

OGMS
April 18/19, 2019



Performanță
Transparență
Calitate

Performance
Transparency
Quality

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2018 Board of Directors' Report



URS is a member of Registrar of Standards (Holdings) Ltd.



Dear shareholders,

we hereby present you the results registered by SIF MOLDOVA in 2018 and the objectives of the following period, in agreement with “SIF MOLDOVA’s Investment Strategy and Policy”, approved by the General Meeting of Shareholders.

Portfolio structure

The quoted shares portfolio holds the main weight, of 71,7% of total managed assets value, while the weight of unlisted shares is of 11,1%, based on the re-orientation of investment policy.

We have maintained the financial and energetic sectors, 41,5% namely 15,9%, reported to total assets value, as main structures in the portfolio structure. He continued the SELL portfolio restructure process, by reducing the number of holdings by 9 in comparison to 2017, through the full sale of holdings. At the same time, we registered an increase of the holding weight per share, especially on the CORE portfolio, with positive effects on the entire portfolio.

Financial Performance

The net result registered on 31st December 2018 is of 93 mil lei, being comprised of 50 mil lei net profit and 43 mil lei net gains from assets sale, reflected in reported result. The net result registers an increase of 2% in comparison to that forecast for 2018.

Investments in securities have been of 222 mil lei, as we registered an access of 85% of the target set for 2018.

The total value of managed assets was of 1.845 million lei, while the net asset value per share (NAV/share) has been of 1,7413 lei. SIF2 share price on 31st December 2018 has been 1,2080 lei, which lead to a SIF2 price/NAV per share discount of 31%.

But we stress the fact that the **occurrence of exceptional events, independent of the will of the issuers of investors**, such as unpredictable tax policy, the relevant example being GEO no. 114/2018, has as consequences the occurrence of severe turbulences in the economic environment and on the capital market, that affect the performance of issuers and titles in the portfolio, our performance and implicitly that of SIF2.

In this context, **the investment strategy differentiated on managed assets portfolios represented the optimum approach.** Thus we opted for:

- ✓ *Increase* for the Majority Holdings Portfolio – “private equity”-type approach within existent majority holdings (real estate, agriculture, other sectors);
- ✓ *Recalibration* for the CORE portfolio – listed portfolio that offers liquidity to SIF MOLDOVA’s assets, representing the main income generator;
- ✓ *Restructure* for the SELL portfolio– continuation of the restructure /sale of “historic” portfolio.

The accent on the “private equity” –type approach for the implementation of certain investment projects, leads to the increase of profitability for managed assets and insures the compensation of the risk generated by the significant drops registered recently by the quotation of the titles listed in the portfolio.

A short presentation of the status and results of these projects indicate the following:

“Baba Novac Residence” real-estate project (holding 100% through Tesatoriile Reunite SA) – is run according to the forecast graphs and targets the building of a residential complex comprised of 6 blocks with 363 apartments and 436 parking lots (under and above ground). The sale rate is over that initially forecast, so that by the end of 2018 we have sold 88% of the total number of apartments. A number of 121

apartments have been completed and are currently being handed over to owners. Stages 2 and 3 of the complex will be completed in Q4 2019.



“Blueberry Farm” Project (100% holding through Agointens SA) – The production sold in 2018 has been of 233 to. The extension of the cultivated area of 67 ha targets the reaching of an area of 84 ha up to 2020 and 200 ha over the following 4 years.



“Veranda Mall” Project (indirect holding of 37% through Professional Imo Partners SA and Nord SA) – generated in 2018 revenue of around 9 mil. Euro, with an occupation degree of 98% and registered a number of around 9 million visitors. The extension process will be completed in Q2 2019 through the opening of multiplex cinema.



“Atria Urban Resort” Real Estate Project (50% holding through Straulesti Lac Alfa SA) – targets the building in 4 stages, of a residential complex including 1.339 apartments, an area of around 9 ha, located in the North Western and northern area of the capital city. At present, stage 1 is under construction with a completion deadline of Q2 2019, a number of 30% of apartments being sold.



Iasi Real-estate project (100% holding through Agroland Capital SA) – assets belonging to IASITEX SA company has been purchased, namely around 30.000 square meters and an administrative building (GF +8) with a built developed area of 4.600 square meters, located in the central area of Iasi municipality. Our detailed analysis and forecasts targeted the quality and location of purchased assets, as well as significant development potential of Iasi municipality, on all segments: residential, office and commercial. The process for the selection of architectural solution for the real-estate project is currently running.

We are convinced that the consequent taking on of the defining value – *transparency, quality, performance*- significantly encourages managerial performance, for the final benefit of shareholders.

Yours sincerely,
Costel Ceoceă – President of the Board of Directors

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Annual report in compliance with: Law no. 24/2017, art. 63; FSA Registration no. 5/2018 regarding the issuers of financial instruments and market operations, art. 126, Annex 15 – Annual Report Model; FSA regulation no. 39/2015 regarding the approval of accounting regulations in compliance with the International Financial Reporting Standards, applicable to entities certified, regulated and supervised by FSA.

Report date: 15th March 2019

Issuer name: Societatea de Investitii Financiare MOLDOVA SA

Headquarters: Str. Pictor Aman nr.94 C, Bacau

Tel./fax/e-mail: 0234576740 / 0234570062 / sifm@sifm.ro

Tax registration code: 2816642

Trade Register: J04/2400/92

LEI: 254900Y1O0025No4US14

Issued and paid-up capital: 101.317.917,6 lei

Number of issued shares: 1.013.179.176

Nominal value: 0,1 lei/share

Shareholding structure: 100% private

Free float: 100%

FSA Registration number: PJR07AFIAA/040002

Regulated market on which the issued securities are traded:

Bucharest Stock Exchange, Premium category

International identifiers: Bucharest Stock Exchange: SIF2; ISIN: ROSIFBACNORo; Bloomberg: BBGID BG000BMN5F5; Reuters: SIF2.BX

Field of Activity.

TYPE OF INVESTMENT COMPANY

SIF Moldova este un AFIA, pozitionat in principal pe piata romaneasca, ca fond inchis cu investitii preponderent in actiuni, cu grad mediu de risc si plasamente temporare de lichiditate in instrumente cu venit fix.

Legal framework - SIF Moldova SA is classified in the category of Alternative investment fund managers (AIFM) certified by the Financial Supervision Authority under no. **20/23.01.2018** and functions abiding by the provisions of Law 24/2017 regarding the issuers of financial instruments and market operations, Companies' Law 31/1990.

Purpose – increase in the value of the assets under management.

The main field of activity of the company is financial activities.

The activity objects consists in:

- administration and management of financial instruments, derived financial instruments and other instruments qualified as such by the regulations of competent authorities;
- administration and management of equities/bonds and other rights derived from them in companies that are closed or not traded;
- risk management;
- other auxiliary and connected activities of collective management.

1

Activity Analysis.

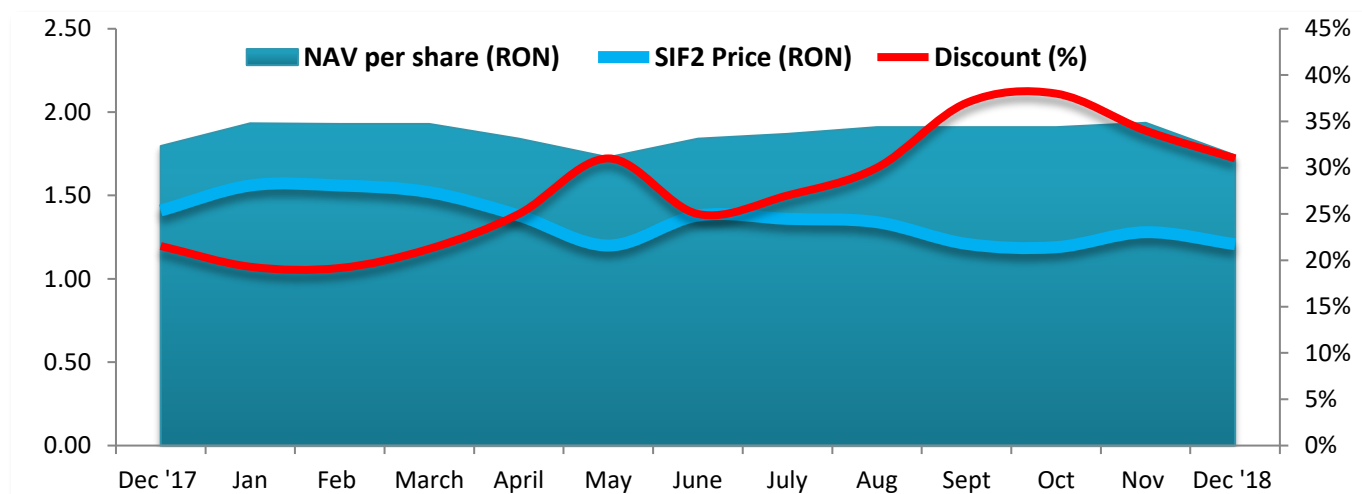
1.1.

Evolutions. Objectives. Performances.

Assets under management

Indicator (million lei)	2016	2017	2018	2018 /2017 %
Total assets (mil lei)	1.694	1.912	1.845	-4
Net asset (mil lei)	1.587	1.792	1.726	-4
NAV (lei)	1,55	1,79	1,74	-3
Market price (lei)	0,78	1,41	1,20	-15
Discount (%) market price / NAV	50	22	31	+9pp

NAV per share / SIF2 price / Discount Evolution (YoY)

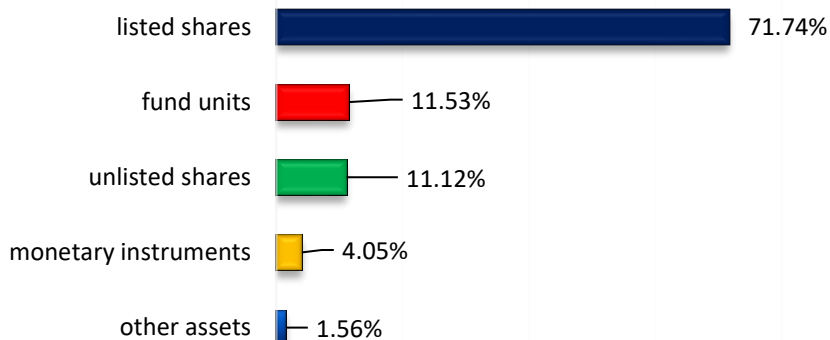


Portfolio structure

Assets structure (% of total assets value)	2016	2017	2018	2018/T3 2017 pp
Shares of which:	86,17	87,80	82,86	-4,94
- listed	74,11	79,39	71,74	-7,65
- unlisted	12,06	8,41	11,12	+2,71
Participation titles AOPC + OPCVM (fund units)	5,42	8,96	11,53	+2,57
Monetary instruments (deposits, availabilities)	7,00	1,91	4,05	+2,14
Other assets	1,41	1,33	1,56	+0,23

Portfolio structure – 31st December 2018 (% of total assets value)

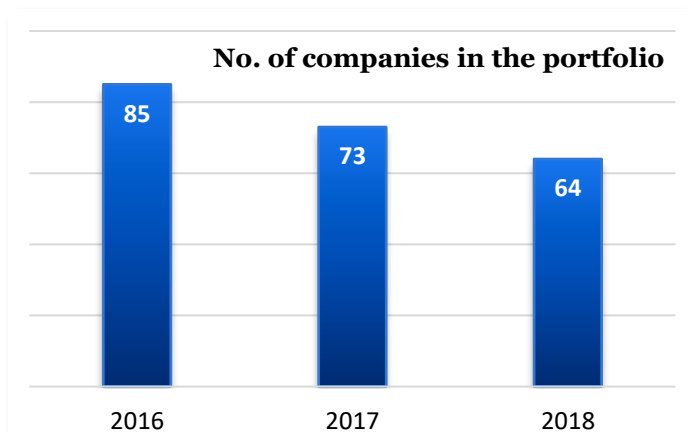
Objective:
Maintaining the mains
weight in shares, namely
listed shares



Number of holdings

Objectives:

Decrease of the number of holdings and increase of exposure/issuer, so as to directly cause positive influences on the portfolio.



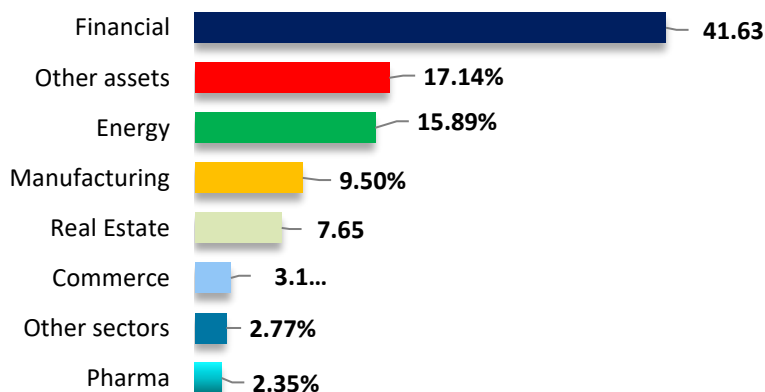
Evolution of sectorial exposure.

Sectorial exposure (% of total assets value)	2016	2017	2018	2018/2017pp
Financial	43,72	45,26	41,53	-3,73
Energy	19,90	18,18	15,89	-2,29
Processing industry	9,21	9,59	9,50	-0,09
Real-estate	7,20	3,81	7,65	+3,84
Trade	2,20	5,58	3,17	-2,41
Pharmaceutical	2,29	2,09	2,35	+0,26
Agriculture	0,97	1,13	1,79	+0,66
Other sectors	0,68	2,04	0,98	-1,03

Sectorial exposure – 31st December 2018 (% of total assets value).

Objectives:

Maintaining the financial and energy sectors with important weight in the portfolio



Top companies/Holdings in the Portfolio – 31st December 2018

TOP COMPANIES IN THE PORTFOLIO	% holding of the issuer's share capital	> 1% of total assets value
BANCA TRANSILVANIA	7,17	37,54
OMV PETROM	0,68	6,25
AEROSTAR	15,05	6,03
ROMGAZ	0,85	4,94
TRANSGAZ	2,33	4,70
TESATORILE REUNITE	100	3,14
PROFESSIONAL IMO PARTNERS	31,42	2,37
BIOFARM	13,53	2,35
STRAULESTI LAC ALFA	50	2,10
SIF BANAT CRISANA	3,57	2,05
AGROLAND CAPITAL	100	1,85
AGROINTENS	100	1,78
MECANICA CEAHLAU	73,30	1,32
SIF TRANSILVANIA	4,98	1,27
TOTAL		77,68

SIFs 2018 vs 2017

At the end of 2018, SIF2 continued to register the lowest discount of price in comparison to NAV (31%). The management of the company thinks that this result reflects the positive perception of investors concerning SIF2 activity and the run corporate operations.

	mil lei	SIF1	SIF2	SIF3	SIF4	SIF5
Net asset 31.12.2018		2,212	1,726	976	1,297	1,837
Net asset 29.12.2017		2,593	1,792	966	1,370	1,770
NAV evolution 18/17%		-14.66	-3.73	1.04	-5.35	3.82
Liquidities 31.12.2018*		35	74	26	30	472
Liquidities 29.12.2017		81	36	37	21	3
Liquidities evolution 18/17%		-56.78	104.49	-27.80	43.02	12303.08
Short-term financial investments 31.12.2018		1,482	1,341	800	859	1,302
Short-term financial investments 29.12.2017		2,032	1,546	873	974	1,182
Short term investments evolution 18/17%		-27.09	-13.24	-8.30	-11.84	10.16
Net result 31.12.2018 (prelim.)		77	50	64	22	96
Net result 31.12.2017		69	164	64	51	74
Net result evolution 18/17 %		10.98	-69.56	-0.37	-55.30	29.55
Capitalization 31.12.2018		1,055	1,223	469	482	1,209
Capitalization 29.12.2017		1,440	1,463	530	790	1,218
Capitalization evolution 18/17		-26.71	-16.39	-11.52	-38.98	-0.71
NAV 31.12.2018		4.2772	1.7413	0.4517	1.6078	3.1680
Price 31.12.2018		2.040	1.208	0.215	0.598	2.085
Price/NAV discount 31.12.2018		-52.3	-30.6	-52.4	-62.8	-34.2
Price/NAV discount 29.12.2017		-44.7%	-21.5%	-44.8%	-42.3%	-28.6%
2017 Dividend		0	0.05	0.01	0.0347	0.07
DY%		0.00	4.14	4.65	5.80	3.36
No. of shares	517,460,724	1,013,179,176	2,184,286,664	807,036,515	580,165,714	

*availabilities, deposits, government securities

1.2. Portfolios. Strategies. Results.

SIF MOLDOVA has three portfolios defined: “CORE”, “SELL”, “MAJORITY HOLDINGS”.

The management of holdings in the portfolio was made along the coordinates of the multiannual strategies and 2018 Activity Program, namely:

- ✓ **Increase** for the **Majority Holdings portfolio** - “private equity” – type approach in the real-estate, agricultural sectors and other sectors;
- ✓ **Recalibration** for the **CORE portfolio** – listed portfolio that offers liquidity to SIF MOLDOVA’s assets, representing the main revenue generator;
- ✓ **Restructure** for the **SELL portfolio** – continuation of the restructure / sale of the “historic” share portfolio.

1.2.1. “CORE” Portfolio

On 31st December 2018, CORE portfolio represented 69% of total assets and included top issuers listed on BVB such as: TLV, TGN, SNG, SIFs, SNP, ARS, BIO, with a value of 1.273 mil lei, representing 104% of the market capitalization of SIFs (1,223.9 mil.lei). The figures also include issuers NORD and PPLI, through which SIF Moldova has an indirect holding in Veranda Mall.

