	74,843,292
Incomes from interest		316,570	27,476
Other operating incomes	7	68,023	404,720
Net gain from exchange rate differences		6,338,830	11,704
Net gain from the sale of financial assets	8	-	4,448,637
Gain from financial assets at fair value through profit or loss account		523,405	-
Expenses			
Fees and charges for administration and Supervisory	9	(1,081,573)	(987,254)
Incomes from the recovery of provisions for risks and expenses			
Other operating expenses	10	(4,432,466)	(4,132,152)
Profit before taxation		121,245,861	74,616,423
Profit tax	11	(6,961,171)	(4,239,062)
Net gain from transactions recognized in retained earnings		114,284,690	70,377,361
Other elements of the comprehensive income			
Change in the reassessment reserve of tangible assets, net of deferred tax		1,940,535	-
Net change in fair value of financial assets assessed through other elements of the comprehensive income		-	-
Fair value reserve of financial assets assessed through other elements of the comprehensive income, transferred to retained earnings		229,218,645	10,164,119
The effect of related profit tax		-	(3,736,854)
Fair value reserve of financial assets assessed through other elements of the comprehensive income - hyperinflation		(2,019,153)	-
Total other elements of the comprehensive income		229,140,027	6,427,265
Total comprehensive income related to the period		343,424,717	76,804,626
The result per share			
Basic	23	0.1970	0.1213
Diluted		0.1970	0.1213

The simplified interim individual financial statements were approved by the Board of Directors at the meeting on 12 August 2019 and were signed on its behalf by:

Associate Professor PhD. Ec. Ciurezu Tudor
Chairman/General Manager

Associate Professor PhD Bușu Cristian
Vice-president/Deputy General Manager

Ec. Sichigea Elena
Financial Manager

SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.**Simplified interim individual statement of the profit or loss and of other items of the comprehensive income as of June 30th, 2019**

<i>In RON</i>	<i>Note</i>	June 30th, 2019	December 31st, 2018
Assets			
Cash and cash equivalents	12	24,281,270	472,375,238
Deposits placed in banks	13	52,010,519	554,340
Financial assets assessed at the fair value through other elements of the comprehensive income	14	2,062,708,463	1,478,457,359
Financial assets assessed at the fair value through the profit or loss account	14	3,256,345	2,732,940
Credits and receivables	15	5,437,478	15,836,743
Tangible assets		11,695,179	11,965,182
Real estate investments		555,001	555,001
Other assets	16	206,871	134,574
Total assets		2,160,151,126	1,982,611,377
Liabilities			
Dividends to pay	17	66,313,636	42,515,955
Fees and charges	18	2,302,278	97,715,503
Deferred tax liabilities	19	115,667,151	72,404,246
Other liabilities	20	6,296,874	9,855,891
Total liabilities		190,579,939	222,491,595
Own equity			
Share capital	21	58,016,571	58,016,571
Reserves formed as a result of the implementation of Law 133/1996	21	144,636,073	144,636,073
Legal reserves	21	11,603,314	11,603,314
Reserves from the assessment of financial assets assessed at the fair value through other elements of the comprehensive income	21	574,979,280	347,779,788
Other reserves	22	519,445,822	555,210,270
Reserves from the reassessment of tangible assets		7,671,332	7,844,289
Own shares		(1,962,259)	-
The result carried forward except for the result carried forward arising from the adoption of IAS 29 for the first time		540,896,364	538,769,677
Current profit		114,284,690	96,259,800
Total own equity		1,969,571,187	1,760,119,782
Total liabilities and own equity		2,160,151,126	1,982,611,377

The simplified interim individual financial statements were approved by the Board of Directors at the meeting on 12 August 2019 and were signed on its behalf by:

Associate Professor PhD. Ec. Ciurezu Tudor
Chairman/General Manager

Associate Professor PhD Bușu Cristian
Vice-president/Deputy General Manager

Ec. Sichiștea Elena
Financial Manager

SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.
Simplified interim individual statement of the changes in own equity
as of June 30th, 2019

In RON

	Share capital	Own shares	Reserves from the reassessment of tangible assets	Legal reserves	Other reserves	Differences from the change of fair value in financial assets assessed through other elements of the comprehensive income	Other elements of own equities	Cumulated profit	TOTAL
BALANCE AT JANUARY 1ST, 2019	58,016,571		7,844,289	11,603,314	699,846,343	350,841,468	(3,061,680)	635,029,477	1,760,119,782
COMPREHENSIVE INCOME									
Profit of financial year	-	-	-	-	-	-	-	114,284,690	114,284,690
Other elements of the comprehensive income									
1. Reserve variation from the reassessment of the tangible assets	-	-	(172,957)	-	-	-	-	172,957	0
2. Variation of the reserve from the fair value modification of financial assets assessed at fair value through other elements of the comprehensive income	-	-	-	-	-	229,218,648	(3)		229,218,645
3. Fair value reserve of the financial assets assessed at fair value through other elements of the comprehensive income, assigned	-	-	-	-	-	(2,019,153)		1,940,535	(78,618)
4. Related profit tax	0	0	(172,957)	0	0	227,199,495	(3)	116,398,182	343,424,717
5. Transfer of reserve to retained earnings as a result of passing to IFRS 9	-	-	-	-	-	-	-	13,196	13,196
6. Fair value reserve of the financial assets assessed through other elements of the comprehensive income - hyperinflation	-	-	-	-	-	-	-	-	0
TOTAL COMPREHENSIVE INCOME related to the period	-	-	-	-	(35,764,448)	-	-	(12,178,332)	(47,942,780)
Deferred tax related to the result carried forward reassessment surplus unachieved taxed	-	(1,962,259)	-	-	-	-	-	-	(1,962,259)
Other reserves – own sources of funding	-	-	-	-	-	-	-	-	0
Other reserves – share repurchase	-	-	-	-	-	-	-	-	0
Deferred tax related to the result carried forward reassessment surplus unachieved taxed	-	-	-	-	-	-	-	(84,081,469)	(84,081,469)
Transactions with shareholders directly recognized in equity	0	0	0	0	0	0	0	(84,081,469)	(84,081,469)
BALANCE AT JUNE 30TH, 2019	58,016,571	(1,962,259)	7,671,332	11,603,314	664,081,895	578,040,963	(3,061,683)	655,181,054	1,969,571,187

The simplified interim individual financial statements were approved by the Board of Directors at the meeting on 12 August 2019 and were signed on its behalf by:

Associate Professor PhD. Ec. Ciurezu Tudor
Chairman/General Manager

Associate Professor PhD Bușu Cristian
Vice-president/Deputy General Manager

Ec. Sichigea Elena
Financial Manager

Notes from page 6 to page 45 are integral part of the simplified interim individual financial statements.

SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.

**Simplified interim individual statement of the changes in own equity
as of June 30th, 2019**

<i>In RON</i>	Share Capital	Reserves from the reassessment of tangible assets	Legal reserves	Other reserves	Differences from the change of fair value in financial assets assessed through other elements of the comprehensive income	Other elements of own equities	Cumulated profit	TOTAL
BALANCE AT JANUARY 1ST, 2018	58,016,571	7,175,074	11,603,314	666,153,979	784,613,031	(3,061,680)	81,978,328	1,606,478,617
COMPREHENSIVE INCOME	-	-	-	-	-	-	-	-
Profit of financial year	-	-	-	-	-	-	70,377,361	70,377,361
Other elements of the comprehensive income	-	-	-	-	-	-	-	-
1. Change in the reserve from the reassessment of fixed tangible assets, net of deferred tax	-	(143,556)	-	-	-	-	143,556	-
2. Net change in the fair value reserve of financial assets measured at fair value through other elements of the comprehensive income	-	-	-	-	10,164,119	-	-	10,164,119
3. Reserve relating to the difference in the change in the fair value of financial assets measured at fair value through other elements of the comprehensive income transferred to profit or loss net of tax.	-	-	-	-	(3,736,854)	-	-	(3,736,854)
TOTAL COMPREHENSIVE INCOME related to the period	-	-	-	-	(22,928,231)	-	22,928,231	-
Deferred tax related to the result carried forward reassessment surplus unachieved taxed	-	(143,556)	-	-	(16,500,966)	-	93,449,148	76,804,626
Other reserves – own sources of funding	-	-	-	-	-	-	7,592	7,592
Other reserves – share repurchase	-	-	-	33,692,364	-	-	(33,692,364)	-
Reported result coming from the passage to IFRS 9	-	-	-	-	-	-	-	-
Transactions with shareholders directly recognized in equity	-	-	-	-	-	-	-	-
1. Dividends prescribed by law – transfer to the profit or loss account from other reserves	-	-	-	-	-	-	-	-
2. Dividends to pay for year 2017	-	-	-	-	-	-	(40,611,600)	(40,611,600)
TOTAL TRANSACTIONS WITH SHAREHOLDERS DIRECTLY RECOGNIZED IN EQUITY	-	-	-	-	-	-	(40,611,600)	(40,611,600)
BALANCE AT JUNE 30TH, 2018	58,016,571	7,031,518	11,603,314	699,846,343	768,112,065	(3,061,680)	101,131,104	1,642,679,235

Simplified interim individual financial statements were approved by the Administration Board in the meeting from 12 August 2019 and were signed on its behalf by:

Associate Professor PhD. Ec. Ciurezu Tudor
Chairman/ General Manager

Associate Professor PhD. Ec. Bușu Cristian
Vice-president/ Deputy General Manager

ec. Sichigea Elena
Financial Manager

Notes from page 6 to page 45 are integral part of the current simplified interim individual financial statements.

SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.**Simplified interim individual statement of treasury flows
prepared on June 30th, 2019**

In RON

Element name A	Reporting period	
	June 30th, 2019 1	June 30th, 2018 2
Treasury flows from operating activities		
Cashes from customers, other cashes	7,061,759	617,390
Cashes from sales of financial investments (securities)	44,140,279	5,156,993
Payments for the purchase of shares	(358,888,942)	(3,763,015)
Payments to suppliers and employees, other payments	(4,167,612)	(3,693,543)
Payments to the state budget, social security budget and local budget	(1,698,669)	(1,601,071)
Interest received	297,678	1,479
Dividends received	108,496,843	62,358,238
Interests paid	-	-
Profit tax paid	(98,156,346)	(4,716,643)
Cashes from insurance against earthquakes	-	-
Net treasury from operating activities	(302,915,010)	54,359,828
Treasury flows from investment activities:		
Payments for acquisition of tangible assets	(13,720)	(5,742)
Cashes from sale of tangible assets	-	-
Net treasury from investment activities	(13,720)	(5,742)
Treasury flows from financing activities:		
Cashes from emission of shares	-	-
Cashes from loans on long term	-	-
Payment of debts related to financial leasing	-	-
Dividends paid	(35,181,343)	-
Downpayments to the Central Deposit for dividends payments	(58,216,075)	(52,343)
Tax on payed dividends	-	-
Net treasury from financing activities	(330,532)	(426,472)
Payment of debts related to financial leasing	(93,727,950)	(478,815)
Net increase of treasury and cash equivalents	(396,656,680)	53,875,271
Treasury and cash equivalents at the beginning of the reporting period	472,928,957	3,813,119
Treasury and cash equivalents at the end of the reporting period	76,272,277	57,688,390

The simplified interim individual financial statements were approved by the Board of Directors at the meeting on 12 August 2019 and were signed on its behalf by:

Associate Professor PhD. Ec. Ciurezu Tudor
Chairman/General Manager

Associate Professor PhD Bușu Cristian
Vice-president/Deputy General Manager

Ec. Sichega Elena
Financial Manager

1. REPORTING ENTITY

Societatea de Investiții Financiare Oltenia S.A. („The Company”) was founded on 01st November 1996 in Craiova – Romania, being the under successor of V Oltenia Private Property Fund, reorganized and transformed according to the provisions of Law No. 133/1996, a law for the transformation of the Private Property Funds into financial investment companies.

The company is classified in the category of Alternative Investment Fund Administrators (AIFM) authorized by the Financial Supervisory Authority with the number 45/15th of February 2018 and operates in compliance with the provisions of Law no. 74/2015 regarding alternative investment fund managers, Law no. 24/2017 on issuers of financial instruments and market transactions, Law no. 297/2004 regarding the capital market, as subsequently amended and supplemented and Law no. 31/1990 on companies.

The Company is self-administered and has its registered office in Craiova, no. 1, Tufănele Street, postal code 200767, Dolj County.

The Company is registered at the Trade Register Office attached to Dolj Court, under the Registration Number J16/1210/1993, Taxpayer Identification Number 4175676, fiscal attribute RO.

The shares of the Company are listed according to the Bucharest Stock Exchange, the Premium category, with market symbol SIF 5, as from the 1st of November 1999.

The Company's shareholders and shares records are kept according to law by the Depozitarul Central S.A. Bucharest.

The depositing activity provided by legislation and R.N.S.C./F.S.A. regulations is provided by Raiffeisen Bank S.A. as from the 22nd of January 2014, until such date, the depositing activity having been held by ING Bank NV Amsterdam - Bucharest Branch.

According to the articles of incorporation, the Company has the following scope of activity:

- a) administrating and managing the shares in the trading companies for which there were issued own shares, corresponding to the Ownership Certificates and the Nominal Privatization Coupons subscribed by citizens according to the provisions of Art. 4 Paragraph 6 of Law no. 55/1995;
- b) Administrating and managing its own securities portfolio and investing in securities in accordance with the regulations in force;
- c) risk administration;
- d) other activities, auxiliary and adjacent to the collective management activities.

The subscribed and paid-up social capital is 58,016,571 RON, divided into 580,165,714 shares with a nominal value of 0.1 RON/share.

The main characteristics of the shares issued by the company are: ordinary, indivisible, nominative, of equal value, issued in a dematerialized form and granting equal rights to their holders.

Simplified interim financial statements elaborated on June 30th, 2019, are not audited.

2. Bases of preparation

a) Declaration of Conformity

According to the Norm no. 39/2015 issued by the Financial Supervisory Authority of the Financial Instruments and Investment Sector (ASF), starting with the annual financial statements for the financial year 2015, the authorized, regulated and supervised entities by the ASF, apply the International Financial Reporting Standards adopted by the European Union ("IFRS") as official accounting regulations.

SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.

*Selected explanatory notes to simplified interim individual financial statements
on June 30th, 2019*

(all amounts are expressed in RON, unless otherwise stated)

2. Bases of preparation *(continuation)*

a) Declaration of Conformity *(continuation)*

The date of 31st of December 2015 is the date of transition to IFRS as the basis for accounting, when the operations determined by the changeover from the CNVM Regulation no. 4/2011 to the Accounting Regulations in accordance with IFRS.

The simplified interim financial statements prepared on June 30th, 2019, were prepared in accordance with the requirements of IAS 34 "Interim Financial Reporting" and should be read together with the individual financial statements for the year 2018 prepared in accordance with Standard no. 39/2015 for the approval of Accounting Regulations in accordance with International Financial Reporting Standards applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority of the Financial Instruments and Investments Sector.

In accordance with the provisions of Regulation no. No 1606/2002 of the European Parliament and of the Council of the European Union of 19th of July 2002 and of Law no. 24/2017 on issuers of financial instruments and market transactions, the Company has the obligation to prepare and submit to ASF consolidated annual financial statements in accordance with IFRS no later than 4 months after the end of the financial year.

The consolidated financial statements of the S.I.F. Oltenia S.A. Group on the 31st of December 2018 were drafted, approved and released on 24th of April 2019. These can be consulted electronically on the company's website: www.sifolt.ro.

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

The consolidated half-yearly accounting report shall be prepared and submitted to FSA no later than 3 months after the end of the semester.

It will be drawn up, approved by the Board of Directors and published on 27th September 2019 and made available to the public in electronic format on the company's website: www.sifolt.ro.

b) Presentation of financial statements

The presentation adopted by the Company is based on the liquidity within the simplified interim individual statement of the financial position, and the disclosure of the income and costs has been made in relation to their nature within the simplified interim individual statement of profit or loss and other items of the comprehensive income. The Company considers that such presentation methods provide information that is more credible and relevant than what would have been disclosed under other methods permitted by IAS 1 "Presentation of Financial Statements".

c) Functional and Presentation Currency

The Company's management believes that the functional currency, as defined by IAS 21 "The Effects of Foreign Exchange Rates Variation", is the Romanian currency (RON or RON). The simplified interim individual financial statements are presented in RON, rounded to the nearest RON, the currency that the Company's management chose to be the presentation currency.

2. Bases of preparation (continuation)

d) Basis of Assessment

The simplified interim individual 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 at fair value through other comprehensive income elements.

Other financial assets and liabilities, as well as non-financial assets and liabilities are presented at amortized cost, re-assessed or historical cost.

e) Using Estimates and Judgments

The preparation of the simplified interim individual financial statements in accordance with IFRS implies the management's use of estimates, judgments and assumptions that affect the application of the accounting policies as well as the reported amount of assets, liabilities, income and expenses.

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

The Company periodically reviews the estimates and assumptions underlying the accounting records. The revisions of the accounting estimates are recognized in the period in which the estimate is reviewed, if the review affects only that period, or in the period in which the estimate is reviewed and the future periods, if the review affects both the current period and future periods.

3. Significant Accounting Policies

The accounting policies represent the principles, bases, conventions, rules and specific practices applied in the preparation and presentation of the financial statements.

The accounting policies adopted are consistent with those used in the previous year.

The financial statements are prepared on the basis that the Company will continue its activity in the foreseeable future. In order to evaluate the applicability of this principle, the management analyses the forecasts regarding the future cash inflows.

a) Subsidiaries and associated entities

Subsidiaries are entities under the control of the Company. The Company controls an entity in which it has invested when exposed or has variable return rights based on its participation in the investing entity and has the ability to influence those revenues through its authority over the entity in which it has invested.

Potential or convertible voting rights that can be exercised at that time must also be taken into account when assessing the control.

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

The list of subsidiaries and associated entities as of June 30th, 2019 and December 31st, 2018, is presented in Note 25.

The Company has classified and accounted for in these individual financial statements all financial investments in subsidiaries and associated entities as financial assets assessed at fair value through other elements of the comprehensive income according to IFRS 9 "Financial Instruments".

3. Significant Accounting Policies (continuation)**b) Foreign currency transactions**

The transactions expressed in foreign currency are initially recorded in RON at the official exchange rate from the date of the transactions. Monetary assets and liabilities recorded in foreign currencies at the date of preparation of the statement of financial position are converted into functional currency at the exchange rate of that day.

Gains or losses from their settlement and conversion using the exchange rate at the end of the reporting period of monetary assets and liabilities denominated in foreign currency are recognized in profit or loss, except those recognized in equity as a result of recording in compliance with risk hedging accounting.

The differences of conversion on the elements of the nature of the investments held at the fair value through the profit or loss account, are presented as gains or losses from the fair value.

Conversion differences on the elements of the nature of financial instruments classified as fair value through other elements of the comprehensive income are included in the reserve arising from the modification of the fair value of these financial instruments.

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

Currency	June 30 th , 2019	December 31 st , 2018	Variation
EUR	4.7351	4.6639	+ 1.52 %
USD	4.1587	4.0736	+ 2.09 %

c) Accounting the hyperinflation effect

According to IAS 29 "Financial Reporting in Hyperinflationary Economies", the individual financial statements of an entity whose functional currency is the currency of a hyperinflationary economy must be presented in terms of the current purchasing power of the currency at the date of preparing the statement of financial position, i.e. non-monetary items are restated by applying the general index of prices from the date of purchase or contribution. IAS 29 states that an economy is considered hyperinflationary if, among other factors, the cumulative inflation rate exceeds 100% over a three-year period.

The continuous decrease of the inflation rate and other factors related to the characteristics of the economic environment in Romania, indicate that the economy whose functional currency was adopted by the company has ceased to be hyperinflationary, with effect on the financial periods starting with January 1st, 2004. Thus, the provisions of IAS 29 were adopted in the preparation of the individual financial statements until December 31st, 2003.

Thus, the values expressed in the unit of measurement as at December 31st, 2003 are treated as the basis for the accounting values reported in the individual 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 financial statements under IFRS at December 31st, 2015, the Company adjusted to be expressed in the current unit of measure as at December 31st, 2003 the following elements:

- the share capital and elements of the nature of the reserves;
- financial assets available for sale assessed at cost, for which there is no active market or the market is not active.

d) Cash and cash equivalents

The cash includes the available in the house and in the banks and the deposits in sight.

Cash equivalents are short-term, highly liquid financial investments that are easily convertible to cash and which are subject to insignificant risk of changes in value.

When drawing up the statement of cash flows, the cash and cash equivalents were considered: the actual cash, the current accounts with banks and the deposits with an initial maturity of less than 90 days.

3. Significant accounting policies (continuation)

e) Financial assets and liabilities

Financial instruments, in accordance with IFRS 9 "Financial Instruments", 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, associates and joint ventures - according to the provisions of IFRS 10, IAS 27, IAS 28.

• **Classification**

The Company classifies the financial instruments held in accordance with IFRS 9 "Financial Instruments" in 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 for the company are expected.

A debt represents a current obligation of the company resulting from past events, the settlement of which is expected to result in an outflow of resources incorporating economic benefits for the company.

The company classifies financial assets as: assessed at amortized cost, at fair value through other elements of the comprehensive income or at fair value through profit or loss on the basis of:

- the business model of the company for managing financial assets and
- the characteristics of the contractual cash flows of the financial asset.

In accordance with IFRS 9, financial assets fall into one of the following categories:

Financial assets assessed at fair value through profit or loss

The financial assets measured at fair value through profit or loss are:

- equity instruments held for trading;
- equity instruments designated to be measured at fair value through profit or loss account;
- debt instruments.

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

A financial asset or financial liability is held for trading if they meet the following conditions cumulatively:

- 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 real pattern of short-term profit tracking.

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 used for hedge accounting.

Financial assets measured at fair value through other comprehensive income

The financial assets assessed at fair value through other elements of the comprehensive income are:

- equity instruments designated to be assessed at fair value through other elements of the comprehensive income;
- debt instruments.

3. Significant accounting policies *(continuation)*

e) Financial assets and liabilities *(continuation)*

A financial asset of an instrumental nature to come back must evaluate only other elements of the comprehensive income if both of the following conditions are met:

- a) the financing activation is directly related to a business model because its objective is achieved for collecting the contractual cash flows and for selling the financial activity and
 - b) the contractual terms of the financing activity give birth, the deadline, the cash care flows are exclusively payments of the principal and the interest related to the main values of the data.
- The company may face or make irrevocable the initial recognition in the case of certain investigations in equity instruments the care of others would be to evaluate only the principle of profit or loss to present further changes of the fair values in other elements of the comprehensive income (according to points 5.7.5 and 5.7.6 of IFRS 9 - Financial Instruments). Investments of companies in equity instruments (shares) are fully classified as financial activities to evaluate only the justification and other elements of the comprehensive income. Company investments in fund units are classified and evaluate only the profit or loss rules. Active repayment and financial liabilities are presented at amortized costs, may be reassessed or historical costs.

The method used to record the investigations of companies in capital instruments (shares) is the "first place", in terms of quantifying and evaluating companies and the bases of fair values. The financial activity evaluates the correct use of the elements of the results at the global level are measured at the correct establishment of the elements of the comprehensive incomes.

Changes in value are recognized in other comprehensive income when it is properly investigated, when cumulative gains or losses can be reclassified from other comprehensive income to a reported income statement over the period.

The dividends received from the entities in the care of the stock companies are recognized in profit or loss when they are lost:

- a) The company for granting the dividend payment premiums is established;
- b) it is probable that the economic benefits associated with the dividend will be generated for the company, and
- c) the dividend can be reliably measured.

Financial assets measured at amortized cost

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

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- b) the contractual terms of the financial asset give rise, at certain dates, to cash flows that are exclusively payments of the principal and the interest related to the value of the principal due.

Financial debt

They 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 conditions of the respective instrument. When the Company first recognizes a financial asset, it must classify it in accordance with 4.1.1 - 4.1.5 (at amortized cost, at fair value through profit or loss or at fair value through other comprehensive income) in IFRS 9 and evaluate it in accordance with points 5.1.1 - 5.1.3. (a financial asset or a financial liability is measured at its fair value plus or minus the transaction costs that are directly attributable to the acquisition or issuance of the asset or debt).

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

3. Significant accounting policies *(continuation)*

e) Financial assets and liabilities *(continuation)*

• **Assessment**

After the initial recognition, the Company must evaluate the financial assets, in accordance with points 4.1.1 - 4.1.5 at:

- a) amortized cost;
- b) the fair value through other elements of the comprehensive income; or
- c) fair value through profit or loss.

After the initial recognition, the Company shall evaluate the financial liabilities in accordance with paragraphs 4.2.1 - 4.2.2 of IFRS 9. Thus, the Company will classify all financial liabilities at amortized cost, except:

- a) financial liabilities measured at fair value through profit or loss;
- b) the financial debts that arise when the transfer of a financial asset does not meet the conditions for derecognition;
- c) financial guarantee contracts, assessed at the highest value between the amount of the loss provision (section 5.5 of IFRS 9) and the amount initially recognized less the cumulative income (recognized under IFRS 15);
- d) commitments to provide an interest rate loan at market value, measured at the highest value between the amount of the loss provision (section 5.5 of IFRS 9) and the value initially recognized less cumulative income (recognized under IFRS 15);
- e) the contingent consideration recognized by an acquirer in a business combination for which IFRS 3. applies. Such contingent consideration must be subsequently assessed at fair value with the changes recognized in profit or loss.

Assessment at amortized cost

The amortized 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 principal repayments, plus or minus accumulated depreciation using the effective interest method for each difference between the initial value and the value at maturity, and minus any reduction (direct or through the use of an adjustment account) for impairment or inability to recover.

The effective interest rate is the rate that exactly updates future payments or cash receipts estimated over the expected life of the financial asset or financial debt at the gross book value of the financial asset or at the amortized cost of a financial debt. When calculating the effective interest rate, the entity must estimate the expected cash flows taking into account all the contractual conditions of the financial instrument (e.g. prepayment, extension, call options and other similar options), but must not take into account the losses. expected from lending. The calculation includes all commissions and points paid or collected by the contracting parties that form an integral part of the effective interest rate (see points B 5.4.1 - B 5.4.3), transaction costs and all other premiums or discounts.

Assessment at fair value

Fair value is the price that would have been received when selling an asset or paid for the settlement of a debt in a transaction carried out under normal conditions between participants in the main market, at the assessment date, or in the absence of the main market, on the most advantageous market on which the Company has access to that date.

The company 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 the instruments quoted on active markets using the closing price.

3. Significant accounting policies *(continuation)*

e) Financial assets and liabilities *(continuation)*

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

In the category of shares listed on an active market are included 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 the fair value is the closing price of the market from the last trading day before the assessment 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: Entries other than quoted prices included in Level 1 which are observable for assets or liabilities, either directly (ex: prices) or indirectly (ex: price derivatives).
- Level 3: assessment techniques based largely on unobservable elements. This category includes all instruments for which the assessment technique includes elements that are not based on observable data and for which unobservable input parameters can have a significant effect on the assessment of the instrument.

The assessment at the fair value of the equity instruments (shares) held is as follows:

- for listed and traded securities during the reporting period, the market value was determined by taking into account the quotation from 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 the 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 annual financial statement of the entity;
- for securities not admitted to trading on a regulated market or within an alternative trading system in Romania issued by issuers holding more than 33% of the share capital, these are assessed exclusively in accordance with International Assessment Standards on the basis of a assessment report updated at least annually;
- for the securities related to the companies in the insolvency or reorganization procedure, the assessment is made at zero value;

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

- ***Identifying and assessing the impairment***

The company must recognize a provision for the expected loan losses related to a financial asset that is assessed in accordance with point 4.1.2 or 4.1.2A (debt instruments assessed at amortized cost or at fair value through other elements of the comprehensive income), a debt that arises from a leasing agreement, a loan commitment and a financial guarantee contract.

The Company applies the impairment provisions for the recognition and measurement of the provision for losses related to the assets assessed at fair value through other elements of the comprehensive income in accordance with point 4.1.2A (assets held for the purpose of collecting cash flows and sales, whose cash flows represent Excluding principal repayments or interest payments). The provision thus determined is recognized on the basis of other comprehensive income and does not reduce the carrying amount of the financial asset from the statement of financial position.

3. Significant accounting policies (continuation)

e) Financial assets and liabilities (continuation)

- ***Derecognition***

The Company 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 related to that financial asset in a transaction in which it has significantly transferred all the risks and benefits of ownership.

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

The company derecognises a financial debt when the contractual obligations have been concluded or when the contractual obligations are cancelled or expired.

In derecognition of equity instruments (shares), the Company uses the "first in, first out" method.

- ***Reclassification***

If the Company reclassifies financial assets according to point 4.4.1 (as a result of the modification of 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 the 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 Company proceeds as follows:

- when reclassifying an asset from the category of amortized cost to that of fair value through profit or loss, the fair value is determined at the date of reclassification. The difference between amortized cost and fair value is recognized in profit or loss;
- when reclassifying an asset from the category of fair value through profit or loss to that of the amortized cost, the fair value at the date of reclassification becomes the new gross book value;
- when reclassifying an asset from the category of amortized cost to that of fair value through other elements of the 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 loan losses;
- when reclassifying an asset from the fair value category through other elements of the comprehensive income to the amortized cost, the reclassification is carried out at the fair value of the asset as of the reclassification date. 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 lending losses are not adjusted as a result of the reclassification;
- when reclassifying an asset from the category of fair value through profit or loss to that of fair value through other elements of the comprehensive income, the asset continues to be measured at its fair value;
- when reclassifying an asset from the category of fair value through other elements of the comprehensive income to that of fair value through 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 into profit or loss, as an adjustment from reclassification (according to IAS 1).

- ***Gains and losses***

Gains or losses arising from a change in the fair value of a financial asset or a financial liability that is not part of a hedge relationship are recognized as follows:

- a) Gains or losses generated by financial assets or financial liabilities classified as fair value through profit or loss are recognized in profit or loss;

3. Significant accounting policies *(continuation)*

e) Financial assets and liabilities *(continuation)*

b) Gains or losses generated by a financial asset assessed at fair value through other elements of the comprehensive income are recognized against other elements of the comprehensive income. When the asset (in the case of equity instruments) is derecognised, the previously recognized cumulative losses or gains on other comprehensive income are transferred to the retained earnings.