The passing of GEO 114/2018 generated turbulences on the capital market, which could not have been anticipated objectively, as the normative document has not been the object of previous public debates with the business environment, with the capital market institutions, there have been no impact studies on the performance of the targeted companies, or the capital market. GEO 114/2018 has been an exceptional event independent of the will of the issuers or investors, affecting the performance of issuers and titles in the portfolio, NAV performance and indirectly the performance of SIF2 shares.

BVB concluded 2018 with a decrease of BET index of 4,77%. The strong decreasing trend was triggered on the 19th December 2018 when information started to appear regarding the addition tax on the bank, energy and telecommunication sectors and the modification of the 2nd pillar, at which time the BET reference index dropped by 11,2%, thus erasing in one day the entire growth registered in 2018 by the local capital market.

At the end of 2018, only total-return type indexes, that include dividends managed to maintain a positive trend. BET-TR index that also includes dividends offered by BET companies, registered the highest advance of 4,3%.

In comparison, the yield (gain from capital + dividends) offered by CORE portfolio in 2018 has been of 6,5%. Therefore, despite the exceptional events that affected the bank and energy issuers, leading to abrupt drops in December 2018, CORE portfolio offered a higher yield than that offered by BET-TR of 4,3%.

CORE portfolio evolution on sectorial exposures:

1.2.1.1. Financial sector

The financial –bank sector represented on 31st December 2018, 41,53% of total assets (in comparison to 45,26% on 31st December 2017).

In compliance with SIF MOLDOVA’s investment strategy that foresees the continuation of investments in the financial-bank sector, we have maintained an important holding on BANCA TRANSILVANIA due to the high yield offered (cash +free shares) and the development potential of the bank through organic development and purchases. Thus, on 31st December 2018 exposure on this issuer was of 37,54 % of total SIF MOLDOVA’s assets, higher than the exposure on 31.12.2017, of 35,92%.

The Board of Directors of Banca Transilvania, announced on 27.02.2019 that it has decided to “distribute from 2018 profit cash dividends of 818.121.781 lei (gross), representing a gross dividend of 0,17 lei/share. At the same time, a proposal will be made for GMS to capitalize the difference up to the total profit of 2018, that will be available for distribution.” Therefore, Banca Transilvania will offer free shares of 8,33%, the yield of the cash dividend being 9% (for a price of 1,87 lei). Total dividend yield (cash + free)=17,3%, similar to the previous year.

In 2018, dividend yield (cash + free) was 17,45% if we refer to the price at the start of 2018, thus covering the quote drop of 5,9%.

In the context of reaching historic maximum price value that caused exposure on issuer BANCA TRANSILVANIA to get close to the allowed limit of 40% of total assets value, based on the internal mechanism for exposure management, in the first part of 2018 we have made market marking obtaining important gains from transactions. With the price drop at the end of the year, we have made purchases as there are the perspectives of attractive dividends.

Given the need to insure operational cash-flow and achieve 2018 investment program, given that SIF MOLDOVA's investment in SIF OLTENIA shares reached its purpose registering a yield (IRR) of 10% over the holding period, we have sold the entire package in SIF OLTENIA.

Based on the analysis of share perspective, we exited SIF4 in Q3 2018.

SIF holdings represented a percentage of 3,3% of total assets value on 31.12.2018.

1.2.1.2 Energy Sector

The weight of the energy sector in total assets on 31.12.2018 has been 15,89%, in comparison to 18,18% on 31.12.2017.

The manufacturers of gas, oil products and utilities, namely ROMGAZ, OMV PETROM and TRANSGAZ registered very good results in 2018, supported by the increase of petrol, gas and electric energy price increase and the increase of other revenue. Although GEO 114/2018 has had a negative impact on the final price in 2018, due to the dividends offered by SNP and ROMGAZ, investors have obtained positive yields in 2018:: SNP price increased by 4,5% in comparison to the beginning of the year and dividend yield reported to the price at the beginning of the year has been 7%, ROMGAZ price decreased by 11,2% in comparison to the beginning of the year, but the total dividend yield reported to the price at the beginning of the year has been 21,9%.

We have made convenient trading operations on SNP issuer and purchases on SGN, as there are perspective for attractive dividends.

For these issuers we think that there are the premises that stable financial results caused by the positive dynamics of Oil & Gas markets and solid strategies, as well as predictable dividend policy will continue to contribute to the support of share price, despite the fact that the provisions of GEO 114/2018 will affect fundamental indicators.

OMV PETROM (SNP): the management of the company announced that the final decision to invest in Neptun Deep project has been postponed since “the current legislative environment does not offer the premises necessary for an investment of several milliards. We are still eager to see the reserves of Black Sea being developed and will continue the dialogue with authorities to understand the path to follow.”

The average term quotation increase catalysts, that is the petrol price increase, supported by the increase of world demand (especially in India and China), the improvement of the assets portfolio, encouraging future production, as well as the predictable dividend policy announced by SNP that “*will offer the shareholders the safety of a stable, predictable and attractive dividend in the coming years, including*

through the payment of an increasing dividend", represent arguments in favor of maintain the position on this issuer.

ROMGAZ (SNG): Very attractive financial indicators and the perspectives of a substantial 2018 dividend, as well as the sustainable ability to distribute dividends with high yields over the following years, ground the decision to keep our position on this issuer.

TRANSGAZ (TGN): Perspectives analysis indicates the possibility of the financial performance dropping over the following couple of years, due to the increase of CAPEX for BRUA stage 1 and EBITDA decrease. We think that this situation will redress following the completion of BRUA stage 1 and its inclusion in the level of the regulated assets base in 2020 thus generating regulated revenue. Following the completion of BRUA stage 1, we expect an increase of the revenue from gas transportation. These arguments, with Transgaz being a main player on the European gas market, should contribute to price support. Transgaz has the ability to become a vector for the promotion of Romanian energy industry in the region, advancing Romania's interests in Europe and the EU.

1.2.1.3. Other operations made in CORE portfolio:

- ✓ We have purchased an ALRO share package of de 10 mil. lei, in the accelerated private placement run by Vimetco N.V. and Conef S.A, taking into consideration the increase potential of ALRO quotation, based on the perspectives of aluminum price increase, products demand and attractive dividend policy
- ✓ We have made partial divestitures on issuers BIOFARM and BURSA DE VALORI BUCURESTI.
- ✓ The liquidities management policy also materialized in fund unit transactions, that is total/partial divestitures OTP Comodis, BT Maxim, BT INVEST 1, FII BET-FI INDEX INVEST, STK Europe, STK Emergent, STAR Focus, STAR Next funds and investments in FII DCP INVESTITII, FDI Piscator Equity Plus, FPI OPTIM Invest and FII Alchemist

1.2.2. "Majority Holdings" Portfolio. SIF MOLDOVA Group.

On 31.12.2018, the assets of the 7 subsidiaries of SIF MOLDOVA Group had a value of 168,5 million lei, representing 9,14% of SIF MOLDOVA's total assets value (according to Annex no. 16: Statement of assets and liabilities on 31.12.2018).

The members of SIF MOLDOVA Group have been recertified by FSA – *Certificate no. 23/22.10.2018* (Current report on 23.10.2018), following the full sale of the package held in Hotel Sport Cluj SA (99,99% of share capital), according to current report on 21.09.2018.

No	Subsidiary name	SIF MOLDOVA – mother company direct holding SIF MOLDOVA %	Company type (closed /listed)	Weight of total assets %
1	AGROINTENS SA Bucuresti	99,99	unlisted	1,78
2	AGROLAND CAPITAL SA Bacau	99,99	unlisted	1,85
3	ASSET INVEST Bacau	99,99	unlisted	0,16
4	CASA SA Bacau	99,32	unlisted	0,56
5	MECANICA CEHLAU SA Piatra Neamt	73,30	BVB-REGS (MECF)	1,32
6	REGAL SA Galati	93,02	BVB-ATS (REGL)	0,33
7	TESATORIILE REUNITE SA Bucuresti	99,99	unlisted	3,14

Rules applied in compliance with AIFM legislation

- ✓ The private-type investment policy through which control is obtained on unlisted companies is in agreement with the multiannual investment strategy and the legal and prudential risk limits of SIF Moldova without representing its main investment policy.
- ✓ SIF Moldova is a shareholder with over 99% holding in all unlisted companies. In the selection and monitoring of investments in unlisted companies, SIF Moldova applies a high level of diligence, the staff holding the proper professional knowledge and abilities specific for the investment field: financial and legal, technical and commercial analysis, negotiation, conclusion of agreements and contracts.
- ✓ These assets are evaluated in compliance with evaluation policies and procedures, their value being reported on a monthly basis.

According to its *Investment Strategy and Policy* SIF MOLDOVA has an investment strategy to develop the Majority Holdings Portfolio, characterized by:

a) project implementation in various sectors of activity and business development through **specialized companies** (companies setup by SIF within the Group) **and/or companies in the historic portfolio of SIF Moldova** ;

b) investments area a private equity type approach that involve **the development of an existent majority holding (real estate, agricultural machines), as well as new investments (real estate, agribusiness)**; investment decisions have a high degree of maturity/impact on the average and longtime expected projects.

The private-equity type approach involves an active implication in entrepreneurial projects that leads to the increase of the profitability of managed assets and offers the possibility to compensate the risk of possible involutions of SIF MOLDOVA's holdings in listed companies.

A part of the investments presented in the paragraphs below are in the growth/development stage, while others continue the maturity stage of a business' life cycle.

1.2.2.1. AGROINTENS SA – blueberry farm project "Extension of BLUEBERRY FARM" (www.agrointens.ro)

Premises: The object of the project is the development of businesses in the agro-business field through the purchase and setup of new blueberry farms.

SIF MOLDOVA's investment: 5,6 mil euro

Current status:

- ✓ *Ferma Vistea*, Brasov district (farm extension):
 - an adjacent area of 6,3 ha was planted, so that the total area of the plantation reached around 24 ha, of which 18 ha are in production.
 - the fertilizing – irrigation installation on the entire planted area has been upgraded /automatized.
- ✓ *Mandra Farm*, Brasov (setup completed in 2018):
 - the entire 35 ha for blueberry culture has been planted.
 - the works for the automated fertilization – irrigation installation on the entire planted area have been completed (basin and drilling for water supply, pump house, filters, fertilizer mixing system)
 - the main access roads are completed while the secondary roads and drainages are 65% finished.
- ✓ *Popesti Farm*, Argeş district (purchased in 2018):
 - includes an 8 ha area planted with blueberry
 - in January 2019 we have completed the purchase of an adjacent land of around 10 ha.
 - we intend to setup a new blueberry plantation of around 17 ha.

Exit possibilities: Investment recovery will be made through dividends, capital reimbursement and sale of the investment estimated in around 10 years from the project launch.

Corporate events:

- ✓ *EGMS on 06.06.2018* – approved: the update of financial forecasts for the project “Blueberry Farm Investment Expansion”, increase of Agointens SA share capital with the amount of 3,29 million lei (from 18,83 mil. lei to 22,12 mil. lei), for the completion of “Extension of Blueberry Farm” investment.
- ✓ *EGMS on 10.08.2018* – approved: The purchase of Popești farm, of the lands adjacent to Popești farm outside Popești commune, Arges district and the building of the cold warehouse in Vistea farm; share capital increase for Agointens SA with the amount of 3,99 mil. lei (from 22,12 mil. lei to 26,12 mil. lei), to finance the investment of “Blueberry Farm Extension” stage “Purchase of Popești Farm and adjacent lands and building of Vistea cold warehouse”.

Financial results of 31st December 2018

Indicators – AGROINTENS (thousand lei)	2018 Budget	2018	2018 / Budget (%)
Total revenues	5.885	9.115	155
Total expenses	8.444	10.043	119
Net profit /loss	-2.559	-928	36

1.2.2.2. AGROLAND CAPITAL SA –Iasi Real Estate Project

Premises: The company has been setup with the purpose of capitalizing on the investment opportunities in the agribusiness –real-estate field for the purpose of creating value for shareholders.

We have purchased assets belonging to Iasitex SA company, located in the central area of Iasi municipality, with a significant real-estate development potential, on all segments: residential, office and commercial.

- ✓ land of around 30.000 square meters;
- ✓ administrative building (Ground Floor + 8) with a build area of 4.600 square meters.

Action directions:

- ✓ approval of the solution and opportunity study
- ✓ starting the endeavors to demolish constructions
- ✓ starting and contracting works to obtain the urban development plan

Corporate events:

- ✓ *EGMS on 08.10.2018* – decided the increase of the Agroland Capital SA’s share capital with the amount of 38 mil. lei.
- ✓ *EGMS on 30.10.2018* – approved the ratification of the sale and purchase contract certified under no. 1262/26.10.2018, concluded by Agroland Capital SA with Iasitex SA.

Financial results on 31ST December 2018

Indicators – AGROLAND CAPITAL (thousand lei)	2018 Budget	2018	2018 / Budget (%)
Total revenue	0,05	30	60.000
Total expenses	28	21	75
Net profit/ loss	-28	8	

1.2.2.3. ASSET INVEST SA

The company has the following main action directions:

- ✓ the management of companies in its own portfolio, with the main objective of liquidating these holdings.
 - portfolio on 31.12.2018: 36 companies, of which 2 operating, 3 in insolvency, 1 in administrative liquidation, 1 legal reorganization and 20 in judicial liquidation (bankruptcy).
- ✓ Liquidizing the companies in SIF MOLDOVA’s “SELL” portfolio – based on mandate contracts
 - portfolio on 31.12.2018: 41 companies, of 27 operating, 12 in various insolvency/legal liquidation stages, 2 in the procedures foreseen by Law no. 151/2014.
 - Asset Invest SA’s activity has the object the identification of buyers, negotiation and conclusion of share sale and purchase contracts, for the non-performing portfolio of SIF MOLDOVA.

- ✓ Representation in GMS/BD of the companies from its own portfolio or from SIF Moldova's portfolio
- Asset Invest SA carries out its manager quality as legal company. For this purpose the company has appointed representatives, natural individuals and formalized its representation framework
- ✓ Monitoring the information and events of the companies in the portfolio of SIF Moldova based on service agreements.

Corporate Event:

- ✓ *EGMS on 29.03.2018* – decided the reduction of Asset Invest SA's share capital with the amount of 2.5 lei through the restitution of a percentage of shareholder SIF MOLDOVA's contribution, that is the amount of 2,5 mil. lei and proportional annulment of a number of 25,2 mil shares with a nominal value of 0,10 lei (the actual capital reduction has not been made).

The legal documents entered by SIF MOLDOVA with its subsidiary Asset Invest SA have been reported according to Art. 83 Law no. 24/2017 – Current reports on: 29.03.2018, 10.04.2018, 06.06.2018, 26.06.2018 (that have been the object of *Insurance Report of Financial Auditor Deloitte regarding the abidance by the legal framework for contracts entered by the company between 01.01-30.06.2018 (Current Report on 30.07.2018)*, as well as those on 26.07.2018, 26.10.2018, 30.10.2018, 26.11.2018, 18.12.2018 and 21.12.2018 (*Current Report on 31.01.2019*).

Financial result on 31st December 2018

ASSET INVEST indicators (thousand lei)	2018 Budget	2018	2018 / Budget (%)
Total revenue	678	918	135
Total expenses	614	689	112
Net profit	57	220	386

1.2.2.4. CASA SA

The company manages own real-estate assets and those of SIF Moldova. Its own real-estate property includes on 31.03.2017 a number of 11 buildings located in various municipalities (Suceava, Botosani, Piatra Neamt, Bacau, Iasi, Galati, Braila, Tulcea), with a useful area of about 5.377 square meters of which 2.890 square meters are rented. Additionally, the company manages real estate assets belonging to SIF Moldova, with an area of about. 2900 square meters, the rented area being of around 2.250 square meters.

Assets purchase – Based on the Debt to Equity swap contract certified under no. 248/28.02.2018, shareholder SIF MOLDOVA extinguished its claims on debtor Luceafarul SA Bacau, amount representing the value of shares for which SIF MOLDOVA exercised its right to withdraw from the company, in compliance with the provisions of Law no. 151/2014. Therefore, shareholder SIF MOLDOVA received exclusive property of a total useful area of around 2.800 square meters, consisting in the 2nd and 3rd floor of Luceafarul store, located in Bacau municipality (*Current report on 09.03.2018*). Later, based on the Claim Cession contract no. 5200/03.10.2017, SIF MOLDOVA transfered this claim to CASA SA.

Assets/shares sale:

- ✓ *March 2018*: completed the sale of a commercial area located in the Centre of Bacau municipality with an area of 300 square meters for around 0,25 mil. euro;
- ✓ *September 2018*: sale of holding 1.936 shares (0,01% of share capital) in Hotel Sport Cluj SA.
- ✓ *September 2018*: sale of holding 12 shares (0,15% of share capital) in Bursa Romana de Marfuri SA

Corporate Events

- ✓ *EGMS on 15.05.2018*: approved the share capital increase with the amount of 3,5 million lei following the conversion of the claim held by majority shareholder SIF MOLDOVA on CASA SA.
- ✓ *EGMS on 20.12.2018*: approved the sale conditions for the commercial areas in Galati, Braila and Suceava.

- ✓ OGMS on 20.12.2018 – the dismissal of the current sole manager and election of a new sole manager were approved.

Various actions are taken to recover the asset: forestry land located in Ghelinta locality, Covasna district and connected debts.

The legal documents concluded by SIF MOLDOVA with its subsidiary CASA SA were reported according to art. 82 Law no. 24/2017 and were the object of the *Insurance Report of financial auditor Deloitte regarding the abidance by the legal framework of contracts entered by the company in H1 and H2 2018 (Current Report on 30.07.2018 and 31.01 2019)*,

Financial results on 31st December 2018

Indicators – CASA (thousand lei)	2018 Budget	2018	2018 / Budget (%)
Total revenue	2.403	2.324	97
Total expenses	2.235	4.317	193
Net profit/Loss	144	-1.996	-

1.2.2.5. HOTEL SPORT SA

Based on the Resolution of BD CA SIF MOLDOVA on 07.09.2018 to fully sell the share package held in HOTEL SPORT SA, the sale contract between SIF MOLDOVA and Winners Park Invest SR was signed, the latter purchased the 99,99% package held by SIF MOLDOVA in HOTEL SPORT SA (*Current report of SIF MOLDOVA on 21.09.2018*)

The sale was justified by the large delays in the running of the project caused by the trials between Cluj Napoca Town hall and Cluj Prefecture regarding the modification of the urban area development plan, concerning the reclassification of land plots, delays that were independent of SIF MOLDOVA's control, which affected the initially estimated yield of the investment.