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

f) Other financial assets and liabilities

Other financial assets and liabilities are measured at amortized cost using the effective interest method.

g) Intangible assets

Intangible assets are initially assessed at cost. After the initial recognition, an intangible asset is accounted for at cost less accumulated depreciation and any accumulated impairment losses.

• ***Amortization of intangible assets***

The amortization is recognized 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.

The estimated useful lives for the current period and for the comparative periods are the following: computer programs - 3 years, and the licenses for their validity period.

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

h) Tangible assets

• ***Recognition and assessment***

Tangible assets recognized as assets are initially assessed at the acquisition cost (for those purchased on an onerous basis), at the contribution value (for those received as an in-kind contribution to the constitution/increase of the share capital), respectively at the fair value from the date the acquisition for those received free of charge.

The cost of an item of property, plant and equipment consists of the purchase price, including non-recoverable taxes, after deducting any commercial price reductions and any costs that can be directly attributed to bringing the asset to the location and under the condition that it can be used for the purpose set by the management, such as: expenses with employees that result directly from the construction or acquisition of the asset, the costs of setting up the placement, the initial costs of delivery and handling, the costs of installation and assembly, the professional fees.

Property, plant and equipment are classified by the Company in the following classes of assets of the same nature and with similar uses:

- land and buildings;
- machinery and equipment and mean of transport;
- furniture, office equipment, equipment for the protection of human and material values and other tangible assets.

• ***Assessment after recognition***

For further recognition, the Company adopted the reassessment model.

After recognition as an asset, items of tangible assets of the nature of constructions and land whose fair value can be reliably measured are accounted for at a reassessed amount, this being the fair value at the reassessment date minus any subsequent accumulated depreciation and any losses. accumulated from impairment.

SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.

*Selected explanatory notes to simplified interim individual financial statements
on June 30th, 2019*

(all amounts are expressed in RON, unless otherwise stated)

3. Significant accounting policies *(continuation)*

e) Financial assets and liabilities *(continuation)*

Other property, plant and equipment are measured at cost less accumulated depreciation and eventual impairment losses.

The reassessments should be conducted with sufficient regularity to ensure that the carrying amount does not differ significantly from what would have been determined by using the fair value at the reporting period.

If an item of property, plant and equipment is reassessed, then the entire class of property, plant and equipment that is part of that item is subject to reassessment.

The bookings of the reassessment reserves are made on each fixed asset and on each reassessment operation that took place.

The surplus from the reassessment included in the own capital related to an item of property, plant and equipment is transferred directly to the result carried over as the depreciation measure and when the asset is derecognised at the disposal or scrapping.

Land and buildings are shown at reassessed value, representing fair value at the reassessment date less accumulated depreciation and impairment losses. The reassessments are carried out by specialized evaluators, members of ANEVAR. The frequency of reassessments is dictated by the dynamics of the markets to which the lands and constructions owned by the Company belong.

• **Amortization**

The amortization is calculated at the carrying amount (acquisition cost or reassessed value, minus the residual value) and is recognized in the profit or loss account using the linear method for the estimated useful life for the tangible assets.

The land is not amortized.

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

- constructions; 12-50 years

- machinery and equipment and mean of transport; 3-20 years

- furniture, office equipment, equipment for the protection of values 3-15 years

human and material and other tangible assets. Amortization methods, estimated useful lives, and residual values are re-visited by the Company's management on each reporting date.

• **Depreciation**

An asset is depreciated when the carrying amount exceeds its recoverable amount.

At each reporting date, the Company must verify that there are indications of depreciation of assets. If such indications are identified, the Company must estimate the recoverable amount of the asset.

• **Derecognition**

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

Property, plant and equipment that are written off or sold are eliminated from the statement of financial position along with the corresponding accumulated depreciation.

The gain or loss resulting from derecognition of an item of property, plant and equipment is included in the current profit or loss account when the item is derecognised.

3. Significant accounting policies (continuation)

i) Real estate investments

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

- be used for the production or supply of goods or services or for administrative purposes;

or

- be sold during the normal course of business.

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

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

- **Recognition**

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

- it is probable that a future economic benefit associated with real estate investment will enter the Company;

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

- **Assessment**

Initial assessment

An investment property is initially assessed at cost, including trading costs. The cost of a purchased real estate investment consists of its purchase price plus any directly attributable expenses (for example, professional fees for providing legal services, property transfer fees and other trading costs).

Afterwards assessment

The Company's accounting policy regarding the subsequent assessment 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 the real estate investments is carried out by the evaluators members of the National Association of Romanian Appraisers (ANEVAR). Fair value is based on market price quotations, adjusted, if applicable, to reflect differences related to the nature, location or conditions of the respective asset. These assessments are periodically reviewed by the Company's management.

Gains or losses resulting from changing the fair value of real estate investments are recognized in the profit or loss account of 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 then and only when there is a change in the use of the respective asset.

For the transfer of a real estate investment accounted for at fair value to tangible assets, the implicit cost of the asset for the purpose of its subsequent accounting will be its fair value from the date of the change of use.

- **Derecognition**

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

Gains or losses resulting from the divestiture or disposal of a real estate investment are recognized in the profit or loss account when it is sold or sold.

3. Significant accounting policies (continuation)

j) Impairment of assets other than financial assets

The carrying amount of the Company's assets that are not of a financial nature, other than deferred tax assets, is reviewed at each reporting date to identify the ex-occurrence of impairment indices. If such indications exist, the recoverable amount of the respective 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 group that generates cash and is independent of other assets and other asset groups. Impairment losses are recognized in the profit or loss account.

The recoverable amount of an asset or cash-generating unit is the maximum between the use value and its fair value less the costs of selling that asset or unit.

To determine the net use value, future cash flows are updated using a pre-tax discount rate that reflects current market conditions and risks specific to that asset.

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

k) Share capital

The share capital consists of ordinary shares, indivisible, registered, of equal value, issued in dematerialized form and grants equal rights to their holders.

l) Provisions

Provisions are recognized in the profit or loss account when the company has a current obligation (legal or implicit) generated by a past event, when an outflow of resources incorporating economic benefits is required and when it can be made a credible estimate as to the value of the obligation.

To determine the provision, future cash flows are discounted using a pre-tax discount rate that reflects current market conditions and risks specific to the respective debt.

m) Employee benefits

- **Short-term benefits**

Short-term employee benefits include salaries, bonuses and social security contributions. The short-term benefits obligations to employees are not updated and are recognized in the profit or loss account as the related service is provided.

A provision is recognized for the amounts expected to be paid by way of premiums in short-term instalments or schemes for the participation of staff for profit, given that the Company currently has a legal or implicit obligation to pay these amounts. as a result of past services provided by employees and if the obligation can be reliably estimated.

3. Significant accounting policies (continuation)

m) Employee benefits (continuation)

Besides wages and other rights of a salary nature, according to the company contract (the articles of incorporation) and the collective labour agreement, the directors, directors with a mandate contract and the employees of the Company have the right to receive bonuses (incentives) under the conditions of the profit indicator, net established by the income and expense budget approved by the General Meeting of Shareholders for the current year, within the limit approved by the GMS approving the financial statements for that year.

This obligation is first recognized in the profit or loss account of the financial year in which the profit was realized in the form of provisions for employee benefits. The distribution of these bonuses (incentives) is made in the following year, after their approval by the General Meeting of Shareholders.

- ***Determined contribution plans***

The company makes payments on behalf of its employees to the Romanian state pension system, health insurance and the insurance contribution for work during the normal activity. All the employees of the Company are members and have the legal obligation to contribute (through individual social contributions) to the pension system and to the health system of the Romanian state. The employment insurance contribution is recognized in the profit or loss account of the period. The company has no additional obligations.

The company is not engaged in any independent pension system and, consequently, has no other obligations in this regard. The company is not engaged in any other system of post-retirement benefits. The company has no obligation to provide subsequent services to former or current employees.

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

The net obligation of the Company regarding the benefits related to the long-term services is represented by the value of the future benefits that the employees have gained in exchange for the services provided by them during the current period and the previous periods. On the basis of the collective labor agreement in force, the persons who retire at the age limit benefit on the date of retirement of an allowance equal to the value of two salaries taken at the time of retirement.

The present value of this obligation is not significant, and as such the company does not recognize these future costs as a provision in the financial statements.

n) Interest income and expenses

Interest income and expenses are recognized in the profit or loss account by the effective interest method. The effective interest rate is the rate that exactly updates the expected cash payments and receipts in the future over the expected life of the financial asset or debt (or, where appropriate, for a shorter term) to the carrying amount of the financial asset or debt.

o) Dividend income

Dividend income is recognized in the profit or loss account at the date on which the right to receive such income is established.

Dividend income is recorded at gross value including dividend tax, which is recognized as a current expense with profit tax.

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

p) Gains and losses from exchange rate differences

Transactions in foreign currency are recorded in the functional currency (leu), by converting the amount into value at the official exchange rate communicated by the National Bank of Romania, valid at the date of the transaction.

3. Significant accounting policies *(continuation)*

p) Gains and losses from exchange rate differences *(continuation)*

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

The differences of course that arise when settling the monetary elements or converting the monetary elements at different rates from those at which they were converted to initial recognition (during the period) or in previous financial statements are recognized as profit or loss. in the profit or loss account, during the period in which they appear.

r) 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 Meeting of Shareholders. The profit available for distribution is the profit of the year recorded in the financial statements prepared in accordance with IFRS.

s) Profit tax

The profit tax for the year includes the current tax and the deferred tax. Current income tax includes income tax from dividends recognized at gross value.

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

The current tax is the tax payable related to the profit realized during the current period, determined on the basis of the percentages applied at the reporting date and of all the adjustments related to the previous periods.

For the period ended June 30th, 2019 and December 31st, 2018, the corporate income tax rate was 16%. The tax rate for income from taxable dividends at June 30th, 2019 and December 31st, 2018 was: 5% and 0%.

The deferred tax is determined by the Company using the balance sheet method for those temporary differences that appear between the fiscal basis for calculating the tax for assets and liabilities and their accounting value, used for reporting in the individual financial statements. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets and liabilities arising from transactions that are not business combinations and which do not affect the accounting or fiscal profit and differences arising from investments in subsidiaries, provided they are not resumed in the near future.

The deferred tax is calculated on the basis of the tax rates that are expected to be applicable to the temporary differences upon their resumption, based on the legislation in force at the reporting date.

The deferred tax claim is recognized by the Company only insofar as it is probable that future profits may be used to cover the tax loss. The claim is revised at the end of each financial year and is diminished to the extent that the related tax benefit is unlikely to be realized. The additional taxes arising from the distribution of dividends are recognized at the same time as the obligation to pay the dividends.

Receivables and debts with deferred tax are offset only if there is a legal right to offset current debts and debts with the tax and if they are related to the tax collected by the same tax authority for the same taxable entity or for different tax authorities but wishing to settle the claims and current liabilities with the net asset using a net basis or the related assets and liabilities will be realized simultaneously.

t) The result per share

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

3. Significant accounting policies *(continuation)*

t) The result per share *(continuation)*

The diluted earnings per share is 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.

4. Financial risk management

The management constantly assesses the risks that may affect the achievement of the company's objectives and takes the necessary measures in case of changing the conditions in which they operate.

The risk management activity, an important component of the company's activity, concerns both general and specific risks, as provided by Law no. 297/2004 and CNVM Regulation no. 15/2004, as subsequently amended and supplemented.

By the nature of the object of activity the Company is exposed to different types of risks associated with the financial instruments and the markets on which it has exposure.

The main risks identified in the activity of the Company are:

- a) market risk (price risk, currency risk, interest rate risk)
- b) credit risk
- c) liquidity risk.
- d) the tax risks
- e) the risk related to the economic environment
- f) operational risk

a) Market risk

Market risk represents the current or future risk of a negative impact on profits, as determined by the market fluctuations in the prices of equity securities - in terms of activities belonging to the trading portfolio, the interest rate, as well as fluctuations in the exchange rate for the entire activity of the company.

The efficient management of the market risk is done by using the fundamental analysis that gives indications on the soundness of an investment, as well as estimating the potential of some companies, and taking into account the forecasts regarding the evolution of the economic branches and financial markets.

The main aspects pursued in the analysis of the market risk are: assessment of the portfolio of actions from the point of view of profitability and growth potential, strategic allocation of long-term investments, identification of short-term investments to take advantage of price fluctuations in the capital market, setting limits of concentration of assets in a certain economic sector.

The company is subject to market risk, mainly because of its trading activity.

The management of the Company has always pursued and aims to minimize the possible adverse effects associated with the market risk, through an active policy of prudential diversification of the portfolio of financial assets managed.

We estimate that the market risk to which the Company is exposed is medium.

The company is exposed to the following market risks:

- **Price risk**

The Company is exposed to the fair value risk of the financial instruments held that fluctuate as a result of changes in market prices, whether it is caused by factors specific to the issuer's activity or factors affecting all the instruments traded on the market.

As of June 30th, 2019, and December 31st, 2018 the Company has the following asset structure subject to credit risk:

SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.
*Selected explanatory notes to simplified interim individual financial statements
on June 30th, 2019*
(all amounts are expressed in RON, unless otherwise stated)

4. Financial risk management (continuation)

a) Market risk (continuation)

<i>In RON</i>	Com. No.	Market value June 30th, 2019	Com. No.	Market value December 31st, 2018
Capital investment				
Listed companies	31	1,896,401,845	32	1,319,404,429
Unlisted companies	17	166,306,618	17	159,052,930
Fund units	4	3,256,345	4	2,732,940
Total capital investments	52	2,065,964,808	53	1,481,190,299

The market value of the listed stock portfolio (on BVB - regulated market, BVB-AERO - alternative trading system), at June 30th, 2019 represents 91.79% (December 31, 2018: 89.08%) of the total value of the portfolio administered.

Under these conditions, the Company has an average risk, associated with the change in the prices of financial assets on the capital market.

Within the managed portfolio are found a number of 7 issuers, of the 16 that constitute the BET index of the Bucharest Stock Exchange.

The market value according to IFRS of the shares held by the 7 issuers, represents on June 30th, 2019: 71.83% (December 31, 2018: 65.36%) of the market value of the shares held in the listed companies.

The company also monitors the concentration of risk on sectors of activity that are presented as follows:

Portfolio structure	Total market value of package June 30th, 2019		Total market value of package December 31st, 2018	
	(RON)	%	(RON)	%
Economic sectors with weight in SIF value portfolio:				
	2,065,964,808	100.00	1,481,190,299	100.00
Finance and banking	890,724,655	43.11	461,252,477	31.14
oil resources, methane gas and related services	356,026,076	17.23	258,739,649	17.47
renting and leasing real estate	271,241,630	13.13	265,754,054	17.94
energy and gas transport	144,539,928	7.00	135,190,148	9.13
tourism, public food, leisure	92,405,552	4.47	94,502,421	6.38
financial intermediation	67,950,184	3.29	28,135,844	1.90
the pharmaceutical industry	63,441,101	3.07	50,319,987	3.40
food industry	53,954,714	2.61	54,070,058	3.65
metallurgical industry	36,957,142	1.79	31,089,782	2.10
machine building industry, processing	35,875,254	1.74	19,174,290	1.29
the electronic, electrotechnical industry	32,554,276	1.58	33,558,808	2.27
chemical industry	11,850,539	0.57	10,910,020	0.74
others	3,526,586	0.17	332,490	0.02
grain storage and trade	1,660,826	0.08	1,660,826	0.11
distribution, supply of electricity and energy services		0.00	33,766,505	2.28
TOTAL CAPITAL SECURITIES	2,062,708,463	99.84	1,478,457,359	99.82
FUNDING UNITS	3,256,345	0.16	2,732,940	0.18

4. Financial risk management (continuation)

a) Market risk (continuation)

From the analysis of the data presented above, on June 30th, 2019 the Company mainly held shares with issuers operating in the field of finance, banks with a share of 43.11% of the total portfolio, increasing compared to December 31st, 2018, when on the same activity sector recorded a share of 31.14%.