The sale contract had a suspensive clause that stipulated that at the end of the transaction, namely the payment of sale price and transfer of the property right over the shares sold, was conditioned by obtaining a favorable opinion from the seller's financial auditor, in exercising its legal obligation to verify the transaction as per art. 82 Law no. 24/2017, consisting in the issue of a report where the auditor will mention if the price, corroborated with the rights and obligations taken on by the contract parties is correct, by comparing it to the other offers on the market.

The report of financial auditor Deloitte Audit (current report on 21.09.2018) concluded:

“Based on the procedures made and evidence received, we have not identified anything that would make us believe that the information reported in Annex A (current report content presented above) have not been drafted, under all significant aspects in compliance with the requirements of art. 144.B (4) Regulation no. 5/2018.

The exit decision is compliant with the plan to give up investments in the hotel sector, as foreseen in the 2018 Activity Program, approved by GMS on 27.04.2018.

1.2.2.6. MECANICA CEAHLAU SA

The company manufactures equipment for land processing and distributes (i) Steyr trucks, (ii) Project herbicide equipment (iii) Stoll frontal loaders.

Corporate events

- ✓ EGMS on 22.01.2018: The sale of the asset located in Piatra Neamt, str. Aurel Vlaicu no. 34, a land of de 23.235 square meters, was approved. The procedure is currently being run, the documents to obtain the urban plan have been submitted, and the transaction is to be completed within the deadline

foreseen by the sale and purchase preliminary contract (May 2019). Later event: On 26.02.2019, Piatra Neamt local council voted the urban plan for the land located in str. Aurel Vlaicu 34.

- ✓ *EGMS on 19.04.2018*: Resolution CA MECF no. 1/03.05.2017 for the contracting of an investment credit of 420.000 euro on a 7 years' period, was ratified for the purchase of a laser cutting machine.

Financial results on 31st December 2018

Indicators – MECANICA CEAHLAU (thousand lei)	2018 Budget	2018	2018 / Budget (%)
Total revenue	47.600	32.252	68
Total expenses	44.700	28.786	64
Net profit	1.900	3.164	167

1.2.2.7. REGAL SA

The company manages own commercial areas with an useful area of about 3.150 square meters and its program foresees the continuation of sale for areas without rental or development potential.

Corporate events:

- ✓ *OGMS on 24.04.2018*: The distribution of cumulated dividends of 2,28 million lei has been approved for financial year 2017 (coming from (i) 2017 net profit, (ii) reduction of reserved setup from the net profits of the previous years and redistribution of the resulted net profit on dividends, and (iii) decrease of legal reserves, setup from the gross profit of the previous years and distribution of dividends not collected in the previous years), representing a gross dividend of 1,9037 lei/share.
- ✓ *EGMS on 24.04.2018*: The sale of assets through public auction was approved: "Restaurant Olt 3", "Bar Brates Port", "Bar Dunareana", "Restaurant Pescarul" and "Restaurant Locomotiva" located in Galati.

Assets sale: In 2018 the following assets were sold through auction Bar Brates Port (Ac: 107 sqm), Bar Dunareana (Ac: 97 sqm) si Restaurant Pescarul (Ac: 1.109 sqm).

Financial results on 31st December 2018

Indicators – REGAL (thousand lei)	2018 Budget	2018	2018 / Budget (%)
Total revenue	1.639	5.656	345
Total expenses	942	1.965	209
Net profit	585	3.111	532

1.2.2.8. TESATORIILE REUNITE SA

"BABA NOVAC RESIDENCE" Residential real-estate project
(www.babanovac-residence.ro)

Project description: valorization of the company's land through the building of a residential complex. "BABA NOVAC RESIDENCE" real-estate project is developed by Tesatoriile Reunite SA.

The following companies contribute to the project: Octagon Constructing & Engineering - general contractor, Vitalis Consulting – project managers, both partners being professionals on the Romanian market. For the sale of apartments, in order to maximize the profitability of the project, we have contracted the services of Coldwell Banker – sales agent.

Investment: SIF MOLDOVA participated to the financing of the project through the share capital increase of Tesatoriile Reunite SA with the amount of 5,3 mil. euro. Co-financing of the project was insured by contracting an investment bank credit of around 18 million euro from Raiffeisen Bank Romania.

Characteristics: 6 blocks of 363 apartments, 436 parking lots of which 298 underground and 138 above ground. The investment project value is estimated to 34 million euro.

Current status:

- ✓ The apartments corresponding to Stage 1 (121 units) have been completed and are in the reception by the developer and delivery to the buyers phase.
- ✓ The sales pace is that forecast, so that at the beginning of February 2019 a number of 90% of the apartments were sold.
- ✓ Stages 2 and 3 of the complex will be completed in Q4 2019

Exit possibilities: The recovery of the investment will be made through the sale of the built apartments.

Tesatoriile Reunite SA initiated its primary endeavors (studies regarding urbanism solutions) for a new real-estate residential project located on the land on Spataru Preda street.

Financial results on 31st December 2018

Indicators - TESATORIIILE REUNITE (thousand lei)	2018 Budget	2018	2018 / Budget (%)
Total revenue	81.494	54.054	66
Total expenses	79.056	56.329	71
Net profit / loss	1.410	-2.279	-

Mention: the Majority Holdings portfolio also monitors the following companies:

- ✓ Nord SA (holding of 18,14% share capital) and Professional Imo Partners SA (holding of 31,42% of the share capital) that directly/indirectly participate to the implementation of **"Veranda Mall" Project Bucharest**
- ✓ Straulesti Lac Alfa (50% holding) implementing the project **"Atria Urban Resort" Bucharest.**

1.2.2.9. "VERANDA MALL" trade Centre, real-estate project

(www.verandamall.ro)

Description: The investment project consisted in the building of "VERANDA MALL" trade Centre in Bucharest and its operation through the company Veranda Obor SA. The trade center is a proximity mall, located in a heavily populated area with commercial traffic in Obor-Colentina. "VERANDA MALL" was opened on 27.10.2016.

Investment: The value of SIF MOLDOVA's investment reaches 14,3 mil euro. SIF MOLDOVA indirectly holds 37% of Veranda Obor SA through Professional Imo Partners SA (PPLI) and Nord SA (NORD), BVB listed companies- ATS segment.

Project characteristics: GLE (building area) around 67.000 square meters; GLA (rentable area) around 27.000 square meters; number of renting stores: 100; occupation degree: 98%.

Current status:

The expansion of "Veranda Mall" trade center with around 6.300 square meters is being run (initial GLE: 67.000 square meters; GLA: 27.000 square meters):

- ✓ STAGE 1 – implementation of the project in the gallery area on an area of around 3.300 sqm:
 - the new spaces for the trade gallery are completed
 - new tenants: World Class (fitness), BCR Offices, Decathlon (sports products), Collin's (fashion)
 - negotiations are held to rent the other areas (Playground, Coffee, Retail and Restaurant)
- ✓ STAGE 2 – implementation of Cinema multiplex project with 12 halls:
 - Cinemax operator
 - completion deadline: Q2 2019.

1.2.2.10. STRAULESTI LAC ALFA SA**"ATRIA URBAN RESORT" Residential real-estate project**

(www.atriaresort.ro)

SIF MOLDOVA invests in the new real-estate project "ATRIA URBAN RESORT", developed through company Straulesti Lac Alfa SA (this company is not a member of SIF MOLDOVA Group). The project targets the building of around 1400 apartments, in 4 stages, on a land area of around 9 ha, located in the north-western part of Bucharest municipality, in the vicinity of Colosseum Retail Park with easy access to Piata Victoriei and the northern part of the capital.

Investment: SIF MOLDOVA is shareholder in Straulesti Lac Alfa SA, along with CityRing Property SRL and Mr. Liviu Lepadatu who provides the management of the real-estate project development. Total investment of SIF MOLDOVA, run in stages, will be of 8,3 mil euro, of which 6,3 mil. euro have been transferred. Project financing is provided both with own capital and bank loan, and the estimated value of the project is over 100 million euro.

Current status:

- ✓ Stage 1 is in the construction phase, it includes a number of 160 apartments (studios, two or three rooms). The objectives are to be completed in Q2 2019.
- ✓ Apartment sale stage: 30%
- ✓ The documentation for the authorization of the 2nd stage has been submitted.

Corporate event - EGMS on 29.08.2018 – the contracting of bank credits from Banca Transilvania for the 1st stage of the residential project with a maximum value of 36 mil. lei has been approved, as well as the authorization of the Board of Directors to negotiate and enter the loan contracts with the following structure: (i) credit for real-estate investments financing of stage 1 costs and (ii) credit for the financing of VAT payment.

1.2.3. "SELL" Portfolio

In order to reach the investment objectives foreseen by the multiannual strategies and 2018 Activity Program, we have continued to apply the restructure strategy through the sale of SELL portfolio. This portfolio is selected based on low liquidity, performance and increase potential and on the 31st December 2018 it represents 4,71% of total value of managed assets.

To the extent that the positions in this portfolio are sold, liquidities feed the investment need of SIF MOLDOVA. Thus the revenue generated in 2018 from the sale of SELL Portfolio holdings was of 31,4 mil. lei.

Between 01 January - 31st December 2018 we have fully sold 7 holdings held in the following companies:

- ✓ GALGROS SA - SIF MOLDOVA SA collected the amount of 2,04 million lei, as the result of withdrawing from GALGROSS SA, according to the provisions of Law 151/2014;
- ✓ HYPERION SA – full package sale - SIF MOLDOVA collected the amount of 0,74 million lei
- ✓ IASITEX SA – full package sale - SIF MOLDOVA collected the amount of 18,01 million lei
- ✓ ALIMENTARA SA – sale through proxy Asset Invest - SIF MOLDOVA collected the amount of 3,7 million lei from the sale of 8% of its holding;
- ✓ UPSS SA – sale through proxy Asset Invest – full collection of the amount corresponding to the withdrawal from UPSS, in compliance with the provisions of Law 151/2014 - SIF MOLDOVA collected the amount of 0,66 million lei
- ✓ ELECTROMAGNETICA SA– full package sale.
- ✓ CONTED SA– full package sale;
- ✓ COMPA SA – partial package sale;
- ✓ SIMAT SA – dissolution and voluntary liquidation; SIF MOLDOVA collected 302 thousand lei.

We have actively participated to the General Meetings of the companies in the portfolio through: amendment of the agenda with new items, request for general meetings convening, asking questions to the board of directors, request to complete informative materials. We have challenged the resolutions of the General Meetings, with the purpose of supporting SIF MOLDOVA's interests.

Events following the reporting period:

- ✓ ALIMENTARA SA - February 2019 – full holding sale – collection of difference of 3,98 mil. lei for the remaining 10,38% package
- ✓ DEPOZITARUL SIBEX SA – cancelled in January 2019.

Briefing regarding the non-use of total return swap-type instruments

We hereby inform the shareholders that following AIFM certification (certificate no. 20/23.01.2018), **SIF Moldova has not used instruments of the total return swap type and has not carried out securities financing transactions („SFT”)**, as defined by *Regulation(EU) 2015/2365 of the European Parliament and Council of the 25th November 2015 on transparency of securities financing transactions and the transparency of reuse and amending Regulation (EU) no. 648/2012*.

SIF Moldova presented its shareholders, in the OGMS materials on 27.04.2018 „SIF Moldova's Investment Strategy and Policy”, that is compliant with this situation. A possible modification of the investment activity to include this type of transactions will imply a proper modification of “SIF Moldova's Investment Strategy and Policy” and the meeting of the document certification requirement by FSA, as per art. 10 Law 74/2015 on alternative investment fund managers.

1.2.4. Implementation of 2018 Investment Program

SIF MOLDOVA analyzed and implemented investments *compliant with the main directions and principles presented by the 2018 Activity Report*, approved by the shareholders (OGMS on 27th April 2018).

million lei	2018 Activity program	Achieved on 31.12. 2018	% achievement 31.12.2018
Total investment project, of which:	120	221,8	184,8
• MAJORITY HOLDINGS		50,2	
• CORE		75,1	
• Fund units		96,5	

1.2.5. Perspective elements regarding SIF Moldova's activity. Uncertainties and risks in 2019. 2019 Objectives

- a) *Presentation and analysis of uncertainty trends, elements, events or factors that affect or could affect the issuer's liquidity, in comparison to the same period of the previous year.*

The passing of GEO 114, in December 2018 has caused severe turbulences in the economic environment, on the capital market, affecting the performance of issuers and titles in the portfolio.

Tax influences occurred in December 2018, impossible to predict or anticipate, lead to the re-evaluation of predictions on the issuers from the energy and bank sectors, whose fundamental indicators have deteriorated.

Quotations from the bank and energy system and dropping since December 2018 and this trend will continue in 2019 as well. It is highly unlikely that the shares of the companies that dropped following the announcement of tax measures return to the level prior to GEO 114/2018 as the value of these

companies decreased from the fundamental point of view following the measures foreseen by the Ordinance. A reduction of the 2nd pillar will negatively affect the stock exchange. Estimates are that in 2019 BVB will not reach the emerging market level, and will remain a frontier market.

It is possible that BET index will continue to register drops in 2019 if the Government will take other unexpected and uninspired measures, but the drops will not be as large as that in December 2018, because the market already included populist measure risk in the shares price.

At present, the Romanian capital market priority is to increase liquidity, an essential requirement for development and implicitly for the upgrade to the emerging market status, not only on a formal level, but on the functional level as well, not only for the short, but also for the long term.

With the completion of formalities regarding CCP, new products will be introduced on BVB, the purpose of which will be the increase of daily volume and of the number of investors.

The derived products that will be launched on BVB will probably be SIFs (in the past, some of the most attractive) and on the main issuers in the energy and bank sectors. We expect that following the launch of these derived products the liquidity in the spot market will largely increase, because the derivatives market always supports the spot market.

- b) *Presentation and analysis of capital expenses, current and anticipated, on the financial status of the issuer in comparison to the same period of the previous year.*

The detailed presentation of the current or anticipated capital expenses on the financial status of SIF Moldova, namely those corresponding to the Share buy-back program for the purpose of reducing the share capital run in 2018 and 2019 Buy-back program can be found in the material subjected for the approval of EGMS in April 2019: *“Approval of the running of a share buy-back program for the purpose of reducing share capital”*

- c) *Presentation and analysis of the events, transactions, economic changes that significantly affect the revenue from basic activity.*

REB 2019 presented by the Government foresees the assignment of at least 90% of 2018 net profit to dividends for companied with majority state-owned capital.

GEO 114/2018 foresees that companies with majority state –owned capital will transfer 35% of the amounts assigned to other reserves in availabilities accounts, banks and corresponding to short-term investments existent on 31.12.2018 that are not engaged through purchase contracts to be used as own financing sources.

Revenue from dividends corresponding to 2018, included in 2018 Revenue and Expense Budget, that represent the main revenue reflected in the profit and loss account have been estimated based on preliminary 2018 results, management notifications, estimates of companies' investments and cash-flow, as well as 2019 Governmental budget and provisions of GEO 114/2018.

“Key” elements of 2019 Activity Program

The “key” elements of SIF Moldova’s Investment Strategy and Policy is based on a resource assignment that insure the sustainable development of SIF Moldova’s activity and the satisfaction of shareholders’ interests, both on the short and on the long term.

The solid/continuous **investment policy** is the basis of the long-term increase of managed assets, a fundamental element for the consolidation of investors’ trust.

Predictable **dividend policy**, which remunerates invested capital at a level higher than the yields offered by monetary investments, is meant to satisfy the shareholders' short-term interests. At the same time, the low yields on the monetary market favor investments, which serve the average and long-term interests of shareholders.

Capital operations through the running of a share buy-back program for the purposes of reducing the share capital and distribution of shares to the employees, managers and directors of the company.

Strategies defined for the assets portfolios:

- increase for the Majority Holdings portfolio – “private equity”-type approach for existent majority holdings (real-estate, agriculture, other sectors)
- Recalibration for CORE portfolio- listed portfolio that offers liquidity to SIF Moldova's assets, representing the main generator of revenue and sources for new investments.
- Restructure for the SELL portfolio – continuation of the restructure/sale of the “historic” shares portfolio.

Objectives of 2019 Activity program

➤ Investment program	111 million lei
➤ 2019 Net profit	48,8 million lei
➤ Net revenue from transactions	29,9 million lei

2

Risk Management.

SIF Moldova sets and maintains on a permanent and operative basis the risk management position that is hierarchically and functionally independent from the activities that generate general risk exposures and has access to all relevant information

The risk management position is insured by the Risk Management Department that plays an important role in the defining of risk management policies, keeping the risks that the company is or could be exposed to within the risk profile taken on by the Board of Directors. SIF Moldova has adopted measures, processes and techniques that are proper and efficient for the identification, measurement, management and monitoring of the risks that the company is or can be exposed to, at any time.

The Board of Directors defines the risk policy, and especially risk appetite based on the recommendations of the risk management position and the audit committee. At least once a year, the Board of Directors examines and approves the limits applied to measure and control the main risks that the company is exposed to: market risk, liquidity risk, issuer risk and operational risk.

The objectives of the management structure within the risk management policy are the prudential management of risks so as to prevent the negative impact that internal or external factors may have on the activity of the company leading to the failure to reach the targets set, the occurrence of unplanned or uncontrolled losses. In setting its risk appetite and risk tolerance, SIF Moldova takes all relevant risks it is exposed to due to the nature of its activity into consideration, the main influence being that of the **market risk**. The efficiency of the risk management system is evaluated on a half-yearly basis by the Executive Management, Audit Committee and the Board of Directors.

The risk profile represents all exposures of SIF MOLDOVA to real and potential risks. Depending on the historic and current values of the risk indicators, the tolerance limits and risk appetite set by the Board of Directors, SIF Moldova's risk profile is the following:

The overall risk profile of SIF Moldova is an average one, corresponding to an average risk tolerance.

Risk type	Level of risk taken on	Risk level on 31.12.2018
Market risk	average	average
Issuer risk	average	low
Liquidity risk	low	low
Operational risk	average	average
Overall risk profile	average	average

On 31st December 2018, the calculated risk indicators for the relevant risks that SIF Moldova could be subjected to **abide by** the tolerance limits, risk appetite and profile approved by SIF Moldova's Board of Directors.

Main risks to which SIF MOLDOVA is exposed to

In its activity SIF MOLDOVA is exposed to different types of risks, the most important being those associated to the held equity portfolio (shares, bonds).

1. Market Risk

Most of SIF Moldova's assets are subjected to market risk, defined as a potential modification of their market value. Risk may occur following the modification of share prices, interest rates, currency exchange rate and other relevant parameters.

We make the distinction between three very different types of market risks:

- ✓ **Price risk** derives from market movements, the assets exposed to it being financial instruments such as shares and shareholdings in open and closed investment funds. Since the assets exposed to price risk hold a weight of about 95% of total managed assets on 31st December 2018, market risk represents a relevant risk for SIF Moldova.

- ✓ **Currency risk** describes the risk that the value of investments denominated in other currencies than leu modifies due to currency rate modifications. Given the low weight of assets in other currencies, the impact of currency risk is insignificant.
- ✓ **Interest rate risk** refers to the possibility that investments in bonds –also known as fixed income titles- suffer following the unexpected modifications of the interest rate. Given the low weight of bonds in total SIF assets, the impact of the interest rate risk is insignificant.

The main objective of market risk management, as part of the independent risk management function is to make sure that the business function optimizes the risk/reward relationship and does not expose SIF Moldova to unacceptable losses that do not correspond to its risk appetite.

In order to reach this objective, market risk management defines and applies a framework that identifies, evaluates, monitors and reports the market risk systematically, so that higher management may take efficient decisions in due time regarding their method of management and mitigation. The Risk Management Department identifies the market risk through the active analysis of the portfolio and the investing proposals of the business function.

In December 2018 market risk significantly increased, due to a regulation risk of an exceptional nature, that is the announcement and adopting of GEO 114/2018. The announcement of the institution of tax on the financial assets of banks and capping of natural gas prices, along with other tax measures foreseen in this ordinance, caused a drop of 11,21% of the main stock exchange indicator on 19.12.2018, **the second largest drop in one day from BVB history, the first being that of 12.29% corresponding to Romania's entering the crisis in January 2009. Banca Transilvania, the main issuer in SIF Moldova's portfolio has suffered a stock drop of about 20% on that date. The impact of this event on SIF Moldova's total assets has been of 10,6%, but did not exceed the tolerance limits set by the risk profile thanks to the diversification of the portfolio. Up to the end of 2018 the stock market calmed down a little bit, and registered losses were partly recovered.**

The stress tests and scenario analysis play a very important role in the management of market risk. These involve an evaluation of assets value loss in various scenarios and of their on SIF's risk profile. SIF Moldova has made a crisis simulation in 2018 in compliance with art. 15, line (3) letter (b) Law 74/2015 and its results were reported to FSA in compliance with the reporting model from Annex IV of the Regulation (EU) 231/2013.

2. Liquidity risk

Liquidity risk is the risk stemming from a potential incapacity to meet payment obligations when these become eligible or to meet them without excessive costs. The liquidity risk management framework has been an important factor in maintaining a proper liquidity and in the management of the liquidity profile during 2018.

The liquidity risk management framework is created so as to identify, measure and manage the liquidity risk position. The Risk Management Department is responsible for the monitoring and internal reporting of liquidities. The liquidities management position insures the proper framework for liquidities management, taking into consideration the investment policy, liquidity risk profile and support obligations of SIF Moldova.

Liquidity risks include cash and cash equivalents available, as well as very liquid securities. The minimal value of liquidities reserves is monitored and reported on a permanent basis.

Stress tests and scenario analysis play an important role in the liquidity risk management. These also include an evaluation of assets liquidity that is of the characteristics of our assets inventory, in different crisis scenarios. SIF Moldova has carried out an analysis in 2018, in compliance with art. 16 line (1) the second paragraph of Law 74/2015 and results were submitted to FSA in compliance with the reporting model in Annex IV of Regulation (EU) 231/2013

3. Issuer risk

Issuer risk results from the exposures on shares held in the entities in the portfolio and represent the current or future risk of losing the value of a title in the portfolio, following the deterioration of its economic- financial status, or due to business conditions (its internal activities not functioning or not being correlated according to its business plan), either due to an external event, tendency, or change that could not have been known or prevented through the control system.

The management framework for issuer risk is built to identify, measure and manage the issuer risk position. The Risk Management Department is responsible for the monitoring and internal reporting of issuer risk. The portfolio management function provides a proper framework for the management and monitoring of issuers in the portfolio.

4. Operational risk

Operational risk is the loss risk resulting from internal processes, individuals or systems that are not adequate or are defected or from external events. These include legal risk, but exclude business and reputation risk.

The daily management of operational risk is the main responsibility of all departments of the company. the Risk management function manages a consistent application of operational risk management in the entire company. Through our yearly self-evaluation model for operational risks, we aim to provide a strict monitoring and high awareness of these risks.

To abide by the requirements of FSA Regulation no. 4/2018, the risk corresponding to information technology (IT) is treated individually in the operational risks self-evaluation process. The result of the internal evaluation of IT operational risks are annually submitted to FSA.

5. Other risks: credit/counterparty risk, reputational risk, strategic risk, regulatory risk, conflict of interests risk, risk associated to the activities carried out by the company's subsidiaries.

6. Risk of SIF Moldova's assets failure to abide by the legal holding limits

On 31st December 2018, the assets in SIF's portfolio **abide** by the legal prudential limits. Between 01.01.2018 -31.12.2018 there have been no exceeding of the legal prudential limits recorded:

6.1. Securities and monetary market instruments not admitted for trading – the allowed limit according to CNVM/FSA Regulation no. 15/2004, art. 188, letter a) **20%** of total assets (closed shares, closed bonds, depositary receipt).

Asset type	Asset category market value as per FSA regulation no.9/2014 (lei)	Weight of SIF MOLDOVA's total assets(%)
Shares held in closed-end type issuers (including amounts to collect following the withdrawal from closed companies)	206.711.151	11,20
Closed bonds	7.727.238	0,42
TOTAL	214.438.389	11,62

6.2. Securities (shares and bonds) and monetary market instruments (government securities) registered or traded at Stock Exchange Market (on issuer level) – allowed limit as per CNVM/FSA regulation no. 15/2004, art. 188, letter b): **10%** of total assets, limit that can be increased up to a **maximum 40%** provided that the total value of holdings over 10% per issuer does not exceed 80% of total assets.

We note that there is only one holding in this category, exposure on **TLV** issuer (**37,54%**), that **abides by the maximum** holding limit foreseen by CNVM/FSA regulation no. 15/2004, art. 188, line b) which is also closely monitors through daily holding monitoring mechanisms.

a) 6.3. Financial investments issued by entities belonging to the same group – according to CNVM/ASF Regulation no.15/2004, art.188, letter c): **50%** of total assets.

Group name	Market value per asset category as per FSA regulation no. 9/2014 (lei)	Weight in total SIF Moldova assets (%)
BANCA TRANSILVANIA , of which:	726.849.466	39,40
• shares	692.431.103	37,54
• bank deposits	26.691.125	1,45
• bonds	7.727.238	0,42
GLOBINVEST , of which:	69.050.051	3,74
• fund units	69.050.051	3,74
ATLAS ASSET MANAGEMENT , of which:	88.794.831	4,81
• fund units	88.794.831	4,81
STAR ASSET , of which:	18.545.170	1,01
• fund units	18.545.170	1,01

6.4. Financial instruments issued by entities belonging to the group that includes SAI (SIF Moldova) - allowed limit as per CNVM/ASF Regulation no.15/2004, art.188, letter. c): 40% of total assets.

Name	Asset category market value as per FSA regulation no.9/2014 (lei)	Weight of total SIF Moldova assets (%)
AGROINTENS shares	32.860.985	1,78
AGROLAND CAPITAL shares	35.056.500	1,85
ASSET INVEST shares	2.929.100	0,16
CASA shares	10.281.700	0,56
MECANICA CEAHLAU shares	24.268.356	1,32
REGAL shares	6.139.419	0,33
TESATORIILE REUNITE shares	58.000.600	3,14
TOTAL SIF MOLDOVA GROUP	168.536.660	9,14

6.5. Exposure to counterpart risk with derivative financial instruments traded outside regulated markets, according to CNVM/FSA regulation no. 15/2004, art. 188, letter d) – not applicable.

6.6. Current accounts and cash value – allowed limit as per CNVM/FSA regulation no. 15/2004, art. 188, letter e): **10%** of total assets. In the net asset on 31.12.2018 the value of current accounts and cash is 278.235 lei, representing 0,02% of assets value.

6.7. Bank deposits started and held at the same bank- allowed limit according to CNVM/FSA regulation no. 15/2004, art. 188, letter f): **30%** of total assets.

Bank name	Deposit value (FSA regulation no. 9/2014) (lei)	Weight in total SIF Moldova assets (%)
Banca Transilvania	26.691.125	1,45
BRD - GSG	10.937.470	0,59
Unicredit Tiriac Bank	36.856.322	2,00
Total depozite	74.484.917	4,04

6.8. Global exposure to derivative financial instruments – according to CNVM/FSA regulation no. 15/2004, art. 188, letter g) – should not exceed the total value of net assets – **not applicable**

6.9. Holdings in NON-UCITS – allowed limit according to CNVM/ASF Regulation no.15/2004, art. 188, letter h): **50%** of total assets.

NON-UCITS name	Asset category market value (FSA regulation no. 9/2014)(lei)	Weight of total SIF MOLDOVA assets (%)
Fondul Privat Comercial	59.578.925	3,23
FIA Alchemist	41.303.721	2,24
Fond Privat de Investitii Optim Invest	36.342.257	1,97
FII DCP Investitii	27.282.318	1,48
FII Multicapital Invest	15.401.836	0,83
FII Hermes	10.035.885	0,54
TOTAL NON-UCITS (fund units)	189.944.943	10,30

6.10. Exposure obtained through direct and indirect investments in monetary market instruments of the promissory note type – the allowed limit as per FSA norm no. 14/08.11.2013, art.9, letter a): **20%** of total assets.

- *Direct investments* in monetary market instruments similar to promissory notes - *not applicable*.
- *Indirect investments* in monetary market instruments similar to promissory notes(PN) – *not applicable*.

6.11. Exposure in the share capital of the Depozitarul Central – according to Law no. 297/2004 updated, art. 150 line. (1), *shareholders of the central depositary cannot hold more than 5% of vote rights, the exception being market operators that can hold up to 75% of total vote rights, with the approval of CNVM/ASF.*

Issuer name	No. of held shares	Total number of issuer's shares	Holding percentage in the issuer's share capital
Central Depositary (Regisco)	7.396.029	252.919.526	2,92
Sibex Depositary	1.256	44.500	2,82

Note: art. 150 is repealed as per art. 286 Law no. 126/2018 on the date the Central Depositary is re-authorized, according to EU regulation no. 909/2014.

6.12 Exposure in SIFs share capital– according to Law no. 297/28.06.2004-updated, art. 286¹, line (1), *any individual may acquire with any title, or may hold, either alone, or together with individuals its acts in a concentrated manner, shares issued by financial investment companies, resulted from the transformation of public property funds, but no more than 5% of the financial investment companies' share capital.*

Issuer name	No. of shares held	Total number of issuer's shares	Procent detinere in capitalul social al emitentului (%)
SIF Transilvania	108.777.386	2.184.286.664	4,98
SIF Banat Crisana	18.502.502	517.460.724	3,58

6.13. Holding in the share capital of credit institutions– Memorandum of Association of Banca Transilvania forees under art. 11, item b, (b): *“No shareholder may hold 10% or more of the Bank's share capital, unless: (i) it has GMS approval, and (ii) in compliance with all formalities required by law”.*

Issuer name	No. of shares held	Total number of issuer's shares	Holding percentage in the issuer's share capital (%)
Banca Transilvania	345.352.171	4.81n.481.064	7,18

6.14. Abidance by Law no.74/2015, art.2 line (2) – At the end of 2018 the assets managed by SIF Moldova and reported according to “*SIF Moldova's Assets and liabilities statement*” have been of 1.844.750.556 lei. Their value in euro is 395.538.188 and abides by the maximum threshold *max.500.000.000 euro, without the use of leverage effect.*

The leverage effect means any method through which the company increases the exposure of the portfolio it manages either by loaning cash or securities, either through derived financial instruments positions or through any other means. According to the Investment Strategy and Policy, SIF Moldova does not use the leverage effect and has no assets acquired through the use of the leverage effect.

Staff of the Risk Management Department:

1. Sonia Fechet- risk manager, department coordinator (FSA Reg. no. :PFR13²FARA/040050)
2. Elena Rebei – risk manager (FSA Reg. no.:PFR13²FARA/040049)

3 Financial – Accounting statement.

Individual financial statements have been replaced, in compliance with the recognition, measurement and evaluation criteria compliant with IFRS and Norm 39/2015 for the approval of IFRS compliant accounting regulations applicable to all entities authorized, regulated and supervised by FSA, **with the exception of IFRS 10 „Consolidated financial statements” and IAS 27 „Individual Financial Statements”**. For the understanding of Norm 39/2015, International Financial Reporting Standards, hereinafter referred to as IFRS, represent the standards adopted according to the procedure foreseen by (EC) Regulation no. 1606/2002 of the European Parliament and Council of 19th July 2002 regarding the application of international accounting standards with its later amendments and additions.

The presentation of balance elements in the present Report can be, depending on the case, different from the financial statements drafted in compliance with IFRS due to certain requirements connected to different statutory regulations. The present Financial-Accounting Statement succinctly presents the evolution of elements specific for the financial position, Profit or Loss account, namely the statement of cash flows for financial year 2018, in comparison with the last 2 years. A more detailed presentation of these elements can be found in the Individual Financial Statements of the Company drafted in compliance with IFRS for the financial year concluded on 31st December 2018.

3.1 Recognition, measurement and evaluation criteria for the elements in the individual financial statements on 31st December 2018.

Starting on 1st January 2018, SIF MOLDOVA adopted IFRS 9 - „Financial Instruments” from that date on, the assets were classified taking into consideration the Company's business model and its long-term objectives. Thus, the new classification influences, among others, the way in which gain or loss from transactions is reflected, as these are found in the Profit or Loss account and in the Reported Result Account as well.

3.2 Overall result. Management Expenses. Financial position. Cash-flow.

➤ Individual statement of overall result:

(lei)	2016	2017	2018
Revenue			
Revenue from dividends	118.775.487	73.301.258	95.594.508
Revenue from interest	1.216.794	1.148.917	2.427.375
Other revenue from operations	846.767	897.387	1.605.103
Other revenue	2.792.301	4.781.789	3.371.596
Revenue from investment			
Net revenue from asset sale	94.672.066	100.530.811	394.396
Net loss/ net earnings from the re-evaluation of financial assets at fair value through the profit or loss account	(6.504.125)	40.549.007	(16.338.454)
Net revenue from the re-evaluation of real estate investments	240.932	314.328	-
Expenses			
Losses from assets impairment	(46.908.657)	(152.475)	1.485.801
Expenses with the setup of provisions for risks and expenses	(145.628)	901.839	-
Operational expenses	(31.174.094)	(34.737.537)	(33.407.766)
Other operational expenses	(8.820)	(2.219.881)	-
Profit before taxation	133.803.023	185.315.443	55.132.559
Profit tax	(10.505.003)	(20.528.695)	(4.972.610)
Net profit of the financial year	123.298.020	164.786.748	50.159.949
Other overall result elements			
Gain corresponding to the ceding of fair value evaluated assets through other overall result elements, net of tax, recycled in reported result	-	-	43.201.285
Reserve increase/(decrease) from the re-evaluation of tangible assets, net of deferred tax	1.418.212	(297.959)	52.666
Net gain from the re-evaluation of financial assets evaluated at fair value through other elements of overall result/ financial assets available for sale.	251.762.237	125.984.478	12.845.408
Reserve transfer to reported result/profit or loss following the sale of FVTOCI/ASF net of tax	(86.419.557)	(84.313.578)	(43.201.285)
Other overall result elements	166.760.892	41.372.941	12.898.074
Total overall result for the period	290.058.912	206.159.689	63.058.023

SIF Moldova's financial performance for 2018 - Total Net Revenue - exceeded the expectations, while the financial market registered a significant drop. **Gross revenue from dividends of 96 million lei** had the most important ration in total revenues registered by the company in 2018, the main contributors being TLV (43 mil lei), Romgaz (21.5 mil lei), Transgaz (12.5 mil lei). Total net revenue registered in Reported Result has been of 43 million lei and mainly comes from the trading of holdings in Banca Transilvania, OMV Petrom and Iasitex

➤ Management Expenses

The monthly average percentage of management expenses represents 0,08 %, of total assets value

The monthly average of management expenses represents 0,08% of total assets value, being lower than the commissions paid to management companies by investment funds (0.10% - 0.40%). (0,10% - 0,40%).