• **Currency risk**

Given that most of the Company's assets are expressed in national currency, exchange rate fluctuations do not directly affect the Company's activity. These fluctuations have an influence on the assessment of investments such as foreign currency deposits and current account availability.

Available in foreign currency, as of June 30th, 2019, 0.58% (December 31st, 2018: 22.52%) of the total financial assets, so the foreign exchange risk is low.

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

The concentration of assets and liabilities by types of currencies is summarized in the following table:

<i>In RON</i>	Accounting value	RON	EUR	USD
June 30th, 2019				
Financial assets				
Cash and cash equivalents	24,281,270	12,237,935	12,043,302	33
Deposits placed in banks	52,010,519	51,568,743		441,776
Financial assets measured at fair value through other comprehensive income	2,062,708,463	2,062,708,463		
Financial assets measured at fair value through profit or loss	3,256,345	3,256,345		
Loans and receivables	5,437,478	5,437,478		
Other financial assets	206,871	206,871		
Total financial assets	2,147,900,946	2,135,415,835	12,043,302	441,809
Financial debts				
Payment dividends	66,313,636	66,313,636		
Other financial debts	6,296,874	6,296,874		
Total financial debts	72,610,510	72,610,510		

<i>In RON</i>	Accounting value	RON	EUR	USD
December 31st, 2018				
Financial assets				
Cash and cash equivalents	472,375,238	29,100,114	443,275,059	65
Deposits placed in banks	554,340	122,244		432,096
Financial assets measured at fair value through other comprehensive income	1,478,457,359	1,478,457,359		
Financial assets measured at fair value through profit or loss	2,732,940	2,732,940		
Loans and receivables	15,836,743	15,836,743		
Other financial assets	134,574	134,574		
Total financial assets	1,970,091,194	1,526,383,974	443,275,059	432,161
Financial debts				
Payment dividends	42,515,955	42,515,955		
Other financial debts	9,855,891	9,855,891		
Total financial debts	52,371,846	52,371,846		

4. Financial risk management (continuation)

a) Market risk (continuation)

• **Interest rate risk**

The interest rate risk represents the current or future risk of adversely affecting profits and capital, as a result of adverse changes in interest rates. The factors that define this type of market risk are a wide range of interest rates corresponding to a variety of markets, currencies and maturities for which the Company holds positions. The interest rate directly influences the income and expenses attached to the variable interest-bearing financial assets and liabilities.

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

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.

The following table summarizes the Company's exposure to interest rate risk.

<i>In RON</i>	<u>Accounting value</u>	<u>Under 3 months</u>	<u>Between 3 and 12 months</u>	<u>Without interest</u>
June 30th, 2019				
Financial assets				
Cash and cash equivalents	24,281,270			24,281,270
Deposits placed in banks	52,010,519	52,010,519		
Financial assets measured at fair value through other comprehensive income	2,062,708,463			2,062,708,463
Financial assets measured at fair value through profit or loss	3,256,345			3,256,345
Loans and receivables	5,437,478			5,437,478
Other financial assets	206,871			206,871
Total financial assets	2,147,900,946	52,010,519	0	2,095,890,427
Financial debt				
Payment dividends	66,313,636			66,313,636
Other financial liabilities	6,296,874			6,296,874
Total financial debt	72,610,510	0	0	72,610,510

<i>In RON</i>	<u>Accounting value</u>	<u>Under 3 months</u>	<u>Between 3 and 12 months</u>	<u>Without interest</u>
December 31st, 2018				
Financial assets				
Cash and cash equivalents	472,375,238			472,375,238
Deposits placed in banks	554,340	554,340		
Financial assets measured at fair value through other comprehensive income	1,478,457,359			1,478,457,359
Financial assets measured at fair value through profit or loss	2,732,940			2,732,940
Loans and receivables	15,836,743			15,836,743
Other financial assets	134,574			134,574
Total financial assets	1,970,091,194	554,340	0	1,969,536,854
Financial debt				
Payment dividends	42,515,955			42,515,955
Other financial liabilities	9,855,891			9,855,891
Total financial debt	52,371,846	0	0	52,371,846

4. Financial risk management *(continuation)*

b) Credit risk

Credit risk represents the risk of the Company to record losses as a result of the insolvency of its debtors. The credit risk expresses the possibility that the borrowers or the issuers do not meet their obligations at maturity, as a result of the degradation of the financial situation of the borrower or of the general situation of the economy. Credit risk appears in relation to any type of debt.

The issuer risk represents the risk of losing the value of a security in a portfolio, as a result of the deterioration of its economic-financial situation.

The main elements of credit risk identified, which can significantly influence the Company's activity are:

- the risk of non-collection of dividends from the companies in the portfolio;
- the risk of non-cashing of the contract amount, in the case of the activity of selling the shares in "closed" companies, through a sale-purchase contract;
- the risk that in the situation of liquidation of a portfolio company, the value obtained will be lower than the value of the initial investment.

In the case of the Company, the credit risk is largely determined by the exposures on asset items of the "share" type which represent 95.49% of the assets managed, assessed according to the legal provisions.

Credit risk assessment is carried out in two stages, both before carrying out the investment operations and after the approval and the actual execution of the operations, tracking the evolution of the assets in order to take appropriate measures in case of occurrence of elements that may lead to the deterioration of the economic activity of the companies. and in extreme cases, upon their insolvency.

We estimate that the credit risk to which the Company is exposed is medium.

The maximum exposure to credit risk on June 30th, 2019 is 81,677,450 RON (December 31st, 2018: 488,735,889 RON) and can be analysed in the following tables.

<i>In RON</i>	June 30th, 2019	December 31st, 2018
Deposits and accounts at banks	76,259,611	472,903,745
Other assets	5,417,839	15,832,144
TOTAL	81,677,450	488,735,889

Exposure to current accounts and deposits placed with banks (exclusive of attached interest)

<i>In RON</i>	June 30th, 2019	December 31st, 2018
Bank: RAIFFEISEN BANK	9,626,836	28,977,540
Bank: TRANSILVANIA	794,502	527,773
Bank: COMERCIALĂ ROMÂNĂ	65,836,223	443,396,211
Bank: BRD - GSG	569	741
Bank: EXIMBANK	1,481	1,480
Total	76,259,611	472,903,745

4. Financial risk management *(continuation)*

SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.
Selected explanatory notes to simplified interim individual financial statements
on June 30th, 2019
(all amounts are expressed in RON, unless otherwise stated)

b) Credit risk (continuation)

Other assets

<i>In RON</i>	June 30th, 2019	December 31st, 2018
Dividends to be cashed	5,185,105	21,578
Other miscellaneous debtors and trade receivables	968,024	16,545,856
Provisions for impairment of other financial assets	(735,290)	(735,290)
Total	5,417,839	15,832,144

c) Liquidity risk

The Company aims to maintain a level of liquidity appropriate to its underlying obligations, based on an assessment of the relative liquidity of the assets on the market, taking into account the period required for liquidation and the price or value at which the respective assets can be liquidated, as well as their sensitivity. market risks or other external factors.

The company must hold liquid assets, the sum of which will cover the difference between liquidity outflows and liquidity inflows in crisis situations, so as to ensure that the company maintains levels of liquidity reserves that are adequate to enable it to cope. any imbalances between liquidity inflows and outflows in crisis situations.

The liquidity risk is mainly related to the shares held in the "closed" type companies existing in the managed portfolio. Thus, the sale of participations - in the case of the appearance of negative aspects in their economic-financial situation or if the aim is to obtain

of liquidity - it is particularly cumbersome, there is a risk that it will not be possible to obtain a price higher or at least equal to the one with which these investments are assessed in the calculation of the net assets, according to the regulations F.S.A.

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

<i>In RON</i>	Accounting value	Under 3 months	Between 3 and 12 months	Without preestablished maturity
June 30th, 2019				
Financial assets				
Cash and cash equivalents	24,281,270	-	-	24,281,270
Deposits placed in banks	52,010,519	52,010,519	-	-
Financial assets measured at fair value through other comprehensive income	2,062,708,463	-	-	2,062,708,463
Financial assets measured at fair value through profit or loss	3,256,345	-	-	3,256,345
Loans and receivables	5,437,478	-	-	5,437,478
Other financial assets	206,871	-	-	206,871
Total financial assets	2,147,900,946	52,010,519	0	2,095,890,427
Financial debt				
Payment dividends	66,313,636	66,313,636	-	-
Other financial liabilities	6,296,874	6,296,874	-	-
Total financial debt	72,610,510	72,610,510	0	0

4. Financial risk management (continuation)

SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.
Selected explanatory notes to simplified interim individual financial statements
on June 30th, 2019
(all amounts are expressed in RON, unless otherwise stated)

c) Liquidity risk (continuation)

In RON

	Accounting value	Under 3 months	Between 3 and 12 months	Without preestablished maturity
December 31st, 2018				
Financial assets				
Cash and cash equivalents	472,375,238	-	-	472,375,238
Deposits placed in banks	554,340	554,340	-	-
Financial assets measured at fair value through other comprehensive income	1,478,457,359	-	-	1,478,457,359
Financial assets measured at fair value through profit or loss	2,732,940	-	-	2,732,940
Loans and receivables	15,836,743	-	-	15,836,743
Other financial assets	134,574	-	-	134,574
Total financial assets	1,970,091,194	554,340	0	1,969,536,854
Financial debt				
Payment dividends	42,515,955	42,515,955	-	-
Other financial liabilities	9,855,891	9,855,891	-	-
Total financial debt	52,371,846	52,371,846	0	0

d) The tax risks

Since the date of Romania's accession to the European Union, the Company has had to comply with EU tax regulations and implement the changes brought by European law. The way in which the Company has implemented these changes remains open for fiscal audit for five years.

The management of the Company considers that it has correctly interpreted the legislative provisions and has recorded correct wave times for taxes, taxes and other debts to the state but, under these conditions, there is a risk attached.

The fiscal system in Romania is subject to various interpretations and permanent changes. In certain situations, the tax authorities may adopt different interpretations of the tax aspects to the Company and may calculate interest and penalties.

Tax and tax returns may be subject to review and review for a period of five years, generally after the date of filing.

The Government of Romania has a large number of agencies authorized to carry out control of companies operating in the territory of Romania. These controls are similar to tax audits in other countries and can cover not only tax issues but also other legal and regulatory issues that are of interest to these agencies. It is possible that the Company will be subject to fiscal controls as new tax regulations are issued.

e) The risk related to the economic environment

This risk is extremely important, through the direct effect on the activity of the Company, as well as indirectly, through the companies in which holdings are held.

The Romanian economy continues to present the characteristics of an emerging economy and there is a significant degree of uncertainty regarding the development of the political, economic and social environment.

The Romanian economy is still a fragile economy and is affected by the evolution of the other economies, especially the EU countries, which are the main business partners for our country.

The EU economy is subject to political risks in 2019. The policy will influence the economy and generate uncertainty.

How the UK will exit the EU, the conditions to be negotiated, still raises questions about the evolution of the EU economy in 2019.

4. Financial risk management (continuation)

e) The risk related to the economic environment *(continuation)*

These changes also have their mark on the economic evolution. In Romania, there is also a high political risk. We estimate that the risk related to the economic environment to which the Company is exposed is moderate (average).

f) Operational risk

Operational risk is defined as the risk of recording losses or failing to achieve the estimated profits due to internal factors, such as the inadequate performance of internal activities, the existence of inadequate personnel or systems, or because of external factors, such as change. economic conditions, legislative changes on the capital market, socio-political events.

Operational risks are inherent in the Company's activity.

The company manages the operational risk by identifying, estimating, monitoring and controlling the risks.

It should be emphasized that, in operational risk management, it is not the models and techniques that are most important, but the attitude towards risk, which is formed over time and is an aspect of the organizational culture.

g) Capital adequacy

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

The equity of the Company consists of the share capital, the reserves created, the current result and the deferred result. As of June 30th, 2019, the Company's equity is RON 1,969,571,187 (December 31st, 2018: 1,760,119,782 RON).

SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.
Selected explanatory notes to simplified interim individual financial statements
on June 30th, 2019
(all amounts are expressed in RON, unless otherwise stated)

5. Financial assets and liabilities

Accounting classifications and fair values

The accounting values and fair values of financial assets and liabilities are presented on June 30th, 2019, as follows:

<i>In RON</i>	Fair value through other elements of the comprehensive income	Fair value through profit or loss account	Amortized cost	Net accounting value	Fair value
Cash and cash equivalents	-	-	24,281,270	24,281,270	24,281,270
Deposits placed in banks	-	-	52,010,519	52,010,519	52,010,519
Financial assets measured at fair value through other comprehensive income	2,062,708,463	-	-	2,062,708,463	2,062,708,463
Financial assets measured at fair value through profit or loss	-	3,256,345	-	3,256,345	3,256,345
Held-to-maturity investments	-	-	-	-	-
Other financial assets	-	-	5,644,349	5,644,349	5,644,349
Total financial assets	2,062,708,463	3,256,345	81,936,138	2,147,900,946	2,147,900,946
Payment dividends	-	-	66,313,636	66,313,636	66,313,636
Other financial liabilities	-	-	6,296,874	6,296,874	6,296,874
Total financial debt	-	-	72,610,510	72,610,510	72,610,510

The accounting values and fair values of financial assets and liabilities are presented on December 31st, 2018, as follows:

<i>In RON</i>	Fair value through other elements of the comprehensive income	Fair value through profit or loss account	Amortized cost	Net accounting value	Fair value
Cash and cash equivalents	-	-	472,375,238	472,375,238	472,375,238
Deposits placed in banks	-	-	554,340	554,340	554,340
Financial assets measured at fair value through other comprehensive income	1,478,457,359	-	-	1,478,457,359	1,478,457,359
Financial assets measured at fair value through profit or loss	-	2,732,940	-	2,732,940	2,732,940
Other financial assets	-	-	15,971,317	15,971,317	15,971,317
Total financial assets	1,478,457,359	2,732,940	488,900,895	1,970,091,194	1,970,091,194
Payment dividends	-	-	42,515,955	42,515,955	42,515,955
Other financial liabilities	-	-	9,855,891	9,855,891	9,855,891
Total financial debt	-	-	52,371,846	52,371,846	52,371,846

6. Dividend income

SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.
Selected explanatory notes to simplified interim individual financial statements
on June 30th, 2019
(all amounts are expressed in RON, unless otherwise stated)

Dividend income is recorded at gross value. Dividend tax rates for the period ended June 30th, 2019 were 5% and zero (2018: 5% and zero).