Management Expenses Structure

Management expenses (lei)	18.766.887
1. Expenses for materials	232.540
2. Expenses for energy and water	274.764
3. Expenses for the staff, of which :	14.431.450
• wage rights – allowances, excluding bonuses	13.995.338
• expenses regarding social insurance and protection	390.116
• professional training expenses	45.996
4. Other administrative expenses	3.828.133

Management expenses include expenses directly connected to the company's carrying out its current activity. In the management expenses the weight is held by *staff expenses* (wages, indemnities, social insurance, professional training), that is 76,90% of management expenses. *Expenses with outsourced services* represent 20,40% of management expenses and mainly include expenses with maintenance and repairs, company monitoring, professional counseling, management of areas and archives, insurance, postal expenses and subscriptions, rents, royalties, concessions, protocol, travels and other expenses. *Expenses with materials, energy and water*, represent 2,70.% of total management expenses volume.

➤ Individual Statement of Financial Position:

(lei)	2016	2017	2018
Assets			
Cash and cash equivalents	931.024	229.547	278.239
Bank deposits	117.794.735	36.387.265	74.536.926
Financial assets at fair value through profit or loss account	128.999.673	204.732.623	341.800.429
Financial assets at fair value through other overall result elements	1.448.569.452	1.611.822.537	1.441.126.064
Investments held to maturity	9.573.804	7.324.894	7.821.978
Real-estate investments	3.505.273	3.505.273	3.505.273
Intangible assets	113.180	21.294	26.723
Tangible assets	8.140.477	8.213.719	8.461.441
Other financial assets at amortized cost	-	7.443.288	8.556.152
Other assets	1.347.293	467.703	192.852
Total assets	1.718.974.911	1.880.148.143	1.886.306.077
Liabilities			
Dividends to pay	29.258.494	33.087.963	34.768.768
Provisions for risks and expenses	3.452.286	2.565.455	2.565.455
Liabilities regarding deferred profit tax	69.089.754	79.144.662	69.143.317
Liabilities regarding current profit tax	-	5.033.350	1.669.219
Financial liabilities	-	1.299.173	12.140.530
Other liabilities	17.082.627	17.409.795	16.540.039
Total liabilities	118.883.161	138.540.398	136.827.328
Equity			
Share capital	539.720.149	539.720.149	526.723.352
Reported result	445.783.128	573.485.823	717.946.800
Reserves from the re-evaluation of tangible assets	9.095.516	8.797.557	8.850.223
Reserves from the re-evaluation of financial assets evaluated at fair value through other overall result elements	616.216.703	657.887.603	524.449.576
Own shares	(10.311.450)	(37.436.693)	(28.598.935)
Other equity elements	(412.296)	(846.694)	107.733
Total equity	1.600.091.750	1.741.607.745	1.749.478.749
Total liabilities and equity	1.718.974.911	1.880.148.143	1.886.306.077

In 2018 we notice an increase of 6 million lei in **Total assets** resulting from the positive evolution of money availabilities balances. At the same time, the company's holdings portfolio called "Majority Holdings" has had a very good performance in 2018, thus contributing to the value increase of the entire financial assets portfolio held by the Company.

Total liabilities registered a decrease by 1,7 million lei resulted mainly from the lowering of the liability balances for the deferred profit tax, and current profit tax respectively.

➤ **Cash-flow statement**

(lei)	2018	2017	2016
Profit before taxation	55.132.559	185.315.443	133.803.023
Adjustments:			
Re-runs from financial assets impairment	-	152.475	46.908.657
Net gain/loss corresponding to financial assets at fair value through the profit or loss account	16.200.763	(40.549.007)	6.745.057
Adjustments corresponding to FVTOCI financial assets	-	(112.781.368)	(92.945.016)
Revenue from dividends	(95.594.508)	(73.301.258)	(118.775.487)
Revenue from interest	(2.427.375)	(1.148.917)	(561.049)
Expenses/(re-runs) from risks and expenses provisions	265.687	886.831	145.628
Re-runs of other provisions	(3.167.058)	5.312.282	(3.025)
Net gain from currency exchange rate	(509.403)	-	
Other adjustments	(43.068)	881.204	985.345
Modifications of assets and liabilities connected to the operating activity			
Purchase of financial assets at fair value through the profit or loss account	(97.112.529)	(50.640.148)	(24.320.318)
Sale of financial assets at fair value through the profit or loss account	34.055.942	16.214.403	785.091
Purchase of financial assets at fair value through other elements of overall result / available for sale	(110.492.026)	(201.768.318)	(166.534.478)
Sale of financial assets at fair value through other elements of overall result / available for sale	216.131.853	202.376.604	168.262.363
Collection of investments held to maturity	11.760	2.223.764	10.048.864
Modifications of other assets	5.698.629	(6.300.402)	10.602.384
Modifications of other liabilities	2.367.976	(3.681.306)	(1.749.260)
Collected dividends	91.157.618	69.918.050	113.094.833
Collected interest	2.325.626	1.213.436	517.113
Paid profit tax	(17.308.289)	(13.282.880)	(7.659.368)
Net cash resulted from operating activities	96.694.159	(18.959.112)	79.350.356
Investment activities			
Payments for tangible assets purchase	(1.002.403)	(1.235.695)	(368.106)
Collection from the sale of real estate assets and investments	256.705	-	
Net cash used in investment activities	(745.698)	(1.235.695)	(368.106)
Financing activities			
Paid dividends	(37.468.348)	(34.354.499)	(35.712.324)
Own bought-back shares	(20.281.759)	(27.559.641)	(6.100.333)
Net cash used in financing activities	(57.750.108)	(61.914.140)	(41.812.658)
Net increase of cash and cash equivalents	38.198.353	(82.108.947)	37.169.593
Cash and cash equivalents on January 1st	36.616.812	118.725.759	81.556.166
Cash and cash equivalents on December 31st	74.815.165	36.616.812	118.725.759

The total net variation of cash flows has been 38 million lei in 2018. The very good evolution of the cash flow statement in 2018 is due to the efficient strategy regarding the monitoring and careful management of the Company's cash flow.

3.3**Performance Indicators**

	2016	2017	2018
Current liquidity indicator	6,89	5,17	6,70
Debits - clients turnover	2	6	2,29
Non-current assets turnover	0,16	0,14	0,06
Result per basic share (lei/share)	0,119	0,159	0,092

Specifications:

Current liquidity indicator = current assets / current liabilities

Debits-clients turnover = average balance liabilities/turnover x no. of the days of the reporting period

Non-current assets turnover = revenue from current activity / non-current assets

Result per basic share (lei/share) = net profit/number of shares

3.4**2018 Budget achievement degree**

	Forecast 2018	Achieved 2018	R/P (%)
Total revenue	103.335.525	118.100.990	14
Financial revenue	92.170.981	103.469.443	12
• revenue from financial investments (dividends)	88.722.162	95.594.508	8
• revenue from receivables (bank interest + bonds)	800.000	2.432.758	204
• revenue from ceded financial investments	233.504	-	-
• other financial revenue	2.415.315	5.442.177	18
Revenue from current activity	11.164.544	14.631.547	31
• revenue from rents and connected activities	800.000	833.159	4
• revenue from provisions	10.064.544	10.343.467	3
• other revenue from current activity	300.000	3.454.921	1052
Total expenses	46.966.258	62.207.834	-32
Financial expenses	1.000.000	17.262.228	-1626
• expenses for transaction fees	1.000.000	429.404	57
Expenses of current activity	45.966.258	44.945.606	2
Gross profit	56.369.267	55.893.156	-1
Taxable profit	2.788.013	10.126.638	263
Profit tax	4.574.298	5.733.206	-25
Net profit	51.794.969	50.159.949	-3

With respect to budgetary figures, total revenue has had a positive variation of **14%** based on the registration of significantly larger revenues from dividends (6.9 million lei) and following the increase of revenue from bank interests (1,6 million lei).

Expenses from current activity were lower by **2%** than the planned ones, mainly due to the expenses with managers' wages and indemnities, that have been lower by 2,7 million than estimated in the budgetary forecast.

Due to the major decrease of financial market, the company registered financial expenses of 16 million lei, mainly from the negative fair value differences corresponding to the fund units registered through the Profit or Loss account during 2018.

3.4.**Company's Tangible Assets****The location and characteristics of the main tangible assets**

On 31st December 2018, SIF Moldova held in its patrimony tangible assets to run its activity, with a gross value of 11,3 mil lei, that is a net value of 8,4 mil lei, with the following details:

Fixed means categories	Value (lei)	
	Gross	Net
Lands	563.193	563.193
Buildings	8.413.351	7.616.443
Technical equipment, of which:	2.268.567	256.549
• technological equipment	1.570.874	202.405
• transportation means	697.693	54.144
Other fixed means	146.775	25.256
TOTAL	11.391.886	8.461.441

The company has re-evaluated the lands and buildings held on 31st December 2016 and it is to re-evaluate them on 31st December 2019.

The main tangible assets held by the company are buildings. The company currently has a number of 5 buildings in its property, with the following locations:

ASSET	Address	Description
Headquarters	str. Pictor Aman nr. 94 C, Bacau	building U + GF + 3 floors
Bucharest	str. Unirii, Splai nr.6, 4 th District	block GF + M
Bucharest	str. Nerva Traian, nr. 12, bloc 1437, 3 rd District Bucharest	block GF
Iasi	str. Grigore Ureche, nr. 3, bloc Gh. Sontu, Iasi	block GF
Vaslui	str. Miron Costin nr.8	building

Potential problems connected to the ownership right on tangible assets

The land corresponding to the Vaslui headquarters is used by SIF Moldova and the land exceeding the built area has been returned to its former owner based on Law 10/2001 and is the object of legal endeavors to obtain an access path. For the Vaslui headquarters, property of SIF Moldova, we have setup impairment adjustments, so that it is presented in financial statements with zero value.

4

SIF 2 Share Market

No. of shares 31.12.2018: 101.317.917,6 lei
 Number of shares 31.12.2018: 1.013.179.176
 Nominal value: 0,1 lei
 Capitalization: 31.12.2018: 1.223.920.445 lei
 (262 mil euro)
 Price: 1,20 lei, EPS: 0,16 lei, PER: 7,5;
 DIVY: 4,2%; 52 m: 1,05 lei; 52 M: 1,63 lei

Market on which SIF 2 share is traded: Bucharest Stock Exchange. Category *Premium* starting on 01.11.1999.

The shares and shareholders records are held according to the law by SC Depozitarul Central SA.

SIF2 share evolution between 01.01.2018 – 31.12.2018



Yields: SIF 2 share, NAV SIF 2, BET-FI

Yields 31.12. 2018 (%)	SIF 2 share	BET-FI	NAV SIF2
1 month	-5,63	-5,45	-10,06
3 months	-0,17	-5,61	-8,79
6 months	-12,46	-8,09	-5,36
12 months	-14,33	-12,63	-3,14

Note: The historical price series and historic NAV taken into consideration for the calculation of the rate of return/risk indicators are adjusted with the corporate events of the issuers.

Risk analysis (1Y. daily series): SIF 2 shares/ BET-FI

Indicator	SIF2 share	BET-FI
volatility (%)**	27,41	14,40
Beta**	1,42	1

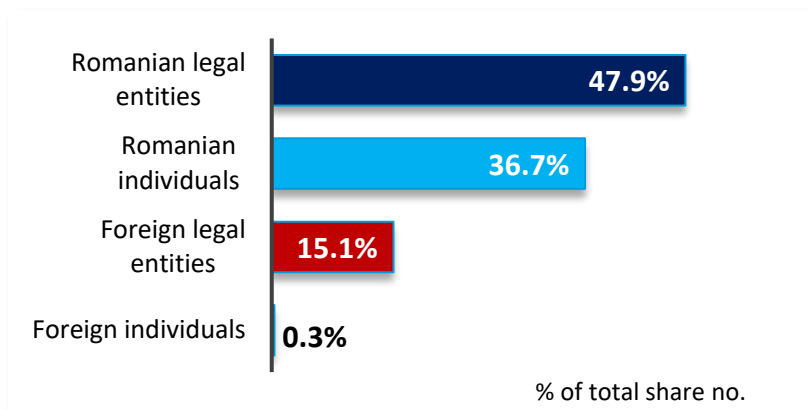
* volatility (12M) = annualized volatility

** Beta = price sensitivity to market movements

4.1. Dividend Policy.

Shareholding structure on 28th February 2019.

Total shareholders: 5,75 million



Dividend payment

Dividend payments on 28 th February 2019	2015 dividend	2016 dividend	2017 dividend
	0,0450 lei/act	0,0440 lei/act	0,0500 lei/act
Total dividends to pay (lei)	46.250.883	43.875.980	49.555.697
Total paid (lei)	35.572.157	33.103.227	36.614.983
% payment	76,91	75,45	73,89

According to GMS resolutions of 27.04.2018, dividends for 2017, worth 0,05 lei/share have been provided with the outstanding dividends of 2015 and 2016 starting on 02.10.2018 (payment date), for shareholders that were entered in the Shareholders' Register on 12.09.2018, registration date.

4.2. Purchase of own shares.

According to EGMS resolution no. 2 of 03.08.2017 on 01.02.2018 we have reduced the share capital with a number of 25 mil shares purchased through the Share buy-back program approved by EGMS on 04.04.2017. Following the reduction of the share capital, SIF Moldova's holding of own shares has been of 1,58% of the lowered share capital (103.817.917,60 lei).

On 10.04.2018 there has been the transfer of a number of 4,934,763 shares to the managers and employees (SOP) according to the buy-back programs approved by EGMS resolutions 4/01.04.2015 and 8/25.04.2016. The number of shares held by SIF Moldova following the transfer operations has been 1,09% of share capital (103.817.917,60 lei).

Between 20.06.2018 – 10.07.2018 we have run the Public Purchase Offer (PPO) for SIF2 shares according to EGMS SIF Moldova resolution no. 2/27.04.2018 and FSA approval no. 726/13.06.2018, the offer targeted a number of 11.000.000 shares, at a price of 1,828 lei/share. The assignment index has been 0,0845347586. After the closing of PPO, the percentage held by SIF Moldova is 2,1778% of share capital (103.817.917,60 lei).

The objectives of PPO have been the lowering of net asset and trading price discount, the increase of unitary asset, of the quotation and liquidity of the share on the market, with the effect of increasing price per share. The purpose of PPO has been to reduce the share capital through the annulment of the shares bought-back.

5

Company Management

5.1. List of directors

5.1.1. CV (name, forename, age, qualification, professional experience, position and seniority)

No	Name forename	Age	Qualification	Professional experience	Current position in SIF Moldova	Seniority position
1	Ceocea Costel	62	Higher Education <ul style="list-style-type: none"> • PhD in the field of industrial engineering, with doctorate thesis "Risk in Management Activity" • MBA – Business Management and Administration. • Economist – major: Industry, constructions and Transports Economy Specializations Capital market: <ul style="list-style-type: none"> • Investment consultant • Business manager • SC evaluator • SC liquidator • Purchase manager • Head accountant • Project management • Internal control 	<ul style="list-style-type: none"> • President CEO SIF Moldova (2009-2017) • Manager of Banca Transilvania • University lecturer – Vasile Alecsandri University Bacau 	President of the Board of Directors (non-executive manager)	Board member 2001-present
2	Radu Octavian Claudiu	57	<ul style="list-style-type: none"> • FernUniversitaet Hagen – Betriebswirtschaftlehre • Bachelor's Degree - Bachelor of Economics – Academy of Economic studies Bucharest – Faculty of Commerce 	<ul style="list-style-type: none"> • Business Consultant • Marketing • Management 	Vice-president of the Board of Directors, President of the Audit Committee (non-executive, independent manager)	Board member 2013 - present
3	Doros Liviu Claudiu	49	Higher education <ul style="list-style-type: none"> • MBA – Business Management and Administration • Economist. major in services economy. Specialization: capital market • investment consultant • Analyst Specialist in trading technique and strategies • Agent for financial investment services • Project management • Internal control 	<ul style="list-style-type: none"> • Economist • Broker • Management SC • Consultancy 	<p>executive manager</p> <p>General manager president of the Management Committee</p>	Board member 2006-present
4	Iancu Catalin – Jianu- Dan	42	<ul style="list-style-type: none"> • Graduation certificate Stanford University. Graduate School of Business • MBA in management. Rotterdam School of Management • Bachelor degree - Bachelor of Economics – Academy of Economic Studies Bucharest – Faculty of Economic Studies in foreign language 	<ul style="list-style-type: none"> • Training courses at Morgan Stanley. Standard Bank. Barclays Capital • Management "OTP Management Academy • Investment management. Capital markets consultant • Member of the Association of Romanian Financial Markets 	<p>Executive manager</p> <p>Deputy CEO Member of the Management committee</p>	Board member 2013 - present
5	Ciorcila Horia	55	Cluj Napoca Polytechnic Institute, Faculty of Electronics, Major Automation and Computers	<ul style="list-style-type: none"> • BD President – Banca Transilvania • BD Member BT Asset Management SAI 	<p>Independent non-executive manager</p> <p>President of the Appointing – Remuneration Committee</p>	Board member 2013-present

Approval of SIF Moldova's management structure

The members of the Board of Directors presented above, have been approved by OGMS no. 8.1./04.04.2017, for the 2017 – 2021 mandate and approved by (Approval no.400/13.07.2017).
(Current Report 13.07.2017)

The consultative committees of the Board of Directors

(Current Report 10.05.2017)

- **Appointing – Remuneration Committee** is comprised of 3 members, namely:
 1. Horia Ciorcila – President – non-executive and independent manager;
 2. Octavian Claudiu Radu – member – non-executive and independent manager;
 3. Costel Ceoceca – member – non-executive manager.
- **Audit Committee** is comprised of 3 members, namely:
 1. Octavian Claudiu Radu – President - non-executive and independent manager;
 2. Horia Ciorcila – member - non-executive and independent manager;
 3. Costel Ceoceca – member – non-executive manager.

The non –executive manager quality for the members of the consultative committees and independent managers for their president makes sure that the conditions foreseen by SIF Moldova's Corporate Governance Code, aligned with the requirements of Bucharest Stock Exchange are met.

5.1.2. Any agreement, understanding or family connection between that particular manager and another individual due to whom that individual has been appointed manager- not the case.

1.1.3. Director's participation to the company's share capital (direct and indirect holdings on 31.12.2018)

No.	Name	Forename	Shares held on 31.12.2018	% share capital
1	Ceoceca	Costel	1.024.901	0,10
2	Doros	Liviu Claudiu	5,757,227	0,57
3	Iancu	Catalin Jianu Dan	1.381.979	0,14
4	Radu	Octavian Claudiu	0	0
5	Ciorcila	Horia	1.004.569	0,10

5.1.4. List of the company's affiliated individuals. SIF Moldova Group – detailed presentation under chapter 1.2.2.

5.2. List of executive members

Members of SIF Moldova's management: Doros Liviu Claudiu – CEO, Iancu Catalin Jianu Dan – deputy CEO - FSA approval no. 401/13.07.2017.

5.2.1. Term for which that individual is part of executive management

The managers of the companies have concluded management contracts up to the end of 2017-2021 mandate in the form approved by OGMS resolution 8/04.04.2017.

5.2.2. Any agreement, understanding or family connection between that individual and another individual due to whom that individual has been appointed as member of the executive management – *not the case*.

5.2.3. Participation of that individual to the company's capital – see the list presented under item 10.1.3.

5.3. For all individuals presented at 10.1 and 10.2 the mention regarding possible litigations or administrative procedures in which they have been involved over the last 5 years, regarding their activity with the issuer as well as those regarding the ability of that individual to fulfill his attributions within the issuer – *not the case*

5.4. Evaluation of individuals in the management structure

According to the "Evaluation Policy for individuals in the management structure and individuals covering key positions within SIF Moldova" ([www.sifm.ro/despre noi](http://www.sifm.ro/despre_noi)) and statutory provisions, the Board of Directors has made the annual evaluation of its Board and Committees' efficiency, as well as of its

managers performance, based on the criteria set for the monitoring of the executive management and company's activity results. The President of the Board of Directors and the Board as a whole ascertained that the way in which the Board carries out its activity insures that its responsibilities are met.

The consultative committees, responsible for the carrying out of investigations and drafting of recommendations for the Council, in fields such as audit (*Audit Committee*), remuneration of staff (managers, directors, employees) or appointing of candidates for various management positions (*Appointing-Remuneration Committee*), submitted the Board recommendations for each meeting, for the issues in their competence area (see: *Corporate Governance Code of SIF Moldova*) and half-yearly presented reports on their activity.

6

Human Resource Management

On the executive level, special attention is paid to human resources in order to insure the continuity of the professional training programs, in order to maintain the expertise gained over several specialization years. The staff working in the field of: investment analysis, internal control, evaluation, audit, accounting was included in the continuous training program. The staff is periodically evaluated both from the performance and specific knowledge perspective. The amount assigned for 2018 for professional training and participation to conferences/seminaries has been of 70.893 lei.

On 31.12.2018 the number of employees was 34. The optimization process for the organizational structure is a dynamic one, the selection procedure for certain position in the organizational chart being currently running.

The offering of the option to purchase SIF2 shares to the managers, directors and employees of the company, as part of the 2017 Benefit Plan, according to the company's Remuneration Policy (current report on 07.05.2018).

Following OGMS resolution no. 2/27.04.2018 to approve the individual financial statements (IFRS) for 2017 financial year, accompanied by the report of the financial auditor, and in compliance with the *Remuneration Policy*, the Board of Directors approved the "Stock Option Plan", as part of the "2017 Benefit Plan" comprised of cash and shares.

Shares have been offered according to the "Stock Option Plan". The shares that are object of this plan have been bought-back by SIF Moldova according to the programs approved through EGMS resolutions no. 4/01.04.2015 and no. 4/25.04.2016. The vesting (share transfer) will be made at the time the conditions in the "Stock Option Plan" are met and each beneficiary exercises his/her option, following the completion of the 12 months' term from the signing of the "Agreement to offer shares" but no later than 15 months after the signing date.

In compliance with the *Remuneration Policy* we offered for 2018 as well the option to purchase SIF2 shares to the managers, directors and employees of the company, as part of the *Benefits Plan*. We note that the managers and employees mainly opted to purchase SIF2 shares, which confirms their trust in the positive evolution of SIF Moldova and implicitly of SIF2 share.

7

Internal Audit

The internal audit position is separate and independent from other positions and activities of SIF Moldova. The Internal Audit Department is subordinate to the Board of Directors.

FSA certified internal auditors: Virginia Sofian,

Internal Audit is an independent activity for objective insurance and counseling destined to add value and improve the company's operations. It helps the company reach its objectives through a systematic and methodical approach and improves the efficiency of the risk management, control and governance processes.

The internal audit activity is carried out by the internal audit department.

Internal audit is subordinate to the Board of Directors and from the administrative point of view it is subordinate to the CEO. Through its positioning in the organizational chart direct aces and activity report on the level of the Audit Committee and the Board of Directors are insured, as well as the independence required to carry out the internal audit activity, for the purpose of objectively evaluating the process/operations and the drafting of recommendations for its improvement.

Internal auditors report to directors, Audit Committee and the Board of Directors regarding the purpose, authority and responsibility of the internal audit activity, as well as regarding the degree of audit plan fulfillment.

Internal audit position:

- ✓ sets, implements and maintains an audit plan for the examination and evaluation of the proper nature and efficiency of systems, internal control mechanisms and SIF Moldova's procedures.
- ✓ issues recommendations based on the results of the activities carried out
- ✓ verifies the compliance with issued recommendations
- ✓ reports aspects connected to internal audit.

Internal audit activity is carried out according to the procedures drawn up for activity guidance. The procedures have been updated according to the International Standards for the Professional Practice of Internal Audit.

Internal audit is carried out in compliance with the audit plan based on the documented risk evaluation, so as to set the internal audit activity priorities. The audit plan is in compliance with the company's objectives.

The internal audit activities plan and necessary resources are approved by the Audit Committee and approved by the Board of Directors. At the same time, significant modifications occurred at a later date, are also presented for approval. The audit plan is revised and adapted, if necessary, as an answer to the changes in business, risks, operations, programs systems and controls of the company.

For each internal audit mission, a plan is drawn up to include the objectives of the mission, coverage, calendar and resource assignment. The objectives are set for each mission, in order to identify the risks associated to the reviewed activity. The risks are evaluated and the objectives of the mission reflect the results of this evaluation. In order to fulfill the mission objectives, work programs are drawn up and documented.

The internal audit position directly reports to the Audit Committee, its ascertainments and suggestions to significantly improve internal controls.

Internal audit is carried out under the following forms :

- compliance (regularity) audit – that has the objective of verifying the compliance with the laws, regulations, policies and procedures applicable;
- performance (operational) audit – that has the objective of verifying the quality and adequate nature of systems and procedures, critical analysis of organizational structure, the evaluation of method adequacy, resources and achievement of results in relation to the objectives set;
- corporate governance system audit- has the objective of evaluating the way in which the management position is exercised in order to reach company objectives.
- financial audit – has the objective of verifying the accuracy of the accounting records and financial reports.

The internal audit missions run in 2018 targeted:

- ✓ completion of the mission regarding SIF MOLDOVA's internal control system, partially run in 2017
- ✓ distribution and payment of dividends to SIF MOLDOVA shareholders
- ✓ individual assets evaluation activity
- ✓ activities for investments and management of Majority Holdings portfolio, which include the activity of SIF Moldova's subsidiaries
- ✓ analysis of the updating principles for system, operational and work procedures of SIF Moldova
- ✓ strategic and annual planning of the internal audit activity
- ✓ monitoring the progress registered in the implementation of audit recommendations
- ✓ analysis of management expenses for 2017, in comparison to the activity field
- ✓ meeting the requirements to run the "stock option plan"
- ✓ analysis of the objectives, responsibilities and documentation of the internal control system of SIF Moldova
- ✓ verification of certain compliance aspects, at the request of the Board of Directors or managers
- ✓ participation to the committees/ work groups appointed by the Board of Directors or directors for the implementation of some projects/ carrying out of some activities.

Following the insurance missions run, internal audit has presented recommendations to improve the processes and the audited structures have drafted action plans to implement them.

There have been no cases of accepting a level of residual risk assessed as unacceptable for the company.

The objectives and purpose of the engagement, opinions/conclusions of internal auditors, recommendations and measures plan for the implementation of recommendations proposed or applied during the audit activity have been included in the internal audit reports that have been submitted to the Audit Committee and the Board of Directors.

Reports include the significant risks and control and management aspects, as well as other issues requested by the Board of Directors, Audit Committee or directors.

Based on the conclusions and recommendations submitted by internal audit, the executive management of SIF Moldova ordered the proper measures to manage the identified risks.

Internal auditors follow the progresses registered in the implementation of recommendations and report to the management regarding the abidance by the terms set for implementation. At the same time, internal auditors monitor the setting of measures by the audited structures to finish recommendation implementation.

No situations were identified where the management decided not to take any measure to reduce the risks considered unacceptable for the company.

8

Compliance

SIF Moldova sets up and maintains a permanent and efficient compliance verification function that is independent and has the following responsibilities:

- a) monitors and periodically evaluates the proper nature and efficiency of the measures, policies and procedures set in compliance with regulations in force and the actions taken to remove deficiencies related to the company's abidance by its obligations.
- b) regularly monitors and verifies the application of legal provisions applicable to SIF Moldova's activity, internal regulations and procedures and acts according to its competencies to prevent them and suggest measures to remedy any law infringement case, infringement of capital market regulation or internal procedure of SIF Moldova by SIF Moldova or its employees, follows the implementation of suggestions and recommendations;
- c) counsels and assists relevant responsible individuals for the carrying out of activities and abidance of SIF Moldova by the obligations it has based on incidental capital market law.

The internal control activity has been carried out mainly through **permanent control**, with a **pro-active** nature, exercised through the supervision and constant monitoring of activities in the internal control area, for the purpose of preventing the occurrence of legal and internal non-compliance, to increase the efficiency of the internal control function.

The main activities of the Compliance Department for 2018 are specific for SIF Moldova's activity as AIFM (certificate no.20/23.01.2018), defined by art.51 Law 74/2015 and are approved by the Board of Directors in the 2018 Annual Investigation Plan.

These activities consisted mainly in the verification of the abidance by:

1. the conditions that laid at the base of **the authorization/approval and the functioning requirements foreseen by art. 2, 4 and 6-10 Law 74/2015** (SIF Moldova's certification as AIFM –FSA certificate.20/23.01.2018) **and later modifications**:
 - a) *the procedures regarding the organizational structure and administrative, accounting requirements and control and protection devices in the field of electronic data protection, as well as proper internal control mechanisms (July 2018).*
 - b) *The policies and procedures for assets evaluation and calculation of NAV; Rules and procedures for the evaluation of SIF Moldova's assets (alignment of the evaluation rules to the provisions of Regulation 2/2018) (July 2018).*
 - c) *remuneration policies and practices for the staff categories whose professional activities have a significant impact on its risk profile (September 2018)*

Conclusions: no non-compliances identified

- ✓ modification suggestions have been endorsed from the point of view of the abidance by capital market legislation and internal regulations.
 - ✓ BD has been informed regarding the effects of AIFM authorization and connected authorizations on its activity and internal regulations (authorizations no. 20,21,22,23/23.01.2018, approval no.21/23.01.2018).
2. **Prudential rules** foreseen by art. 12 Law 74/2015 – *no non-compliances identified.*
 3. **Remuneration policies** foreseen by art. 13 Law 74/2015 – *the abidance by the remuneration policy on the group level, including within the balance GMS in the subsidiaries has been verified.*
Conclusion: no non-compliances identified; BD was submitted reports regarding:
 - ✓ "Verification report for the abidance by the "Remuneration policies and practices for the staff categories whose professional activities have a significant impact on its risk profile". The evaluation guide for the performance and efficiency of the management structure, annexto the "Evaluation policies and procedures for individuals in the management structure of individuals covering key-positions in SIF Moldova"
 - ✓ " Counseling note regarding relevant aspects foreseen by the capital market legislation to define variable remuneration policies for companies in SIF portfolio implementing investment projects" that laid at the base of the suggestions to complete the policies for certain unregulated situations, that have been FSA notified (September 2018)

4. The provisions of art. 14 Law 74/2015 regarding the identification, prevention, management and monitoring of situations mentioned under art. 30-37 of Regulation EU no. 231/2013 generating **conflicts of interest**.
Conclusion: potential conflict of interest situations, corresponding to the conflict of interest types identified in SIF Moldova/SIF Moldova's Group activity, have been managed according to the set rules (e.g. abstain to participate to debates/cast votes by certain managers in the case of certain items on the agendas of BD meetings), and no conflicts have been identified.
5. Provisions of art. 18 Law 74/2015, line (1), (3)-(9), (11) and (12) regarding the **Evaluation of AIF assets**.
Conclusion : no infringements of legal provisions have been identified.
 - ✓ The net monthly asset has been approved, including the verification of the evaluation method for SIF's assets;
 - ✓ The modification of the evaluation rules has been approved, to align them to the provisions of Regulation 2/2018 (July 2018).
6. The provisions of art. 19 Law 74/2015, on **the assignment of management activities for the collective portfolio or risk management** – not the case.
7. The provisions of art. 20 Law 74/2015, line (1)-(11) regarding the **agreement between the depositary and AIFM** – not the case.
8. The **transparency and reporting** obligation foreseen by art. 21 and 23 namely those for transparency foreseen by art. 22 Law 74/2015.
Conclusion: prior complete verification – no non-compliances ascertained.
 - ✓ All mandatory reports and public releases, in compliance with the good practices instituted through its own Corporate Governance Code, have been approved from the point of view of abiding by the legal deadline and reporting contents; the website www.sifm.ro is constantly updated in the Romanian and English language, once public information is released.
9. Obligations of AIFM following the **gaining of control over unlisted companies and certain issuers** foreseen by art. 25-29 Law 74/2015.
Conclusion: prior complete verification – no non-compliances identified.
 - ✓ The subsidiaries were submitted the conflict of interest prevention policy and internal and external communication policy of the company, especially regarding employees; notifications were sent to FSA regarding the modification of holding thresholds; information was included in the annual report (individual and consolidated) as well as in the quarterly and half-yearly reports (individual and consolidated) of SIF Moldova regarding the activity of subsidiaries.
10. Abidance by EU regulations (MAD, MAR) on **market abuse** (privileged information, personal transactions).
Conclusion: No infringement of legal provisions identified
BD was submitted reports regarding:
 - ✓ Verification of the application of market abuse law.
 - ✓ The report "Verification of the abidance by the authorization/interdiction to trade for individuals who have access to privileged information and management individuals, in connection to the Public Purchase Offer for SIF2 shares, approved by FSA decision no. 726/13.06.2018 (no.717/21.06.2018), priory approved by the Audit Committee.
 - ✓ Internal control report "Abidance by the capital market regulations and internal rules and regulations concerning privileged information".
11. **Management of petitions regarding the activity of SIF Moldova on the capital market** – Reports as per FSA regulation no. 9/2015 have been made; no petition registered during the year.
12. Abidance by legal and internal provisions regarding the organization and running of **SIF Moldova GMS on 27.04.2018**, the abidance by these obligations being certified.
Conclusion: Full verifcaiton - no non-compliances identified

Board was submitted reports regarding:

- ✓ “SIF Moldova’s abidance by legal and internal regulations regarding the preparation of EGMS and OGMS a on 27/28.04.2018”.
 - ✓ Notification regading the impact of the share capital reduction operation, according to EGMS no. 2 /03.08.2017 .
13. **Obtaining FSA authorizations/decisions; Notifications to FSA** – full verification and endorsement of documents for:
- ✓ SIF Moldova certification as AIFM - certificate no.20/23.01.2018
 - ✓ Authorization of individuals holding key positions in SIF Moldova – risk manager and compliance officer (as per Regulation 14/2015) – approvals no.21,22,23,24/23.01.2018.
 - ✓ Modification of the Memorandum of Association (share capital reduction, amendment of the activity object with “risk management”, remuneration limits for the management structure, assignment of representation right) – approvals no.19/17.01.2018; no.21/23.01.2018, 176/14.06.2018.
 - ✓ Approval of the modification of SIF Moldova Group’s members- certificate no.2/23.01.2018 and certificate no. 23/22.10.2018.
14. **Method of abiding by internal procedures** – Verification of the abidance by internal procedures regarded mainly:
- ✓ internal compliance endorsement for all investment notes, work procedures, job descriptions, from the point of view of the abidance / reflection of legal provisions and internal regulations.
 - ✓ endorsement of contracts with capital market institution, unlisted shares sale contracts, contracts with SIF Moldova’s subsidiaries.
 - ✓ endorsement of the resolutions of the Board of Directors or Management Committee from the point of view of the abidance by capital market regulations and internal regulations; reports presented to BD regarding the implementation status of BD and MC resolutions on a half-yearly and quarterly basis.
- Conclusion: prior full verification – no non-compliances identified.*
15. **Compliance of the investing of managed assets with capital market regulations, internal rules and procedures and memorandum of association**
BD was submitted reports regarding:
- ✓ “Verification of the meeting of compliance verifications for the investments made by SIF Moldova in subsidiaries between 01.01-30.09.2018.”
 - ✓ Verification and analysis of the compliance framework intra-group to insure the abidance by legal provisions and internal regulations of the company – mother to subsidiaries.
- No infringements of the legal provisions or internal regulations were identified.*
16. Abidance by the internal procedures regarding:
- a) **“The prevention and fight against money laundering and terrorism financing”**-full prior verification of closed companied sale contracts
 - b) **„Supervision of the application of international sanctions on the capital market”**-notifications sent to the management structure, employees.
17. **Notification to SIF Moldova, the management structure and employees regarding the legal regimen applicable to the capital market, including regarding draft norms presented for public debate.**

Staff of the Compliance Department:

1. Michaela Puscas- compliance officer, department coordinator (FSA reg. no.:PFR13¹RCCO/04003)
2. Catalin Nicolaescu – compliance officer (FSA reg. no.: PFR13¹RCCO/04004)

The detailed responsibilities of each individual employed in the department are set. When one of the individuals is not present, his/her attributions and responsibilities are automatically taken on by the other authorized individual.