Dividend income, mainly by taxpayers, is presented as follows:

<i>In RON</i>	June 30th, 2019	June 30th, 2018
BRD-GROUPE SOCIETE GENERALE S.A. Bucharest	46,359,520	24,329,621
BANCA TRANSILVANIA S.A.	35,010,273	6,683,453
OMV PETROM S.A. Bucharest	19,633,816	14,362,006
S.N.G.N. ROMGAZ S.A.	7,600,780	-
S.N.T.G.N. TRANSGAZ S.A. Medias	5,270,116	8,770,593
C.N.T.E.E. TRANSELECTICA S.A. Bucharest *	2,467,745	-
UNIVERS S.A. Rm.Vâlcea	1,703,805	1,010,533
ELECTROMAGNETICA S.A. Bucharest	706,870	-
BURSA DE VALORI BUCHAREST S.A.	432,030	647,010
SIF MOLDOVA S.A.	114,590	-
ELBA S.A. Timisoara	87,182	131,830
DEPOZITARUL CENTRAL S.A. Bucharest	77,994	52,958
PROVITAS S.A. Bucharest	48,351	91,361
BANCA COMERCIALĂ ROMÂNĂ S.A.	-	14,365,762
B.T. ASSET MANAGEMENT S.A.	-	1,999,969
MERCUR S.A. Craiova	-	978,336
FLAROS S.A. Bucharest	-	810,386
EXIMBANK S.A. Bucharest	-	405,805
TURISM S.A. Pucioasa	-	101,060
S.E. ELECTRICA S.A. Bucharest	-	89,535
RELEE S.A. Medias	-	13,074
TOTAL	119,513,072	74,843,292

* Additional dividends for the financial year 2017, distributed by the Ordinary General Meeting of Shareholders of C.N.T.E.E. Transelectrica S.A. Bucharest from December 14th, 2018, with ex-date January 3rd, 2019.

7. Other operating income

<i>In RON</i>	June 30th, 2019	June 30th, 2018
Financial income from adjustments in value of financial assets	-	292,945
Revenue from provisions for impairment of current assets	-	-
Other operating revenues	51,360	79,569
other incomes	16,663	32,206
Income from deferred income tax	-	-
Total	68,023	404,720

8. Net profit from the sale of financial assets

SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.
Selected explanatory notes to simplified interim individual financial statements
on June 30th, 2019
(all amounts are expressed in RON, unless otherwise stated)

<i>In RON</i>	June 30th, 2019	June 30th, 2018
Income from the sale of financial assets measured at fair value through other comprehensive income	-	7,724,929
The carrying amount of financial assets measured at fair value through other comprehensive income, assigned, reflected in profit or loss	-	(3,276,292)
Net profit from the sale of financial assets reflected in profit or loss	0	4,448,637

In the first half of 2018, the Company recorded revenues from the transfer of the financial assets measured at fair value through other elements of the comprehensive income in the profit or loss account. In the third quarter of 2018, it was returned to this registration, the gain or loss from the transfer of the financial assets assessed at fair value through other elements of the comprehensive income was recorded in the reported result.

9. Commissions, fees and administration and Supervisory fees

<i>In RON</i>	June 30th, 2019	June 30th, 2018
Fees on commissions due to SSIF for share transactions	-	15,660
Expenses regarding commissions due for shareholder registry services	71,400	71,400
Expenses regarding commissions with the depository company	205,308	157,541
BVB expenses	-	-
Expenses on taxes due to entities in the capital market (ASF)	734,531	700,858
Audit fee expenses	-	-
Other expenses related to commissions, fees and contributions	70,334	41,795
Total	1,081,573	987,254

10. Other operating expenses

<i>In RON</i>	June 30th, 2019	June 30th, 2018
Tax and tax expenses	93,795	106,477
Expenses with salaries and other expenses with personnel	3,591,542	3,255,274
Expenses with depreciation, provisions and value adjustments	290,864	393,361
Expenses on external materials and benefits	456,265	377,040
Total	4,432,466	4,132,152

Salaries and assimilated expenses

<i>In RON</i>	June 30th, 2019	June 30th, 2018
Salary expenses	3,479,061	3,161,061
Insurance and social protection expenses	112,481	94,213
Total	3,591,542	3,255,274

10. Other operating expenses (continuation)

SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.
Selected explanatory notes to simplified interim individual financial statements
on June 30th, 2019
(all amounts are expressed in RON, unless otherwise stated)

	June 30th, 2019	June 30th, 2018
Staff with a mandate contract	2	2
Employees with higher education	30	29
Employees with high school	13	12
Employees with general education	3	4
Total	48	47

Other operating expenses include personnel expenses, expenses with other taxes and duties, expenses with depreciation, provisions and value adjustments, expenses with external benefits.

In the period ended June 30th, 2019 the average number of employees was 44 (June 30th, 2018: 45), and the number of employees registered on June 30th, 2019 was 46 (June 30th, 2018: 45).

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

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

11. Income tax

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

<i>In RON</i>	June 30th, 2019	June 30th, 2018
Current income tax	1,108,469	647,134
Dividend tax	5,852,702	3,591,928
Deferred income tax expense	-	-
Total tax on profit recognized as a result of the year	6,961,171	4,239,062
Profit before tax	121,245,861	74,616,423
Tax according to the statutory quota of 16%	19,399,338	11,938,628
The effect on the profit tax of:		
Non-deductible expenses	831,222	747,596
Non-taxable income	(19,122,091)	(12,039,090)
Dividend tax rate	5,852,702	3,591,928
Amounts representing sponsorship within legal limits	-	-
Records and resumes of temporary differences	-	-
Profit tax	6,961,171	4,239,062

12. Cash and cash equivalents

<i>In RON</i>	June 30th, 2019	December 31st, 2018
Cash in the cashier	6,583	6,229
Current accounts in banks	24,268,604	472,350,025
Cash equivalents	6,083	18,984
Total cash and cash equivalents	24,281,270	472,375,238

Current accounts opened at banks are permanently available to the Company and are not restricted.

13. Deposits placed in banks

<i>In RON</i>	June 30th, 2019	December 31st, 2018
Bank deposits	51,991,007	553,720
Claims attached	19,512	620
Total deposits placed in banks	52,010,519	554,340

14. Financial assets

As of June 30th, 2019 the Company has the following structure of financial assets:

<i>In RON</i>	Com. No.	Market value June 30th, 2019	Com. No.	Market value December 31st, 2018
Capital investments				
Listed companies	31	1,896,401,845	32	1.319.404.429
Unlisted companies	17	166,306,618	17	159.052.930
Fund units	4	3,256,345	4	2.732.940
Total capital investments	52	2.065.964.808	53	1,481,190,299

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

<i>In RON</i>	June 30th, 2019	December 31st, 2018
Shares assessed at fair value	2,062,708,463	1,478,457,359
Total	2,062,708,463	1,478,457,359

SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.
*Selected explanatory notes to simplified interim individual financial statements
on June 30th, 2019*
(all amounts are expressed in RON, unless otherwise stated)

14. Financial assets (continuation)

- *The financial assets measured at fair value through profit or loss (fund units)* are presented as follows:

<i>In RON</i>	June 30 th , 2019	December 31 st , 2018
Opened investment fund BT INDEX România	2,180,510	1,766,016
Opened investment fund Napoca	215,810	193,470
Opened investment fund Transilvania	391,747	353,194
Opened investment fund Tehnoglobinvest	468,278	420,260
Total	3,256,345	2,732,940

The movement of financial assets during the reporting period ended June 30th, 2019 is presented in the following table:

<i>In RON</i>	Shares assessed at fair value	Shares assessed at cost	Fund units	Total
January 1st, 2019	1,478,457,359	0	2,732,940	1,481,190,299
Purchases	355,512,039	-	-	355,512,039
Sales	(41,736,527)	-	-	(41,736,527)
Fair value modification	270,475,592	-	523,405	270,998,997
June 30th, 2019	2,062,708,463	0	3,256,345	2,065,964,808

The shares in the current period amounting to 355,512,039 RON mainly include the acquisition of shares on the capital market at Banca Transilvania (197.1 million RON), BRD Groupe Societe Generale (86.1 million RON), SIF Banat-Crișana (36.9 million RON), S.N.G.N. Romgaz (17 million RON), Antibiotice Iasi (11.6 million RON).

The sales of shares in the current period amount to 41,736,527 RON and represent the book value of the shares coming out of the Company's portfolio: S.E. Electica S.A. (41.3 million RON), S.I.F. Moldova (0.3 million RON) and Contactoare Buzau (0.1 million RON).

The net gain from the sale of shares in the current period amounts to 1,940,535 RON and was recorded according to the provisions of IFRS 9 in the reported result. The movement of financial assets during the reporting period ended December 31st, 2018 is presented in the following table:

<i>In RON</i>	Shares assessed at fair value	Shares assessed at cost	Fund units	Total
January 1st, 2018	1,788,585,977	6,721,546	2,789,494	1,798,097,017
Transfer from shares assessed at cost to shares assessed at fair value through other items of the comprehensive income	6,721,546	(6,721,546)	-	-
acquisitions	242,761,080	-	-	242,761,080
Sales	(112,304,568)	-	-	(112,304,568)
Impairment losses	-	-	-	0
Changing the fair value	(447,306,676)	-	(56,554)	(447,363,230)
December 31st, 2018	1,478,457,359	0	2,732,940	1,481,190,299

14. Financial assets (continuation)

SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.
Selected explanatory notes to simplified interim individual financial statements
on June 30th, 2019
(all amounts are expressed in RON, unless otherwise stated)

The share entries during the year 2018 in a total amount of 242,761,080 RON (purchases amounting to 221,643,696 RON) are mainly represented by acquisitions on the capital market at: Banca Transilvania (88.5 million RON), BRD Groupe Societe Generale (67.9 million RON), SE Electrica (36.6 million RON), S.N.T.G.N. Transgaz Mediaș (17.5 million RON), S.I.F. Banat-Crișana (5.9 million RON), Antibiotice Iasi (3.2 million RON).

The sales of shares during 2018 in a total amount of 112,304,568 RON, represent the book value of the shares issued from the Company's portfolio, respectively: Bank: Comercială Română (102.3 million RON), M.A.T. Craiova (5.1 million RON), C.N.T.E.E. Transelectrica (1.5 million RON), etc.

The net profit from the sale of shares during 2018 was in the amount of 507,864,789 RON and was recorded according to the provisions of IFRS 9 in the reported result.

On June 30th, 2019 and December 31st, 2018, in the category of shares assessed at fair value, mainly include the value of shares held by the following issuers: OMV Petrom SA Bucuresti, BRD - Groupe Societe Generale, Banca Transilvania SA Cluj Napoca, C.N.T.E.E. Transelectrica SA Bucuresti, S.N.T.G.N. Transgaz SA Mediaș, Argus SA Constanța, Antibiotice SA Iași, S.N.G.N. Romgaz SA Medias, etc.

The fair value at June 30th, 2019 of the first 10 issuers present in the portfolio represents 77.13% of the value of the total assets of the Company and is presented as follows:

No.	Issuer	Fair value	Percentage in total asset	Percentage in net asset
1	BANCA TRANSILVANIA S.A. Cluj-Napoca	493,232,951	22.8333	23.5880
2	BRD GROUPE SOCIETE GENERALE S.A. Bucharest	359,886,636	16.6603	17.2109
3	OMV PETROM S.A. Bucharest	287,235,445	13.2970	13.7365
4	MERCUR S.A. Craiova	133,570,917	6.1834	6.3878
5	SNTGN TRANSGAZ Mediaș	87,591,960	4.0549	4.1889
6	SNGN ROMGAZ S.A. Mediaș	68,790,631	3.1845	3.2898
7	FLAROS S.A. Bucharest	64,136,280	2.9691	3.0672
8	ANTIBIOTICE S.A. Iași	63,441,101	2.9369	3.0340
9	CNTEE TRANSELECTRICA Bucharest	56,947,968	2.6363	2.7234
10	ARGUS S.A. Constanța	51,327,293	2.3761	2.4546
	TOTAL	1,666,161,182	77.1318	79.6811

The fair value at December 31st, 2018 of the first 10 issuers present in the portfolio represents 56.51% of the value of the total assets of the Company and is presented as follows:

No.	Issuer	Fair value	Percentage in total asset	Percentage in net asset
1	BRD GROUPE SOCIETE GENERALE S.A. Bucharest	232,802,672	11.7422	12.6639
2	OMV PETROM S.A. Bucharest	214,711,983	10.8298	11.6798
3	BANCA TRANSILVANIA S.A. Cluj-Napoca	193,755,280	9.7727	10.5398
4	MERCUR S.A. Craiova	134,991,884	6.8088	7.3432
5	SNTGN TRANSGAZ SA Mediaș	76,886,276	3.8780	4.1824
6	FLAROS S.A. Bucharest	61,669,500	3.1105	3.3547
7	CNTEE TRANSELECTRICA SA Bucuresti	58,303,872	2.9408	3.1716
8	ARGUS S.A. Constanța	52,873,296	2.6669	2.8762
9	ANTIBIOTICE S.A. Iași	50,319,987	2.5381	2.7373
10	SNGN ROMGAZ S.A. Mediaș	44,027,666	2.2207	2.3950
	TOTAL	1,120,342,416	56.5085	60.9439

14. Financial assets (continuation)

- **The hierarchy of fair values**

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: Entries other than quoted prices included in Level 1 which are observable for assets or liabilities, either directly (ex: prices) or indirectly (ex: price derivatives).
- Level 3: assessment techniques based largely on unobservable elements. This category includes all instruments for which the assessment technique includes elements that are not based on observable data and for which unobservable input parameters can have a significant effect on the assessment of the instrument.

<i>In RON</i>	June 30th, 2019	December 31st, 2018
Level 1	1,643,336,856	1,033,478,989
Level 2	226,653,409	269,243,692
Level 3	195,974,543	178,467,618
Total	2,065,964,808	1,481,190,299

The fair value measurement of the investments (equity instruments - shares) held on June 30th, 2019 was performed as follows:

- for quoted and traded securities during the reporting period, the market value was determined by taking into account 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 the quotations were taken for the shares traded in the last 30 trading days);
- for listed securities that had no transactions in the last 30 days of the reporting period, as well as for unlisted securities, the market value was determined as it results from the last approved annual 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 on the basis of the value of the own capital included in the monthly reports transmitted to the NBR.
- for securities not admitted to trading on a regulated market or within an alternative trading system in Romania issued by issuers holding more than 33% of the share capital, these are assessed exclusively in accordance with International Assessment Standards on the basis of a assessment report updated at least annually;
- for the securities related to the companies in the insolvency or reorganization procedure, the assessment is made at zero value;

For the equity securities issued by the OPC, the value taken into account was the last unit value of the net asset, calculated and published.