9

Legal assistance, consultancy and representation activity.

The legal department contributed through the activity carried out, to the strategy adopted for litigations and the objectives set for transactions inside and outside the court, providing dedicated assistance and support.

9.1. Litigations

The legal assistance and representation activity run in 2018, focused on the **submission of the necessary defenses in the 245 litigations registered in the specific records**, of these **a number of 116 litigations having received a final solution**. For each individual litigation, we have thought and drafted the documents and defenses necessary to protect SIF Moldova's interests.

A large part of files on the docket at the end of 2018 have been solved amiably, through legal transactions and/or, depending on the case, the mediation agreements entered with issuers such as Iașitex, Alimentara SA, Favil S.A., with the effect of the amiable solving of litigations, collection of the value of held shares and recovery by SIF Moldova of certain costs, such as legal and stamp costs borne and/or defense expenses.

The files with object: claims represent an important component of the litigations where SIF MOLDOVA acts as plaintiff, for these we continue the endeavors to obtain our claims from AAAS, and other debtors as well. We have submitted new enforcement requests against AAAS for the recovery of the legal expenses that our company bears for the defense, for the files where this institution challenges the enforcement without grounds or justification.

In the procedures inside or outside the court with object obtaining claims from various debtors, where legal assistance and counsel was offered, SIF MOLDOVA collected the amount of 5.241.478 lei, as follows:

- ✓ the amount of 2.848.958 lei corresponding to the legal transaction concluded by our company with Textila Oltul S.A. and corresponding addenda.
- ✓ the amount of 2.392.529 lei corresponding to the litigations against Galgros S.A., AAAS București, Alimentara SA, Favil S.A., Comat S.A., Dyonisos S.A.

In the files where our company acts as respondent, we have obtained favorable solutions in files with object claims and/or various objects, as well as those regarding the request to offer legal expenses separately, resolution to replace authentic document, and others.

At the end of 2018, the number of files with object enforcement challenge against AAAS reduced significantly, given the minimal success rate that this institution had against SIF MOLDOVA. The solutions of Courts for these files are mainly in favor of SIF MOLDOVA, with the consequence of binding AAAS to pay the legal expenses incurred for these litigations. Thus the enforcement challenges with a total value of 14.666.853 lei were solved.

The summary of litigations status is as follows (detailed in Annex 3):

Litigations where SIF Moldova is plaintiff:

- ✓ 150 files of which: 104 files are litigations in various trial stages (of which 77 files are against AAAS) and 46 files are finalized: 61.616.878 lei (claims and insolvency procedure).
- ✓ The value of litigations with final solutions: 12.638.396 lei.

Litigation where SIF Moldova is respondent:

- ✓ 95 files of which: 25 files are litigations in various trial stages and 70 are finalized.
- ✓ The value of litigations on the docket of courts: 1.257.880 lei in files with various claims; 3.053.638 lei – enforcement challenges in 14 files against AAAS Bucharest.

9.2. Legal Assistance and Consultancy

- At the end of 2018, in the department's records there is a large number of legality approvals – namely 1450 approvals – issued for contracts, addenda, decisions, setup /cease of garnishment, etc.
- The legal consultancy activity includes the following relevant operations:
 - ✓ legal assistance and consultancy in the “City Ring” real-estate project;
 - ✓ legal assistance and consultancy regarding the insurance of the withdrawal right from S.A, with the consequence of entering a mediation agreement and cease of litigations with this issuer, regarding the payment of the amount of 1.474.600 lei;
 - ✓ legal assistance and consultancy regarding the insurance of the right to withdraw from UPSS S.A, with the consequence of entering an agreement regarding the payment of the amount of 663.982 lei;
 - ✓ legal assistance and consultancy regarding the transaction concluded with Iasitex S.A on all its components: purchase of land, cease of litigation, sale of shares held by SIF MOLDOVA.
 - ✓ stress on SIF MOLDOVA – companies in the SIF MOLDOVA Group relationship, the service insuring the endorsement of GMS representation for the companies where SIF MOLDOVA has majority holdings;
 - ✓ legal consultancy regarding the cession of shares in Alimentara SA., Hotel Sport S.A., Hyperion S.A.

10

Corporate Governance

10.1. Corporate Governance Code.

- ✓ **SIF Moldova's Corporate Governance Code** aligned to the provisions of *FSA Reg. no. 2/2016 on the application of corporate governance principles by entities authorized, regulated and supervised by FSA.*
- ✓ **SIF Moldova's Corporate Governance Code** will abide by all 41 principles stipulated in the BVB Corporate Governance Code.

The annual managers' report is accompanied by:

- ✓ **Statement regarding the application of corporate governance principles** in compliance with *FSA Reg. no. 2/2016 on the application of corporate governance principles by entities authorized, regulated and supervised by FSA.*
- ✓ **Statement regarding the abidance by the corporate governance principles** stipulated in the *Corporate Governance Code of Bucharest Stock Exchange.*

The listed documents are posted on the following site: www.sifm.ro

10.2. Investor Relations

Connected information in
**SIF Moldova's Corporate
Governance Code**

Chapter.1.1.1..General Meeting of
Shareholders
Chapter.8. Shareholders' Rights

Note – details regarding each category of
reports made in the reporting period are
found in Annex 4.

In the reporting period **the transparency, information and reporting obligations requirements**, have been met through press releases, publication of mandatory reporting and a vast correspondence with the shareholders. The shareholders / investors were provided with additional information, some of periodical nature (monthly newsletter), designed so as to insure daily updates on the company's performance.

In compliance with the "Corporate Governance Code", periodical and continuous relevant information have been disseminated at the same time, both in Romanian and English language. An important part of the relationship with the shareholders is the direct communication activity: written correspondence (letters, emails); phone communication.

10.3. SIF Moldova's certification as Alternative Investment Fund Manager (AFIM); subsequent certifications.

SIF Moldova completed in 2018 the complex evaluation program run by FSA, in agreement with regulations applicable to AFIA, a process that targeted the authorization of SIF Moldova as an alternative investment fund manager (AIFM) and the evaluation and certification of individuals with key positions (management, risk management, compliance officer).:

1. *FSA certificate no. 20/23.01.2018* – certification of SIF Moldova as alternative investment fund manager (AIFM);
2. *FSA approval.21/23.01.2018* – approval of the modifications of the Memorandum of Association of SIF Moldova, according to the resolution of the Extraordinary General Meeting of Shareholders no.. 5, 6 / 25.04.2016 (mainly, the completion of the activity object with "risk management");
3. *Authorizations for individuals holding key-positions:*
 - ✓ risk management - Rebei Elena; Fechet Sonia Vasilica (no. 21, 22/23.01.2018)
 - ✓ compliance officer -Puscas Michaela; Nicolaescu George-Catalin (no. 23, 24/23.01.2018)

From this point of view, we think SIF Moldova has entered a new stage of organizational development, aligned to the European standards applicable in the investment funds industry, and the successful

completion of the certification process represents an additional guarantee regarding the management of SIF Moldova's assets.

(Current report on 25.01.2018)

Following AIFM certification, the Work rules and procedures of SIF Moldova are those foreseen under art. 13-19 Law no. 74/2015, namely:

1. Remuneration policies and practices for the staff categories whose professional activities have a significant impact on its risk profile; Policies and procedures for the evaluation of individuals in the management structure and individuals with key positions within SIF Moldova (art.13);
2. Policy regarding the prevention and management of conflicts of interest and personal transactions (art. 14) ;
3. Risk management policy in SIF Moldova; Risk profile of SIF Moldova (art. 15) ;
4. Policy for liquidities management (art. 16) ;
5. Procedures regarding the organizational structure and administrative, accounting requirements, control and protection in the field of electronic data processing, as well as proper internal control mechanisms; Organizational Chart (art.17) ;
6. Policies and procedure for the evaluation of assets and calculation of net asset value per share (NAV); Rules and procedures for the evaluation of SIF Moldova's assets (art. 18);
7. Procedures regarding the assignment of activities carried out by SIF Moldova (art. 19);
8. SIF Moldova's investment strategy and policy.

Public documents displayed on www.sifm.ro/despre noi/ AIFM rules and procedures in this period

1. SIF Moldova's Memorandum of Association- FSA approval no..21/23.01.2018; FSA approval no. 176/14.06.2018
2. SIF Moldova's organization chart- 23.01.2018; rev.1 - 26.07.2018
3. Policy regarding the prevention and management of conflicts of interest - 23.01.2018
4. Information regarding the solving of petitions -23.01.2018
5. Rules and procedures for the evaluation of SFI Moldova's assets: 23.01.2018; rev.1 - 23.07.2018 (alignment to the provisions of Regulation 2/2018).

10.4. Approval of the modification of "SIF Moldova SA's Memorandum of Association" - FSA has approved the modifications of "SIF Moldova's memorandum of association", following the lowering of the share capital from 103.817.917,60 lei to 101.317.917,60 lei, in compliance with EGMS resolution no. 2/03.08.2017. *(Current report on 18.01.2018)*

10.4.1. Share capital lowering – Securities Registration Certificate - FSA issued the Securities Registration Certificate no. AC-418-3/31.01.2018 corresponding to the lowering of the company's share capital. The share capital of the company has been lowered from 103.817.917,60 lei to 101.317.917,60 lei, divided in 1.013.179.176 shares with a nominal value of 0,10 lei, following the annulment of a number of 25.000.000 own shares purchased by the company in compliance with EGMS SIF Moldova no. 2 /03.08.2017. The lowering of the share capital has been entered in the Trade Register, Central Depositary Bucharest and Bucharest Stock Exchange. *(Current report on 01.02.2018)*

10.5. Certification of the current members of " SIF Moldova Group" – FSA certificate no.. 23/22.10.2018 on the current members of "SIF Moldova Group" that includes 7 subsidiaries. The modification occurred following the full sale of the share package in Hotel Sport Cluj SA (99,99% of share capital), according to Current Report on 21.09.2018. SIF Moldova has been registered as a "Group" through FSA decision no. 352/02.03.2015. *(Current Report on 23.10.2018)*

10.6. SIF Moldova processes the personal data to which it has access in accordance with the European Regulation no. 679/2016 (the "Regulation") on the protection of individuals with regard to the processing of personal data and on the free movement of such data.

SIF Moldova ensures compliance with all the principles provided by Regulation no. 2016/679 on the processing of personal data to which the Company has access. The Processing of Personal Data is carried

out by automated and manual means, in compliance with the legal requirements and under the conditions that ensure the security, confidentiality and respect for the rights of the persons involved.

10.7. Ensuring business continuity is done by implementing and applying the Continuity Plan, the half-yearly evaluation and its periodic testing, according to the requirements of the ASF Regulation no. 2/2016 and ASF Norm no. 4/2018.

10.8 Social responsibility – According to the Corporate Governance Code, SIF Moldova permanently carries out activities regarding social responsibility supporting each year supporting, through specialized foundations/associations various projects in the following fields: education, culture, medicine, sports, social – on a national and international level. The amount assigned for such projects in 2018 has been 435.212 lei.

11 Events after the reporting date

✓ *Insurance report of the financial auditor – H2 2018 (Current report on 31.01.2019)*

In compliance with the provisions of art. 82 Law 24/2017 and art.144 FSA regulation no.5/2018, the Insurance report of financial auditor Deloitte regarding the abidance by the legal framework for the contracts entered by company between 01.07.2018 - 31.12.2018 with subsidiaries ASSET INVEST SA and CASA SA was published. The report completed the Insurance Report of Financial Auditor Deloitte, published on 21st September 2018. .

Annexes:

1. Annex 1 Net asset statement on 31.12.2018
 - Annex 1.1. SIF Moldova Assets and liabilities Statement (FSA Regulation no. 15/2004 - A16)
 - Annex 1.2. Statement of assets and details statement of SIF Moldova's investments (FSA Regulation no. 15/2004 - A17)
2. Annex 2 Individual Financial Statements on 31.12.2018 IFRS
3. Annex 3 Litigation Statement on 31.12.2018
4. Annex 4 2018 BSE and FSA Reports
5. Annex 5 Statement regarding the application of corporate governance principles – in compliance with FSA Regulation no. 2/2016
6. Annex 6 Statement regarding the application of corporate governance principles - in compliance with BSE CGC

2018 Activity Report of the Board corresponding to the individual financial statements has been approved in the Board meeting on March 13, 2019.

Costel Ceocea
President of the Board

Claudiu Doros
CEO

Decebal Dumitrescu
CFO

Michaela Puscas
Compliance Officer

In accordance ASF Regulation no 9/2014

STATEMENT OF ASSETS AND LIABILITIES OF SIF MOLDOVA

Date of calculation 31/12/2018 - Monthly, balanta IFRS 1

		LEI	% total assets
1	NON-CURRENT ASSETS OF WHICH:	419.655.079,18	22,749
1.1	Intangible assets	26.723,00	0,001
1.2	Tangible assets	11.966.715,00	0,649
1.3	Financial assets, of which:	407.661.641,18	22,098
1.3.1	Listed shares, of which:	4.621.673,52	0,251
1.3.1.1	shares listed but never traded	0,00	0,000
1.3.1.2	shares listed but never traded in the last 30 days	4.621.673,52	0,251
1.3.2	Unlisted shares (closed), of witch:	205.163.583,80	11,121
1.3.2.1	Unlisted shares (closed)	203.626.278,97	11,038
1.3.2.2	untraded SICAR shares	1.537.304,83	0,083
1.3.3	Government securities	0,00	0,000
1.3.4	Certificates of deposit	0,00	0,000
1.3.5	Bank deposits	0,00	0,000
1.3.6	Unlisted bonds, of which:	7.727.238,18	0,419
1.3.6.1	Municipal bonds	0,00	0,000
1.3.6.2	Corporate bonds	7.727.238,18	0,419
1.3.7	Listed but never traded in the last 30 trading days, of which:	94.743,64	0,005
1.3.7.1	Municipal bonds	94.743,64	0,005
1.3.7.2	Corporate bonds	0,00	0,000
1.3.8	Newly issued securities	0,00	0,000
1.3.9	UCITS and non-UCITS equity securities	189.944.943,04	10,297
1.3.9.1	Not-traded fund units (non-UCITS)	189.944.943,04	10,297
1.3.9.2	Not-traded shares (non-UCITS)	0,00	0,000
1.3.9.3	ETF	0,00	0,000
1.3.10	Total other financial assets, of which:	109.459,00	0,006
1.3.10.1	Loans granted to group entities, associated entities and jointly controlled entities	0,00	0,000

		LEI	% total assets
1.3.10.2	Other financial assets (bail + guarantees administrators)	109.459,00	0,006
2	CURRENT ASSETS, OF WHICH:	1.424.911.218,51	77,241
2.1	Inventories	4.179,00	0,000
2.2	Claims, of which:	6.948.221,00	0,377
2.2.1.	Trade bills receivable	0,00	0,000
2.2.2.	Other claims	6.948.221,00	0,377
2.3	Cash availability	278.234,82	0,015
2.3.1	amounts in current accounts and in the financial investments services company accounts	278.234,82	0,015
2.3.2	amounts under settlement	0,00	0,000
2.3.3	amounts in transit	0,00	0,000
2.4	Short-term financial investments, of which:	1.341.648.099,13	72,728
2.4.1	Listed shares, of which:	1.257.728.491,04	68,179
2.4.1.1	listed on BVB	1.191.117.785,24	64,568
2.4.1.2	listed on foreign markets	0,00	0,000
2.4.1.3	listed on ATS	66.610.705,80	3,611
2.4.2	Unlisted shares (unlisted but traded on BVB)	0,00	0,000
2.4.3	Traded bonds, of which:	0,00	0,000
2.4.3.1	Municipal bonds	0,00	0,000
2.4.3.2	Corporate bonds	0,00	0,000
2.4.4	UCITS and non-UCITS equity securities	83.919.608,09	4,549
2.4.4.1	Traded fund units (non-UCITS)	0,00	0,000
2.4.4.2	Non-traded fund units (UCITS)	22.787.366,02	1,235
2.4.4.3	Traded shares (non-UCITS)	61.132.242,07	3,314
2.4.4.4	ETF	0,00	0,000
2.4.5	Dividends or other receivables, of which:	0,00	0,000
2.4.5.1	Preference/allocation rights	0,00	0,000
2.4.5.2	dividends due from listed issuers	0,00	0,000
2.4.5.3	bonus shares	0,00	0,000
2.4.5.4	shares distributed with cash contribution	0,00	0,000
2.4.5.5	amounts due from capital decreases	0,00	0,000
2.5	Newly issued securities	0,00	0,000
2.6	Government securities	0,00	0,000
2.7	Bank deposits	74.484.917,12	4,038
2.8	Certificates of deposit	0,00	0,000

		LEI	% total assets
2.9	Other assets	1.547.567,44	0,084
2.9.1	Amounts to be cashed as a result of withdrawal from companies	1.547.567,44	0,084
2.9.2	Other current assets	0,00	0,000
3	DERIVATIVES	0,00	0,000
4	ACCRUED EXPENSES	184.258,00	0,010
5	TOTAL ASSETS	1.844.750.555,69	100,000
6	TOTAL LIABILITIES, of which:	118.928.905,00	
6.1	Loans from bond issue	0,00	
6.2	Amounts due to credit institutions	0,00	
6.3	Advance payments received from clients	0,00	
6.4	Trade creditors	715.518,00	
6.5	Trade bills payable	0,00	
6.6	Amounts due to group entities	1.380.000,00	
6.7	Amounts due to associated entities and jointly controlled entities	9.320.000,00	
6.8	Other liabilities, of which:	107.513.387,00	
6.8.1	Dividends due to the shareholders	34.768.768,00	
6.8.2	Amounts subscribed and not paid to the share capital increases of the issuers	0,00	
6.8.3	Other debts	72.744.619,00	
6.9	Debts from financial leasing operations	0,00	
6.10	Debts resulting from derivative operations	0,00	
7	PROVISIONS FOR LIABILITIES AND EXPENSES	17.193.758,00	
8	DEFERRED INCOME, of which:	6.376,00	
8.1	Subventions for investments	0,00	
8.2	Deferred Income	6.376,00	
8.3	Deferred income related to the assets received by transfer from clients	0,00	
9	EQUITY CAPITAL, of which:	1.724.428.665,00	
9.1	Share capital	101.317.918,00	
9.2	Premiums related to capital	0,00	
9.3	Revaluation differences	9.713.543,00	
9.4	Reserves	762.052.642,00	
9.5	Reported result	328.943.712,00	
9.6	Result of the year	45.677.236,00	
9.7	Profit distribution	0,00	