15. Loans and receivables

SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.
Selected explanatory notes to simplified interim individual financial statements
on June 30th, 2019
(all amounts are expressed in RON, unless otherwise stated)

<i>In RON</i>	June 30th, 2019	December 31st, 2018
Trade receivables	241,505	15,830,833
borrowers	5,911,624	736,600
Claims on the state budget and the social insurance budget	12,498	-
Other receivables	7,141	4,600
Accrual impairment adjustments	(735,290)	(735,290)
TOTAL	5,437,478	15,836,743

16. Other assets

<i>In RON</i>	June 30th, 2019	December 31st, 2018
Intangible assets	2,915	2,521
Other fixed assets	48,137	42,683
stocks	12,785	10,549
Prepayments	143,034	78,821
TOTAL	206,871	134,574

17. Payment dividends

<i>In RON</i>	June 30th, 2019	December 31st, 2018
Payment dividends afferent to 2013	644,780	644,780
Payment dividends afferent to 2014	484,237	484,242
Payment dividends afferent to 2015	17,975,565	18,079,375
Payment dividends afferent to 2016	12,684,957	12,820,745
Payment dividends afferent to 2017	10,261,818	10,486,813
Payment dividends afferent to 2018	24,262,279	-
Total payment dividends	66,313,636	42,515,955

18. Taxes and fees

<i>In RON</i>	June 30th, 2019	December 31st, 2018
Debts in connection with the Social Insurance Budget	231,961	203,938
Debts related to the State Budget	2,070,317	97,364,185
Other taxes and fees	-	147,380
Total	2,302,278	97,715,503

19. Debt on deferred income tax

SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.
Selected explanatory notes to simplified interim individual financial statements
on June 30th, 2019
(all amounts are expressed in RON, unless otherwise stated)

Deferred tax liabilities are determined by the following elements:

<i>In RON</i>	Assets	Debts	Net	Tax
June 30th, 2019				
Fair value assessment of financial assets assessed at fair value through other comprehensive income	624,254,131		624,254,131	99,880,662
Reassessment of tangible assets	9,132,539		9,132,539	1,461,207
The result carried forward representing reassessment reserves made non-taxable	2,098,632		2,098,632	335,782
The result carried forward representing unachieved reserves	4,049,219		4,049,219	647,875
Deferred result representing unachieved reserves - real estate investments	359,751		359,751	57,561
Differences from the change in the fair value of the financial assets measured at fair value through other elements of the comprehensive income - free shares in the balance	57,509,383		57,509,383	9,201,502
Legal reserves	11,603,314		11,603,314	1,856,531
Other reserves - dividends prescribed according to the OGMS decision of April 23 rd , 2005	6,551,528		6,551,528	1,048,245
Other reservations	980,658		980,658	156,907
Differences from the change in the fair value of financial assets measured at fair value through other elements of the comprehensive income - hyperinflation	6,380,492		6,380,492	1,020,879
TOTAL	722,919,647		722,919,647	115,667,151

<i>In RON</i>	Assets	Debts	Net	Tax
December 31st, 2018				
Fair value assessment of financial assets assessed at fair value through other comprehensive income	353,778,539		353,778,539	56,604,566
Reassessment of tangible assets	9,338,439		9,338,439	1,494,150
The result carried forward representing reassessment reserves made non-taxable	2,094,978		2,094,978	335,197
The result carried forward representing unachieved reserves	3,929,462		3,929,462	628,713
Deferred result representing unachieved reserves - real estate investments	359,751		359,751	57,560
Differences from the change in the fair value of the financial assets measured at fair value through other elements of the comprehensive income - free shares in the balance	57,509,383		57,509,383	9,201,501
Legal reserves	11,603,314		11,603,314	1,856,530
Other reserves - dividends prescribed according to the OGMS decision of April 23 rd , 2005	6,551,528		6,551,528	1,048,244
Other reservations	980,658		980,658	156,906
Differences from the change in the fair value of financial assets measured at fair value through other elements of the comprehensive income - hyperinflation	6,380,492		6,380,492	1,020,879
TOTAL	452,526,544		452,526,544	72,404,246

20. Other debts

SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.
Selected explanatory notes to simplified interim individual financial statements
on June 30th, 2019
(all amounts are expressed in RON, unless otherwise stated)

<i>In RON</i>	June 30th, 2019	December 31st, 2018
Staff debt	330,525	403,872
Commercial debts	133,137	3,628,089
Guarantees received	814	-
Various creditors	4,861	-
Earnings recorded in advance	29,438	25,831
Provisions for employee participation in profit and bonuses payable	5,798,099	5,798,099
Total other debts	6,296,874	9,855,891

21. Capital and reserves

Share capital

The share capital according to the Company's articles of association has the value of 58,016,571 RON, is divided into 580,165,714 shares with a nominal value of 0.1 RON/share and is the result of the direct subscriptions made to the share capital of the Company, by transforming it into shares of the amounts due as dividends based on Law no. 55/1995 and through the effect of Law no. 133/1996.

The shares issued by the Company are traded on the Bucharest Stock Exchange, Premium category as of September 1st, 1999, with SIF5 market symbol.

The records of the shares and the shareholders are kept by the Depozitarul Central S.A. Bucharest.

The shares of the Company are ordinary, indivisible, registered, of equal value, issued in dematerialized form and grant equal rights to their holders. All shares were fully subscribed and paid on June 30th, 2019 and December 31st, 2018.

The right to hold shares is limited to 5% of the share capital, respectively 29,008,285 shares.

There were no changes in the number of shares issued during the reporting period.

On April 25th, 2018, the Extraordinary General Meeting of the Shareholders of the Company was held, where a program of redemption by the company of its shares, in accordance with the applicable legal provisions, was approved under the following conditions:

- size of the program - maximum 32,704,308 shares with a nominal value of 0.10 RON/share representing maximum 5.637% of the share capital;
- the acquisition price of the shares - the minimum price will be 1.50 RON/share and the maximum price will be 2.50 RON/share;
- the duration of the program - the maximum period of 12 months from the date of publication of the decision of the EGMS in the Official Gazette of Romania, Part IV;
- the payment of the repurchased shares and the size of the related fund - from the available reserves, the maximum amount affected by the repurchases being of 49,056,462.55 RON, according to the decision no.3 of the OGMS of September 6th, 2017;
- the purpose of the program - the reduction of the share capital

On December 13th, 2018, it was submitted to the Financial Supervisory Authority by SSIF Voltinvest S.A. Craiova - as an intermediary in the Public Purchase Offer Shares issued by the Company - the Document of Public Offer of Purchase Shares issued by the Company, together with the related documentation.

On January 17th, 2019, the Company received from the Financial Supervisory Authority Decision no. 66/16.01.2019 approving the public offer document for the purchase of shares issued by the Company. The quotation was successfully carried out between January 28th, 2019 - February 8th, 2019, a number of 19,662,585 shares were purchased at the price of 2.5 RON/share, representing 3.3822% of the share capital.

21. Capital and reserves (continuation)

SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.
Selected explanatory notes to simplified interim individual financial statements
on June 30th, 2019
(all amounts are expressed in RON, unless otherwise stated)

The quotation was oversubscribed 13.2 times, which demonstrates the interest of the shareholders towards such actions.

The settlement of the transaction related to the public offer was made on February 14, 2019 through the Depozitarul Central.

The share capital according to the constitutive act is presented in the following table:

<i>In RON</i>	June 30th, 2019	December 31st, 2018
Statutory share capital	58,016,571	58,016,571
Share capital	58,016,571	58,016,571

As of June 30th, 2019, the number of shareholders was 5,739,983 (December 31st, 2018: 5,742,311), which is as follows:

	Shareholders no.	Shares no.	Amount (RON)	(%)
June 30th, 2019				
Resident natural entities	5,737,879	230,522,035	23,052,204	39.73
Non-resident natural entities	1,861	2,014,172	201,417	0.35
Total natural entities	5,739,740	232,536,207	23,253,621	40.08
Resident legal entities	201	240,196,944	24,019,694	41.40
Non-resident legal entities	42	107,432,563	10,743,256	18.52
Total legal entities	243	347,629,507	34,762,950	59.92
Total June 30th, 2019	5,739,983	580,165,714	58,016,571	100.00
December 31st, 2018				
Resident natural entities	5,740,203	237,561,073	23,756,107	40.95
Non-resident natural entities	1,852	2,168,581	216,858	0.37
Total natural entities	5,742,055	239,729,654	23,972,965	41.32
Resident legal entities				
Non-resident legal entities	213	246,894,549	24,689,455	42.56
Total legal entities	43	93,541,511	9,354,151	16.12
Resident natural entities	256	340,436,060	34,043,606	58.68
Total 2018	5,742,311	580,165,714	58,016,571	100.00

Reserve established according to Law no. 133/1996

The reserve related to the initial portfolio was established following the application of Law no. 133/1996, as a difference between the value of the portfolio and the value of the share capital subscribed to the Company.

Reserve established according to Law no. 133/1996 is at June 30th, 2019 in the amount of 144,636,073 RON (December 31st, 2018: 144,636,073 RON).

Legal reserves

The legal reserves are constituted according to the legal requirements in the amount of 5% of the profit registered according to the accounting regulations applicable up to the level of 20% of the value of the share capital, according to the constitutive act. The value of the legal reserve at June 30th, 2019 is 11,603,314 RON (December 31st, 2018: 11,603,314 RON). On June 30th, 2019 and in 2018, the Company did not constitute legal reserves of profit, reaching the ceiling of 20% of the share capital, according to the articles of incorporation.

Legal reserves cannot be distributed to shareholders.

21. Capital and reserves (continuation)

Dividends

The Ordinary General Meeting of Shareholders, meeting on April 24th, 2019, decided to distribute the net profit for the financial year of 2018, in the amount of 96,259,800.47 RON, on the following destinations:

a) Dividends: 84,081,469.35 RON (87.3485% of net profit), which ensures a gross dividend per share of 0.15 RON.

The proposed dividend provides a shareholder remuneration rate of 7.0175% calculated at the average trading price of the shares in 2018 (2.1375 RON/share) and 7.1942% calculated at the closing price for 2018 (2,0850 RON). /action).

The date of 17.06.2019 is approved as the date of payment of dividends in accordance with the provisions of art. 178 para. (2) of the FSA Regulation no. 5/2018. The distribution of dividends to the shareholders will be carried out in accordance with the legal provisions, the costs related to the payment being borne by the shareholders from the net dividend value.

b) Other reserves: 12,178,331.12 RON (12.6515% of net profit) in order to set up the necessary funds to carry out a future repurchase program of approximately 30,000,000 own shares in order to reduce the Company's share capital by cancelling the repurchased shares.

Duration of the program: maximum 18 months from the publication in the Official Gazette of Romania part IV of the decision of the EGMS which will establish the conditions for the redemption program to be carried out.

Differences from the modification of the fair value related to the financial assets assessed at the fair value through other elements of the comprehensive income

The differences in the assessment of financial assets measured at fair value through other elements of the comprehensive income include the cumulative net changes in the fair values of the financial assets from the date of their classification in this category and until their derecognition. These are recorded at the net amount of the related deferred tax.

22. Other reserves

<i>In RON</i>	June 30th, 2019	December 31st, 2018
Other reserves	555,210,270	521,517,906
- Entries	12,178,331	33,692,364
- Exits	(47,942,779)	-
Total	519,445,822	555,210,270

Mainly the inputs represent reserves distributed from the net profit for the year 2018, set up for the development of a future share repurchase program (12,178,331 RON) and the exits represent reserves related to the share repurchase (47,942,779 RON).

23. Result per share

SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.
*Selected explanatory notes to simplified interim individual financial statements
on June 30th, 2019*
(all amounts are expressed in RON, unless otherwise stated)

<i>In RON</i>	June 30th, 2019	June 30th, 2018
Profit attributable to ordinary shareholders	114,284,690	70,377,361
The weighted average number of ordinary shares	580,165,714	580,165,714
The result per basic share	0.1970	0.1213

24. Granted warranties

The company has no warranties whatsoever.

25. Transactions and balances with parties in special relationships

During the course of its activity, the company identified the following parties in special relationships:

Branches

In accordance with the legislation in force, the Company holds control in a number of 11 issuers on June 30th, 2019 (December 31st, 2018: 11 issuers). All branches of the Company on June 30th, 2019 and December 31st, 2018 are based in Romania. For them the percentage of holding is not different from the percentage of the number of votes held. The subsidiaries holdings are presented as follows:

No.	Company name	Percentage held at June 30th, 2019 - % -	Percentage held at December 31st, 2018 - % -
1	COMPLEX HOTELIER DAMBOVITA S.A. Targoviște	99.94	99.94
2	VOLTALIM S.A. Craiova	99.19	99.19
3	MERCUR S.A. Craiova	97.86	97.86
4	GEMINA TOUR S.A. Rm. Vâlcea	88.29	88.29
5	ARGUS S.A. Constanța	86.42	86.42
6	FLAROS S.A. Bucharest	81.07	81.07
7	CONSTRUCȚII FERROVIARE S.A. Craiova	77.50	77.50
8	UNIVERS S.A. Rm. Vâlcea	73.75	73.75
9	PROVITAS S.A Bucharest	70.28	70.28
10	TURISM PUCIOASA S.A. Dâmbovița	69.22	69.22
11	ALIMENTARA S.A. Slatina	52.24	52.24

The branches held by the Company represent as of June 30th, 2019: 15.82% of the total assets (December 31st, 2018: 16.80%), and of the net assets represent as of June 30th, 2019: 16.34% (December 31st, 2018 : 18.12%).

Associated entities

As of June 30th, 2019, the Company had holdings of more than 20% but not more than 50% of the share capital in a number of 8 issuers (December 31st, 2018: 8 issuers). All of them are based in Romania. For these issuers the percentage of holding is not different from the percentage of the number of votes held. The holdings in these issuers were not qualified as associates, due to the fact that the Company does not exert significant influence in these companies.

The Company does not hold associates on June 30th, 2019 and December 31st, 2018.

25. Transactions and balances with parties in special relationships (continuation)

SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.
*Selected explanatory notes to simplified interim individual financial statements
on June 30th, 2019*
(all amounts are expressed in RON, unless otherwise stated)

Issuers whose ownership is over 20% but not more than 50% are as follows:

No.	Company name	Percentage held at	Percentage held at
		June 30 th , 2019	December 31 st , 2018
		- % -	- % -
1	LACTATE NATURA S.A. Târgoviște	40.38	40.38
2	SINTEROM S.A. Cluj-Napoca	31.88	31.88
3	ELECTRO TOTAL S.A. Botoșani	29.86	29.86
4	TURISM FELIX S.A. Băile Felix	28.97	28.97
5	ȘANTIERUL NAVAL Orșova S.A.	28.02	28.02
6	PRODPLAST S.A. Bucharest	27.55	27.55
7	TURISM LOTUS FELIX S.A. Băile Felix	27.46	27.46
8	ELECTROMAGNETICA S.A. Bucharest	26.14	26.14

Holdings of more than 20% but not more than 50% of the share capital of the 8 issuers above represent as of June 30th, 2019: 6.31% of the total assets (December 31st, 2018: 6.19%), and in Net assets represent 6.52% at June 30th, 2019 (December 31st, 2018: 6.68%).

Key management staff

June 30th, 2019

The members of the Board of Directors: Tudor Ciurezu - Chairman, Cristian Bușu - Vice-president, Anina Radu, Radu Hanga, Ana - Barbara Bobirca, Nicolae Stoian, Carmen Popa.
Top management: Tudor Ciurezu - General Manager, Cristian Bușu - Deputy General Manager.

December 31st, 2018

The members of the Board of Directors: Tudor Ciurezu - Chairman, Cristian Bușu - Vice-president, Anina Radu, Radu Hanga, Ana - Barbara Bobirca, Nicolae Stoian, Carmen Popa.

Top management: Tudor Ciurezu - General Manager, Cristian Bușu - Deputy General Manager.

The company 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 company 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 has not received and has not given guarantees to any affiliated party.

26. Contingent liabilities and liabilities

Actions in court

As of June 30th, 2019, there are 32 disputes pending before the courts. The company had active procedural quality in 12 litigation, passive procedural quality in 14 litigation, in one case it has the quality of intervener, in 2 cases it is called in guarantee, 3 cases being in insolvency proceedings.

In most of the disputes in which the Company has the status of complainant, the object of the litigations is the annulment/finding of invalidity of some decisions of the general meetings of the shareholders in the companies in the portfolio.

26. Contingent liabilities and liabilities (continuation)

Environmental contingencies

The company has not registered any provision for future costs regarding environmental elements. The management does not consider the expenses associated with these elements to be significant.

Transfer price

The Romanian tax legislation contains rules on transfer prices between affiliated persons since 2000. The current legislative framework defines the principle of "market value" for transactions between affiliated persons, as well as the methods of establishing transfer prices. As a result, it is expected that the tax authorities will initiate thorough checks of the transfer prices, in order to ensure that the fiscal result is not distorted by the effect of the prices charged in the relations with affiliated persons. The company cannot quantify the result of such verification.

27. Events after the interim period

After the first six months of 2019, the main events of the Company's activity were:

1) Concerning the request to convene a General Meeting of Shareholders registered under no. 5071/11.06.2019, transmitted by S.I.F. Banat-Crișana S.A. and S.I.F. Muntenia SA, with items on the agenda regarding changes in the administrative and executive management of the Company, in the meeting of the Board of Directors from 08.07.2019, following the analysis of the above mentioned request, the summons of the Ordinary General Meeting of the requested Shareholders was rejected by the joint application registered with the company under no. 5071/11.06.2019 formulated by the shareholders of S.I.F. Banat Crișana S.A. and S.I.F. Muntenia S.A. (shareholders holding jointly representing 5.00% of the company's share capital), due to non-compliance with the legal conditions of form and fund.

2) The Board of Directors meeting in the meeting of 08.07.2019 took note of the resignation of Mr. Tudor Ciurezu, starting with 01.07.2019, as a member of the Nomination and Remuneration Committee and completed the composition of the Committee with the administrator Anina Radu.

Thus, the new composition of the committee is:

- Ana Barbara Bobirca - independent non-executive manager, Chairman
- Radu Hanga - independent non-executive manager
- Anina Radu - non-executive manager

3) The company took note of the Decision F.S.A. no. 937/18.07.2019, which establishes the task of the Board of Directors of the Company to convene and to ensure the holding of the ordinary general meeting of shareholders within a maximum of 45 days from the date of issuing the decision, including on the order of day the points proposed by SIF shareholders Banat Crișana S.A. and S.I.F. Muntenia S.A. by the request registered at the issuer's headquarters with no. 5071/11.06.2019.

F.S.A. decision no. 937/18.07.2019 was submitted for analysis to the Board of Directors of the Company in the meeting of 29.07.2019 and the convening of the Ordinary General Meeting of Shareholders was rejected and motivated by lowering the shareholding of the two requesting shareholders under the legal threshold and 5% of the share capital of the Company, according to the Declaration of holdings transmitted by the Financial Investment Company Banat Crișana SA under no. 1663/23.07.2019.

4) Also the Company took note of the address of the F.S.A. no. VPI 4888/30.07.2019, regarding the Decision of the F.S.A. no. 937/18.07.2019 establishing by the Board of Directors of the Company the obligation to convene and to ensure the ordinary general meeting of shareholders within 45 days from the date of issuing the decision, without needing a further assessment of the fulfilment of the conditions provided by art. 119 paragraph (1) of Law no. 31/1990.

27. Events after the interim period (continuation)

SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.
Selected explanatory notes to simplified interim individual financial statements
on June 30th, 2019
(all amounts are expressed in RON, unless otherwise stated)

At the meeting of the Board of Directors from 01.08.2019, the convening of the Ordinary General Meeting of the Company's Shareholders was rejected. The motivation: the decrease of the shareholding of the two requesting shareholders below the legal and statutory threshold of 5% of the share capital of the Company, according to the Declaration of holdings transmitted by S.I.F. Banat Crișana S.A. under no. 1663/23.07.2019 (registered with the company under no. 6535/24.07.2019) and of the non-fulfilment of the legal conditions of form and substance of the request of the two shareholders.

Associate Professor PhD Ec. Ciurezu Tudor
Chairman/General Manager

Associate Professor PhD Bușu Cristian
Vice-president/Deputy General Manager

Ec. Sichigea Elena
Financial Manager

Translation from Romanian into English

STATEMENT
according to the provisions of
Law no. 24/2017
regarding financial instruments issuers and market operations

We hereby confirm that, to our knowledge, the semi-annual financial-accounting statement as of 30.06.2019, which was prepared in accordance with the applicable accounting standards, gives a fair image consistent with the reality of the assets, liabilities, financial position, profit and loss account of SIF Oltenia SA and that the Administration Board Report presents in a correct and complete manner the information about SIF Oltenia SA.

Associate Professor PhD ec. Tudor CIUREZU
Chairman / General Manager

Ph.D, MBA Cristian Busu
Vice-chairman/Deputy General Manager

ec. Elena SICHIGEA
Economic Manager

Situation of assets on 30/06/2019**Net asset**

1,838,322,127 lei

2,091,036,437 lei

Total asset

1,982,611,377 lei

2,160,151,126 lei

Name of the element		The beginning of the reporting period				The end of the reporting period				Differences (lei)
I.	TOTAL ASSETS	% of net asset	% of total asset	Foreign Currency	Lei	% of net asset	% of total asset	Foreign Currency	Lei	
	1 Securities and instruments of the monetary market, of which:	71.7722	66.5488	0	1,319,404,429	90.6920	87.7902	0	1,896,401,845	576,997,416
1.1	Securities and instruments of the monetary market admitted or traded on a settled market of Romania, of which: shares, other assimilated securities to them (each category being mentioned) , bonds (on categories of issuer), other receivables (being mentioned on types and categories of issuer), other securities, instruments of the monetary market (on categories);	71.7722	66.5488	0	1,319,404,429	90.6920	87.7902	0	1,896,401,845	576,997,416
	- BVB - shares	56.1636	52.0761	0	1,032,467,421	76.0207	73.5884	0	1,589,620,593	557,153,172
	- AERO -shares	15.6086	14.4727	0	286,937,008	14.6713	14.2018	0	306,781,252	19,844,244
	- Preference rights	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0
1.2	Securities and instruments of the monetary market admitted or traded on a settled market of a member state, of which: shares, other securities assimilated to them (each category being mentioned), bonds (on categories of issuer), other receivables (being mentioned on types and categories of issuer), other securities, instruments of the monetary market (on categories);	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0

Situation of assets on 30/06/2019**Net asset**

1,838,322,127 lei

2,091,036,437 lei

Total asset

1,982,611,377 lei

2,160,151,126 lei

Name of the element		The beginning of the reporting period				The end of the reporting period				Differences (lei)
I.	TOTAL ASSETS	% of net asset	% of total asset	Foreign Currency	Lei	% of net asset	% of total asset	Foreign Currency	Lei	
1.3	Securities and instruments of the monetary market admitted at the official rate of a stock exchange in a non member state or negotiated on another settled market of a non member state, which regularly operates and is recognized and open to public, approved by R.N.S.C of which: shares, other securities assimilated to them (each category being mentioned), bonds (on categories of issuer), other receivables (being mentioned on types and categories of issuer), other securities, instruments of the monetary market (on categories);	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0
2	Newly issued securities	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0
3	Other securities and instruments of the monetary market mentioned in art. 187 letter a): securities (on categories and types of issuer) and instruments of the monetary market (on categories);	8.6521	8.0224	0	159,052,930	7.9533	7.6988	0	166,306,618	7,253,688

Situation of assets on 30/06/2019**Net asset**

1,838,322,127 lei

2,091,036,437 lei

Total asset

1,982,611,377 lei

2,160,151,126 lei

Name of the element		The beginning of the reporting period				The end of the reporting period				Differences (lei)
I.	TOTAL ASSETS	% of net asset	% of total asset	Foreign Currency	Lei	% of net asset	% of total asset	Foreign Currency	Lei	
4	Bank deposits, of which:	0.0302	0.0280	432,095.95	122,244.25	2.4873	2.4077	441,776.23	51,568,742.80	51,456,179
4.1	Bank deposits made in credit institutions of Romania;	0.0302	0.0280	432,095.95	122,244.25	2.4873	2.4077	441,776.23	51,568,742.80	51,456,179
4.2	Bank deposits made in credit institutions of a member state;	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0
4.3	Bank deposits made in credit institutions of a non member state;	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0
5	Financial instruments derived traded on a settled market	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0
5.1	Financial instruments derived traded on a settled market of Romania, on categories;	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0
5.2	Financial instruments derived traded on a settled market of a member state, on categories;	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0
5.3	Financial instruments derived traded on a settled market of a non member state, on categories;	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0
5.4	Financial instruments derived negotiated outside the settled markets, on categories of instruments;	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0
6	Current accounts and cash	25.6960	23.8259	443,275,124	29,100,114	1.1612	1.1241	12,043,335	12,237,935	(448,093,968)
7	Instruments of the monetary market, other than those traded on a settled market, according to art. 101 paragraph (1) letter g) of the Law no. 297/2004.	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0

Situation of assets on 30/06/2019**Net asset**

1,838,322,127 lei

2,091,036,437 lei

Total asset

1,982,611,377 lei

2,160,151,126 lei

Name of the element		The beginning of the reporting period				The end of the reporting period				Differences (lei)
		% of net asset	% of total asset	Foreign Currency	Lei	% of net asset	% of total asset	Foreign Currency	Lei	
I.	TOTAL ASSETS									
8	Participation securities of AOPC/OPCVM	0.1487	0.1378	0	2,732,940	0.1557	0.1507	0	3,256,345	523,405
9	Other assets (amounts in transit, amounts at distributors, amounts	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0
9.1	Shares due according to subscriptions to the increases of social capital	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0
9.2	Other rights to receive	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0

GENERAL MANAGER
Dr. ec. Tudor CiurezuECONOMIC MANAGER
Ec. Elena Sichigea

Situation of unit value of net asset on 30/06/2019

No. Item	Name of the element (according to RNSC Regulations no.15/2004)	30/06/2018	30/06/2017	Differences
1	No of shares issued	580,165,714	580,165,714	0
2	Unitary value of net asset	3.6042	3.1022	0.5020

GENERAL MANAGER
Dr. ec. Tudor Ciurezu

ECONOMIC MANAGER
Ec. Elena Sichigea

The evolution of net asset and of VUAN in the last 3 years on 30/06/2019

No. Item	Name of the element (according to RNSC Regulations no.15/2004)	31/12/2017	31/12/2018	30/06/2019
1	Net asset	1,770,430,599	1,838,322,127	2,091,036,437
2	Unit value of net asset	3.0516	3.1686	3.6042

GENERAL MANAGER
Dr. ec. Tudor Ciurezu

ECONOMIC MANAGER
Ec. Elena Sichigea

SIF Oltenia S.A.

ANNEX 17

Detailed situation of investments on 30/06/2019
Net asset 2,091,036,437 lei

Total asset 2,160,151,126 lei

Securities admitted or traded on a settled market of Romania – BVB (shares)

No. Item	Issuer	Symbol	Date of last transaction	No of shares held	Nominal value	Share value	Total value	Weight in the issuer's social capital	Weight in the total asset of SIF	Weight in the net asset of SIF
1	ALTUR SLATINA	ALT	12/06/2019	49,428,571	0.1000	0.0390	1,927,714	5.9958	0.0892	0.0922
2	ANTIBIOTICE IASI	ATB	28/06/2019	126,882,202	0.1000	0.5000	63,441,101	18.8999	2.9369	3.0340
3	B.R.D.-GROUPE SOCIETE GENERALE BUCURESTI	BRD	28/06/2019	28,472,044	1.0000	12.6400	359,886,636	4.0855	16.6603	17.2109
4	BANCA TRANSILVANIA CLUJ	TLV	28/06/2019	205,942,777	1.0000	2.3950	493,232,951	4.2770	22.8333	23.5880
5	BURSA DE VALORI BUCURESTI	BVB	28/06/2019	383,709	10.0000	22.3000	8,556,711	4.7670	0.3961	0.4092
6	C.N.T.E.E. TRANSELECTRICA BUCURESTI	TEL	28/06/2019	2,711,808	10.0000	21.0000	56,947,968	3.6994	2.6363	2.7234
7	COS TARGOVISTE	COS		6,142,826	2.5000	0.0000	0	8.9220	0.0000	0.0000
8	ELECTROMAGNETICA BUCURESTI	ELMA	28/06/2019	176,717,594	0.1000	0.1315	23,238,364	26.1402	1.0758	1.1113
9	OMV PETROM BUCURESTI	SNP	28/06/2019	727,178,342	0.1000	0.3950	287,235,445	1.2838	13.2970	13.7365
10	PRODPLAST BUCURESTI	PPL	28/06/2019	4,702,595	1.0000	2.5200	11,850,539	27.5450	0.5486	0.5667
11	S.N.G.N. ROMGAZ S.A.	SNG	28/06/2019	2,136,355	1.0000	32.2000	68,790,631	0.5543	3.1845	3.2898
12	SANTIERUL NAVAL ORSOVA	SNO	28/06/2019	3,200,337	2.5000	3.2200	10,305,085	28.0168	0.4771	0.4928
13	SIF BANAT CRISANA	SIF1	28/06/2019	19,536,252	0.1000	2.2200	43,370,479	3.7754	2.0078	2.0741
14	SIF MOLDOVA	SIF2	28/06/2019	3,769,407	0.1000	1.3250	4,994,464	0.3720	0.2312	0.2389
15	SIF TRANSILVANIA	SIF3	28/06/2019	12,450,162	0.1000	0.2710	3,373,994	0.5700	0.1562	0.1614

SIF Oltenia S.A.

ANNEX 17

*Detailed situation of investments on 30/06/2019***Net asset** 2,091,036,437 lei**Total asset** 2,160,151,126 lei

Securities admitted or traded on a settled market of Romania – BVB (shares)

No. Item	Issuer	Symbol	Date of last transaction	No of shares held	Nominal value	Share value	Total value	Weight in the issuer's social capital	Weight in the total asset of SIF	Weight in the net asset of SIF
16	SNTGN TRANSGAZ MEDIAS	TGN	28/06/2019	243,311	10.0000	360.0000	87,591,960	2.0665	4.0549	4.1889
17	T.M.K. ARTROM SLATINA	ART	28/06/2019	6,672,352	2.5100	3.8200	25,488,385	5.7436	1.1799	1.2189
18	TURISM FELIX BAILE FELIX	TUFE	28/06/2019	143,752,429	0.1000	0.2740	39,388,166	28.9736	1.8234	1.8837
							1,589,620,593		73.5884	76.0207

GENERAL MANAGER
Dr. ec. Tudor CiurezuECONOMIC MANAGER
Ec. Elena Sichigea

SIF Oltenia S.A.

ANNEX 17

Detailed situation of investments on 30/06/2019

Net asset 2,091,036,437 lei

Total asset 2,160,151,126 lei

Securities admitted or traded on an alternative market of Romania– AERO (BVB) - (shares)

No. Item	Issuer	Symbol	Date of last transaction	No of shares held	Nominal value	Share value	Total value	Weight in the issuer's social capital	Weight in the total asset of SIF	Weight in the net asset of SIF
1	ALIMENTARA SLATINA	ALRV	07/05/2019	214,742	2.4300	26.2233	5,631,247	52.2352	0.2607	0.2693
2	ARGUS CONSTANTA	UARG	28/06/2019	30,920,056	1.5000	1.6600	51,327,293	86.4160	2.3761	2.4546
3	CEREALCOM ALEXANDRIA	CCOM	27/06/2019	34,672,773	0.1000	0.0479	1,660,826	6.6944	0.0769	0.0794
4	CONSTRUCTII FERROVIARE CRAIOVA	CFED	10/04/2019	2,725,325	0.8500	1.2940	3,526,586	77.5001	0.1633	0.1687
5	CONTACTOARE BUZAU	CONQ	21/01/2019	290,730	2.5000	11.8170	3,435,546	10.1497	0.1590	0.1643
6	FLAROS BUCURESTI	FLAO	21/06/2019	1,233,390	2.5000	52.0000	64,136,280	81.0712	2.9691	3.0672
7	IAMU BLAJ	IAMU	19/06/2019	1,884,289	2.5000	4.8800	9,195,330	19.8343	0.4257	0.4397
8	LACTATE NATURA TARGOVISTE	INBO	21/03/2019	997,302	2.5000	2.6345	2,627,421	40.3798	0.1216	0.1257
9	MERCUR CRAIOVA	MRDO	05/06/2019	7,104,836	2.5000	18.8000	133,570,917	97.8593	6.1834	6.3878
10	RELEE MEDIAS	RELE	24/06/2019	62,080	2.5000	10.5000	651,840	11.4644	0.0302	0.0312
11	SINTEROM CLUJ	SIRM	01/04/2019	1,543,318	2.5000	9.3611	14,447,125	31.8749	0.6688	0.6909
12	TUSNAD BAILE TUSNAD	TSND	28/06/2019	25,861,924	0.1000	0.0410	1,060,339	8.5691	0.0491	0.0507
13	UNIVERS RM.VALCEA	UNVR	21/06/2019	587,519	2.5000	26.4000	15,510,502	73.7494	0.7180	0.7418
							306,781,252		14.2018	14.6713

GENERAL MANAGER
Dr. ec. Tudor Ciurezu

ECONOMIC MANAGER
Ec. Elena Sichigea

SIF Oltenia S.A.

ANNEX 17

*Detailed situation of investments on 30/06/2019***Net asset** 2,091,036,437 lei**Total asset** 2,160,151,126 lei

Instruments mentioned in art.187 lit.a) of RNSC Regulations no.15/2004

Shares issued by commercial companies of closed type

No. Item	Issuer	No of shares held	Acquisition date	Acquisition price	Share value	Total value	Weight in the issuer's social capital	Weight in the total asset of SIF	Weight in the net asset of SIF
1	BIROUL DE INVESTITII REGIONAL OLTENIA IFN	272,411	01/11/1996	15.4550	10.0028	2,724,876	19.4540	0.1261	0.1303
2	BT ASSET MANAGEMENT S.A.I. CLUJ	716,559	28/02/2006	0.8953	5.1535	3,692,785	9.9998	0.1710	0.1766
3	COMPLEX HOTELIER DAMBOVITA	1,753,217	31/01/1998	2.7577	4.2560	7,461,624	99.9427	0.3454	0.3568
4	COREALIS CRAIOVA	655,757	30/06/2000	2.5000	2.8826	1,890,281	11.4189	0.0875	0.0904
5	CORINT TARGOVISTE	178,297	01/11/1996	0.1929	0.0000	0	5.7978	0.0000	0.0000
6	DEPOZITARUL CENTRAL BUCURESTI	9,878,329	31/07/1998	0.0770	0.1252	1,236,875	3.9057	0.0573	0.0592
7	ELBA TIMISOARA	39,628	01/11/1996	2.5000	131.9402	5,228,526	2.3694	0.2420	0.2500
8	ELECTRO TOTAL BOTOSANI	57,909	28/02/2003	2.5000	0.0000	0	29.8562	0.0000	0.0000
9	EXIMBANK BANCA DE EXPORT IMPORT A ROMANIEI BUC	4,364,430	01/11/1996	5.4039	8.6163	37,605,068	3.2702	1.7409	1.7984
10	GEMINA TOUR RM.VILCEA	757,888	01/11/1996	2.5000	5.8890	4,463,170	88.2866	0.2066	0.2134
11	OTELINOX TARGOVISTE	1,809,195	01/11/1996	2.8091	6.3391	11,468,757	5.4694	0.5309	0.5485
12	PROVITAS BUCURESTI	35,139	01/11/1996	2.0114	177.9586	6,253,289	70.2780	0.2895	0.2991
13	SAGRICOM ULMI	57,941	01/11/1996	0.0025	0.0000	0	4.2057	0.0000	0.0000
14	SANEVIT ARAD	792,662	31/12/1995	0.1000	0.0000	0	13.2841	0.0000	0.0000
15	TURISM LOTUS FELIX	347,859,802	18/12/2009	0.1006	0.0992	34,508,655	27.4554	1.5975	1.6503
16	TURISM PUCIOASA	1,010,599	01/11/1996	2.1170	5.4657	5,523,598	69.2191	0.2557	0.2642

SIF Oltenia S.A.

ANNEX 17

*Detailed situation of investments on 30/06/2019***Net asset** 2,091,036,437 lei**Total asset** 2,160,151,126 lei

Instruments mentioned in art.187 lit.a) of RNSC Regulations no.15/2004

Shares issued by commercial companies of closed type

No. Item	Issuer	No of shares held	Acquisition date	Acquisition price	Share value	Total value	Weight in the issuer's social capital	Weight in the total asset of SIF	Weight in the net asset of SIF
17	VOLTALIM CRAIOVA	5,997,519	31/10/1999	2.3836	7.3779	44,249,114	99.1942	2.0484	2.1161
						166,306,618		7.6988	7.9533

GENERAL MANAGER
Dr. ec. Tudor CiurezuECONOMIC MANAGER
Ec. Elena Sichigea

SIF Oltenia S.A.

ANNEX 17

*Detailed situation of investments on 30/06/2019***Net asset** 2,091,036,437 lei**Total asset** 2,160,151,126 lei

Securities of AOPC/OPCVM

No. Item	Issuer	Symbol	Quantity	Quotation	Market value	Weight in the number of operating securities	Weight in the total asset of SIF	Weight in the net asset of SIF
1	BT INDEX RO		146,000.000	14.9350	2,180,510	2.8395	0.1009	0.1043
2	FDI NAPOCA		381,222.000	0.5661	215,810	1.6334	0.0100	0.0103
3	FDI TRANSILVANIA		7,444.000	52.6259	391,747	1.2921	0.0181	0.0187
4	FDI TEHNOGLOBINVEST		382.990	1,222.6906	468,278	5.7277	0.0217	0.0224
					3,256,345		0.1507	0.1557

GENERAL MANAGER
Dr. ec. Tudor CiurezuECONOMIC MANAGER
Ec. Elena Sichigea

SIF Oltenia S.A.

ANNEX 17

*Detailed situation of investments on 30/06/2019***Net asset** 2,091,036,437 lei**Total asset** 2,160,151,126 lei**Bank deposits in lei made in credit institutions of Romania**

No. Item	Name of the bank	Constitution date	Due time	Initial value	Daily interest	Cumulated interest	Updated value	Weight in the total asset of SIF	Weight in the net asset of SIF
1	BANCA TRANSILVANIA	28/06/2019	01/07/2019	336,600.00	4.6750	14.03	336,614.03	0.0156	0.0161
2	BCR	26/06/2019	29/07/2019	10,000,000.00	763.8889	3,819.44	10,003,819.44	0.4631	0.4784
3	BCR	26/06/2019	29/07/2019	10,000,000.00	763.8889	3,819.44	10,003,819.44	0.4631	0.4784
4	BCR	26/06/2019	29/07/2019	10,000,000.00	763.8889	3,819.44	10,003,819.44	0.4631	0.4784
5	BCR	26/06/2019	29/07/2019	5,000,000.00	381.9444	1,909.72	5,001,909.72	0.2316	0.2392
6	BCR	26/06/2019	29/07/2019	5,000,000.00	381.9444	1,909.72	5,001,909.72	0.2316	0.2392
7	BCR	26/06/2019	29/07/2019	5,500,000.00	420.1389	2,100.69	5,502,100.69	0.2547	0.2631
8	BCR	26/06/2019	29/07/2019	5,000,000.00	381.9444	1,909.72	5,001,909.72	0.2316	0.2392
9	BCR	30/06/2019	01/07/2019	712,836.05	4.5542	4.55	712,840.60	0.0330	0.0341
				51,549,436.05		19,306.75	51,568,742.80	2.3873	2.4662

GENERAL MANAGER
Dr. ec. Tudor CiurezuECONOMIC MANAGER
Ec. Elena Sichigea

SIF Oltenia S.A.

ANNEX 17

*Detailed situation of investments on 30/06/2019***Net asset** 2,091,036,437 lei**Total asset** 2,160,151,126 lei

Bank deposits in foreign currency made in credit institutions of Romania

No. Item	Name of the bank	Constitution date	Due time	Initial value	Daily interest	Cumulated interest	Updated value	Weight in the total asset of SIF	Weight in the net asset of SIF
1	BANCA TRANSILVANIA	25/04/2019	22/07/2019	108,874.77	0.7561	50.66	108,925.43	0.0050	0.0052
2	BANCA TRANSILVANIA	25/04/2019	22/07/2019	332,696.00	2.3104	154.80	332,850.80	0.0154	0.0159
				441,570.77		205.46	441,776.23	0.0205	0.0211

GENERAL MANAGER
Dr. ec. Tudor CiurezuECONOMIC MANAGER
Ec. Elena Sichigea

Statement of assets and debts on 30/06/2019

(it is filled in every month)

Calculation modality of the net asset value (according to RNSC regulations no. 15/2004)		Value (lei)
1	FIXED ASSETS (rows 1.1 to 1.3)	208,275,775
1.1	Intangible assets	2,915
1.2	Tangible assets	12,250,180
1.3	Financial assets, out of which:	196,022,680
1.3.1	Shares quoted	29,667,925
1.3.2	Shares not quoted	166,306,618
1.3.3	Government securities	0
1.3.4	Certificates of deposit	0
1.3.5	Bank deposits	0
1.3.6	Municipal bonds	0
1.3.7	Corporate bonds	0
1.3.8	Newly issued securities	0
1.3.9	Equity investments of OPCVM and/or AOPC	0
1.3.10	Shares entitled according to subscriptions to share capital increases	0
1.3.11	Other financial assets	48,137
2	CURRENT ASSETS (row 2.1 to 2.4 + 2.5 to 2.9)	1,951,732,317
2.1	Inventories	12,785
2.2	Receivables, out of which:	5,437,478
2.2.1	Dividends to be cashed	5,163,527
2.2.2	Other rights to receive	0
2.2.3	Other receivables	273,951
2.3	Liquid assets	24,281,270
2.4	Financial investments on short term, out of which:	1,869,990,265
2.4.1	Shares quoted	1,866,733,920
2.4.2	Shares not quoted	0
2.4.3	Municipal bonds	0
2.4.4	Corporate bonds	0
2.4.5	Equity investments of OPCVM and/or AOPC	3,256,345
2.4.6	Preference rights	0
2.5	Newly issued securities	0
2.6	Government securities	0
2.7	Bank deposits	52,010,519
2.8	Certificates of deposit	0
2.9	Other current assets	0
3	DERIVATIVES	0
4	EXPENDITURES REGISTERED IN ADVANCE	143,034
5	TOTAL ASSET (rows. 1+2+3+4)	2,160,151,126

Statement of assets and debts on 30/06/2019

(it is filled in every month)

Calculation modality of the net asset value (according to RNSC regulations no. 15/2004)		Value (lei)
6	DEBTS AMOUNTS FALLING DUE WITHIN ONE YEAR (row 6.1 to 6.9)	69,085,251
6.1	Loans from issue of bonds	0
6.2	Amounts due to credit institutions	0
6.3	Advances cashed in the account of customers	0
6.4	Commercial debts	133,137
6.5	Commercial bills to be paid	0
6.6	Amounts due to companies within the group	0
6.7	Amounts due regarding equity interests	0
6.8	Dividends or other rights to be paid, out of which:	66,313,636
6.8.1	Dividends to be paid	66,313,636
6.8.2	Amounts subscribed and not paid in the share capital increases of issuers	0
6.9	Other debts	2,638,478
7	DEBTS AMOUNTS FALLING DUE AFTER MORE THEN ONE YEAR	115,667,151
8	PROVISIONS	5,798,099
9	INCOMES REGISTERED IN ADVANCE, out of which: (rows 9.1 to 9.2)	29,438
9.1	Subsidies for investments	29,438
9.2	Incomes registered in advance	0
10	SHAREHOLDERS EQUITY, out of which: (rows 10.1 to 10.8 - 10.9 - 10.10 - 10.11)	1,969,571,187
10.1	Share capital subscribed and paid	58,016,571
10.2	Premium related to capital	0
10.3	Differences from revaluation	7,671,332
10.4	Reserves	675,685,209
10.5	Retained earnings	540,896,364
10.6	Result of the exercise	114,284,690
10.7	Other shareholders equity items	574,979,280
10.8	Items assimilated to capital	0
10.9	Profit allocation	0
10.10	Losses related to the issuance, repurchasing, sale, disposal free of charge or cancellation of the equity instruments	0
10.11	Own shares	1,962,259
11	TOTAL LIABILITIES (rows 6+7+8+9+10)	2,160,151,126
12	NET ASSET (rows 5-6-9)	2,091,036,437
13	NUMBER OF SHARES ISSUED	580,165,714
14	NET ASSET VALUE PER SHARES (rows12/13)	3.6042

Statement of assets and debts on 30/06/2019

(it is filled in every month)

Calculation modality of the net asset value (according to RNSC regulations no. 15/2004)		Value (lei)
15	Number of companies in the portfolio, out of which: (rows 15.1 to 15.3)	48
15.1	Companies accepted to transaction on a regulated market	18
15.2	Companies accepted to transaction on an alternative transaction system	13
15.3	Companies not accepted to transaction	17
16	Companies where financial statements were not obtained *	0

* According to art. 116 paragraph (2) of the F.S.A. Regulation no. 9 / 2014, the value of these companies considered in the calculation of the net asset is zero.

Statement certified by Depositary Raiffeisen Bank S.A.

Statement prepared based on the check balance determined under the Norm 39 of ASF/2015 for approval of the Accounting Regulations complying with IFRS (International Financial Reporting Standards) applicable to authorised entities, regulated and monitored by the ASF (Financial Supervisory Authority) from the Financial Instruments and Investment Sector.

According to the art. 192¹ of C.N.V.M Regulation no. 15 / 2004 (article inserted by A.S.F. Regulation no. 2 / 2018) the following companies were assessed through evaluation reports complying with the international standards by independent assessor: VOLTALIM S.A. Craiova, PROVITAS S.A. Bucuresti, COMPLEX HOTELIER DAMBOVITA S.A. Targoviste, TURISM S.A. Pucioasa si GEMINA TOUR S.A. Ramnicu Valcea.

Complying with the provisions of IFRS 9, applicable as from 01.01.2018, the results related to the transactions with financial assets evaluated at fair value through other items of the comprehensive income are reflected in retained earnings.

GENERAL MANAGER,
Dr. ec. Tudor Ciurezu

ECONOMIC MANAGER,
Ec. Elena Sichigea