		LEI	% total assets
9.8	Own shares	28.491.201,00	
9.9	Reported result due to the adoption of IAS 29 for the first time	423.209.502,00	
9.10	Share capital adjustments	425.405.435,00	
9.11	Other equity elements	503.018.882,00	
10	TOTAL LIABILITIES	1.860.557.704,00	
11	NET ASSETS	1.725.815.274,69	
12	NUMBER OF ISSUED OUTSTANDING SHARES *	991.113.939	
13	NET ASSET VALUE PER SHARE	1,7413	
14	NUMBER OF COMPANIES IN THE PORTFOLIO, of which:	64	
14.1	Companies admitted to trading on a regulated market	14	
14.2	Companies admitted to trading on an alternative trading system	18	
14.3	Not admitted companies to trading (closed companies)	32	
15	Companies for which no financial information was collected	1	

* According to article 123 paragraph (3) of FSA Regulation 9/2014, regarding the NAV/share calculation, this position represents: 'The number of issued outstanding shares at that date, excluding the own shares bought back by the company'

Prepared
SIF MOLDOVA

CEO
Claudiu DOROS

CFO
Decebal DUMITRESCU

Assets Assessment Office
Gabriela PETER

Compliance Officer
Catalin NICOLAESCU

Depository Certification
BRD – Groupe Societe Generale

Securities Department
Manager, Claudia IONESCU

Certified, Gabriela-Roxana VORONCA

ANNEX – according to Article 122 paragraph (8) of ASF Regulation no. 9/2014

SIF Moldova portfolio assets which were assessed by valuation methods in accordance with International Valuation Standards, on 31.12.2018

No	Issuer	Fiscal Code	Symbol	Number of shares held	No/Evaluation Report date	Value	
						RON / share	total
Shares listed and not traded in the last 30 trading days							
1	MARTENS GALATI	1627270	MABE	72.203	875 / 31.07.2018	4,7796	345.100,00
2	SPIT BUCOVINA SUCEAVA	728129	SPTU	1.162.275	1521 / 31.12.2018	1,1804	1.372.000,00
3	TRANSTEC TECUCI	1632935	TRCS	286.699	1522 / 31.12.2018	1,1303	324.067,00
Unlisted shares (closed)							
1	AGROINTENS SA BUCURESTI	33857839		2.612.161	1101 / 05.10.2018	12,5800	32.860.985,38
2	AGROLAND CAPITAL SA BACAU	33857820		3.812.000	1530 / 31.12.2018	8,9340	34.056.500,00
3	ALIMENCO PASCANI	6101101		53.857	1443 / 18.12.2018	25,6977	1.384.000,00
4	ALIMENTARA CLUJ NAPOCA	199192		5.910.898	350 / 30.03.2018	0,7104	4.199.272,21
5	ASSET INVEST BACAU Bacau	32267040		38.330.420	1524 / 31.12.2018	0,0764	2.929.100,00
6	BUCOVINA-TEX RADAUTI	2692358		77.820	1523 / 31.12.2018	18,0433	1.404.130,00
7	CASA SA BACAU BACAU	8376788		4.658.462	1525 / 31.12.2018	2,2071	10.281.700,00
8	DYONISOS COTESTI	7467373		772.824	773 / 05.07.2018	0,6220	480.700,00
9	EXIMBANK BUCURESTI	361560		414.740	1442 / 18.12.2018	6,9607	2.886.900,00
10	HUMOREANCA GURA HUMORULUI	736075		11.320	1044 / 19.09.2018	34,1078	386.100,00
11	PARTMEN BACAU	11334812		75.748	388 / 21.02.2017	17,5467	1.329.126,00
12	RULMENTI BIRLAD	2808089		2.408.645	1527 / 31.12.2018	1,7372	4.184.280,00
13	STRAULESTI LAC ALFA S.A. BUCURESTI	36160878		3.880.307	843 / 20.07.2018	9,9938	38.779.000,00
14	TESATORIILE REUNITE BUCURESTI	425818		10.833.277	874 / 31.07.2018	5,3539	58.000.600,00
15	VASCAR VASLUI	829522		327.591	1481 / 29.09.2017	6,2767	2.056.200,00

Prepared
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Depository Certification
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Securities Department
Manager, Claudia IONESCU

Certified, Gabriela-Roxana VORONCA

The assets of SIF Moldova in compliance with ASF Regulation no 9/2014 - Annex 17
Date: 31/12/2018 - Monthly

Item	Currency	The beginning of the reporting period (29/12/2017)				The end of the reporting period (31/12/2018)				Differences
		% of the net assets	% of the total assets	Currency	LEI	% of the net assets	% of the total assets	Currency	LEI	
A. Grand total assets	RON	106,678	100,000	0,00	1.912.414.945,73	106,892	100,000	0,00	1.844.750.555,69	-67.664.390,04
I. Total assets	RON	106,122	99,478	0,00	1.902.437.283,85	106,279	99,427	0,00	1.834.183.609,59	-68.253.674,26
	EUR	0,556	0,521	2.138.116,77	9.962.982,71	0,611	0,571	2.259.950,60	10.540.183,61	577.200,90
	USD	0,001	0,001	3.772,11	14.679,17	0,002	0,001	6.569,74	26.762,49	12.083,32
1. Securities and money market instruments, of which:	RON	74,711	70,034	0,00	1.339.345.015,96	73,151	68,434	0,00	1.262.444.908,20	-76.900.107,76
1.1. securities and money market instruments admitted or traded on a Romanian regulated market, of which:	RON	74,711	70,034	0,00	1.339.345.015,96	73,151	68,434	0,00	1.262.444.908,20	-76.900.107,76
1.1.1. shares and similar securities (mentioning each category)	RON	74,705	70,029	0,00	1.339.238.890,79	73,145	68,429	0,00	1.262.350.164,56	-76.888.726,23
1.1.1.a. admitted on BVB	RON	67,746	63,505	0,00	1.214.475.400,93	69,018	64,568	0,00	1.191.117.785,24	-23.357.615,69
1.1.1.b. preference/allocation rights	RON			0,00				0,00		0,00
1.1.1.b.1. not traded	RON			0,00				0,00		0,00
1.1.1.b.2. traded	RON			0,00				0,00		0,00
1.1.1.c. unlisted but traded through BVB system	RON			0,00				0,00		0,00
1.1.1.d. admitted but never traded	RON			0,00				0,00		0,00
1.1.1.e. admitted but not traded in the last 30 days	RON	1,023	0,959	0,00	18.332.638,61	0,268	0,251	0,00	4.621.673,52	-13.710.965,09
1.1.1.f. listed on BVB - in litigation	RON			0,00				0,00		0,00
1.1.1.g. admitted on ATS	RON	5,937	5,565	0,00	106.430.851,25	3,860	3,611	0,00	66.610.705,80	-39.820.145,45
1.1.2. bonds (by categories of issuers)	RON	0,006	0,006	0,00	106.125,17	0,005	0,005	0,00	94.743,64	-11.381,53
1.1.2.a. municipal bonds	RON	0,006	0,006	0,00	106.125,17	0,005	0,005	0,00	94.743,64	-11.381,53
1.1.2.b. localities bonds	RON			0,00				0,00		0,00

Item	Currency	The beginning of the reporting period (29/12/2017)				The end of the reporting period (31/12/2018)				Differences
		% of the net assets	% of the total assets	Currency	LEI	% of the net assets	% of the total assets	Currency	LEI	LEI
1.1.2.c. corporate bonds	RON			0,00				0,00		0,00
1.1.2.d. government bonds	RON			0,00				0,00		0,00
1.1.3. other receivables (by issuer type and issuer category)	RON			0,00				0,00		0,00
1.1.4. other securities	RON			0,00				0,00		0,00
1.1.5. money market instruments (by categories);	RON			0,00				0,00		0,00
1.1.5.a. government securities	RON			0,00				0,00		0,00
1.2. securities and money market instruments admitted or traded on a regulated market, within a member state	RON			0,00				0,00		0,00
1.3. securities and money market instruments admitted in the official quotation of a stock market, within a non-member state, or negotiated on another regulated market within a non-member state	RON			0,00				0,00		0,00
2. newly issued securities	RON			0,00				0,00		0,00
3. other securities and money market instruments, mentioned in art. 187, paragraph a), of which:	RON	8,779	8,230	0,00	157.385.153,73	11,799	11,038	0,00	203.626.278,97	46.241.125,24
	EUR	0,505	0,473	1.941.992,85	9.049.104,07	0,537	0,502	1.986.436,89	9.264.543,01	215.438,94
3.1. securities (by categories and types of issuers)	RON	8,779	8,230	0,00	157.385.153,73	11,799	11,038	0,00	203.626.278,97	46.241.125,24
	EUR	0,505	0,473	1.941.992,85	9.049.104,07	0,537	0,502	1.986.436,89	9.264.543,01	215.438,94
3.1.1. Shares	RON	8,779	8,230	0,00	157.385.153,73	11,799	11,038	0,00	203.626.278,97	46.241.125,24
	EUR	0,074	0,070	285.724,11	1.331.388,62	0,089	0,083	329.617,88	1.537.304,83	205.916,21
3.1.2. Bonds	RON			0,00				0,00		0,00
	EUR	0,431	0,404	1.656.268,74	7.717.715,45	0,448	0,419	1.656.819,01	7.727.238,18	9.522,73
3.1.2.a. corporate bonds	RON			0,00				0,00		0,00
	EUR	0,431	0,404	1.656.268,74	7.717.715,45	0,448	0,419	1.656.819,01	7.727.238,18	9.522,73
3.1.2.b. municipal bonds	RON			0,00				0,00		0,00
3.1.2.c. localities bonds	RON			0,00				0,00		0,00
3.1.2.d. government bonds	RON			0,00				0,00		0,00
3.2. money market instruments (by categories)	RON			0,00				0,00		0,00
3.2.1. certificates of deposit	RON			0,00				0,00		0,00
4. Bank deposits, of which:	RON	1,978	1,854	0,00	35.454.253,18	4,245	3,971	0,00	73.255.974,10	37.801.720,92
	EUR	0,049	0,046	188.516,18	878.428,85	0,071	0,067	263.501,15	1.228.943,02	350.514,17

Item	Currency	The beginning of the reporting period (29/12/2017)				The end of the reporting period (31/12/2018)				Differences
		% of the net assets	% of the total assets	Currency	LEI	% of the net assets	% of the total assets	Currency	LEI	
4.1. bank deposits in Romanian credit institutions;	RON	1,978	1,854	0,00	35.454.253,18	4,245	3,971	0,00	73.255.974,10	37.801.720,92
	EUR	0,049	0,046	188.516,18	878.428,85	0,071	0,067	263.501,15	1.228.943,02	350.514,17
4.2. bank deposits in member state credit institutions;	RON			0,00				0,00		0,00
4.3. bank deposits in non-member state credit institutions;	RON			0,00				0,00		0,00
5. Derivatives traded on a regulated market:	RON			0,00				0,00		0,00
5.1. Derivatives traded on a Romanian regulated market, by categories;	RON			0,00				0,00		0,00
5.1.1. Futures	RON			0,00				0,00		0,00
5.1.2. Options	RON			0,00				0,00		0,00
5.2. Derivatives traded on a member state regulated market, by categories	RON			0,00				0,00		0,00
5.3. Derivatives traded on a non-member state regulated market, by categories	RON			0,00				0,00		0,00
5.4. Derivatives traded outside the regulated markets, by categories	RON			0,00				0,00		0,00
6. Cash and current accounts	RON	0,010	0,009	0,00	176.783,02	0,012	0,011	0,00	204.774,75	27.991,73
	EUR	0,002	0,002	7.607,74	35.449,79	0,003	0,003	10.012,56	46.697,58	11.247,79
	USD	0,001	0,001	3.772,11	14.679,17	0,002	0,001	6.569,74	26.762,49	12.083,32
7. Money market instruments, others than those traded on a regulated market, in accordance with art. 101 (1) letter g) of Law 297/2004.	RON			0,00				0,00		0,00
8. UCITS and non UCITS equity securities, of which:	RON	19,544	18,321	0,00	350.370.133,95	15,869	14,846	0,00	273.864.551,13	-76.505.582,82
8.1. UCITS securities	RON	2,419	2,268	0,00	43.370.634,71	1,320	1,235	0,00	22.787.366,02	-20.583.268,69
8.1.1. Fund units	RON	2,419	2,268	0,00	43.370.634,71	1,320	1,235	0,00	22.787.366,02	-20.583.268,69
8.1.2. ETFs	RON			0,00				0,00		0,00
8.2. non UCITS securities	RON	17,125	16,053	0,00	306.999.499,24	14,548	13,610	0,00	251.077.185,11	-55.922.314,13
8.2.1. Shares / Fund units	RON	17,125	16,053	0,00	306.999.499,24	14,548	13,610	0,00	251.077.185,11	-55.922.314,13
8.2.2. ETFs	RON			0,00				0,00		0,00
9. Other assets (amounts in transit, receivables from distributors, brokerage houses, tangible and intangible assets, claims, etc)	RON	1,099	1,030	0,00	19.705.944,01	1,204	1,127	0,00	20.787.122,44	1.081.178,43

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SIF MOLDOVA

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Depository Certification
BRD – Groupe Societe Generale

Securities Department
Manager, Claudia IONESCU

Certified, Gabriela-Roxana VORONCA

DETAILED STATEMENT OF INVESTMENTS

Securities admitted or traded on a Romanian regulated market

Date: 31/12/2018 Monthly

No	Issuer	Symbol	Last trading session	Owned shares	Nominal value / share	Market value / share	Total value	Percentage in the share capital of the issuer	Percentage in the total assets of SIF	Percentage in the net assets of SIF
1	2	3	4	5	6	7	8 = 5 * 7	9	10	11
ADMITTED COMPANIES TO ATS										
1	CEPROHART	CPHA	20.12.2018	84.385	2,5000	8,0000	675.080,00	30,252	0,037	0,039
2	FAM	FAMZ	31.12.2018	108.237	6,3000	2,5000	270.592,50	23,356	0,015	0,016
3	LACTATE NATURA	INBO	07.12.2018	147.847	2,5000	1,2000	177.416,40	5,986	0,010	0,010
4	NORD S.A. Bucuresti	NORD	31.12.2018	1.660.348	2,5000	7,1000	11.788.470,80	18,139	0,639	0,683
5	PROFESSIONAL IMO PARTNERS S.A.	PPLI	31.12.2018	24.307.608	1,0000	1,8000	43.753.694,40	31,420	2,372	2,535
6	REGAL	REGL	29.11.2018	1.116.258	0,1000	5,5000	6.139.419,00	93,022	0,333	0,356
7	SANTIERUL NAVAL CONSTANTA	SNC	24.12.2018	1.300.836	2,5000	1,4000	1.821.170,40	2,001	0,099	0,106
8	STOFE	STOF	28.12.2018	322.224	2,5000	1,1800	380.224,32	16,226	0,021	0,022
9	TRANSILANA	TRSK	31.12.2018	7.352.083	0,1000	0,0600	441.124,98	15,080	0,024	0,026
10	URB RULMENTI	URUL	17.12.2018	1.790.020	2,5000	0,6500	1.163.513,00	15,874	0,063	0,067
TOTAL ADMITTED COMPANIES TO ATS							66.610.705,80		3,611	3,860
ADMITTED COMPANIES TO BVB										
1	AEROSTAR	ARS	31.12.2018	22.919.887	0,3200	4,8500	111.161.451,95	15,051	6,026	6,441
2	ALRO S.A.	ALR	31.12.2018	3.333.333	0,5000	3,0800	10.266.665,64	0,467	0,557	0,595
3	BANCA TRANSILVANIA	TLV	31.12.2018	345.352.171	1,0000	2,0050	692.431.102,86	7,176	37,535	40,122
4	BIOFARM	BIO	31.12.2018	133.333.545	0,1000	0,3250	43.333.402,13	13,531	2,349	2,511

No	Issuer	Symbol	Last trading session	Owned shares	Nominal value / share	Market value / share	Total value	Percentage in the share capital of the issuer	Percentage in the total assets of SIF	Percentage in the net assets of SIF
1	2	3	4	5	6	7	8 = 5 * 7	9	10	11
5	BURSA DE VALORI BUCURESTI	BVB	31.12.2018	348.256	10,0000	21,0000	7.313.376,00	4,327	0,396	0,424
6	CASA DE BUCOVINA CLUB DE MUNTE	BCM	31.12.2018	10.304.334	0,1000	0,0715	736.759,88	6,158	0,040	0,043
7	COMPA	CMP	31.12.2018	7.405.361	0,1000	0,8800	6.516.717,68	3,384	0,353	0,378
8	DIGI COMMUNICATION N.V.	DIGI	31.12.2018	75.000	0,0100	25,6000	1.920.000,00	0,011	0,104	0,111
9	MECANICA CEAHLAU	MECF	27.12.2018	175.857.653	0,1000	0,1380	24.268.356,11	73,302	1,316	1,406
10	OMV PETROM	SNP	31.12.2018	385.809.115	0,1000	0,2990	115.356.925,39	0,681	6,253	6,684
11	SNGN ROMGAZ SA	SNG	31.12.2018	3.275.402	1,0000	27,8000	91.056.175,60	0,850	4,936	5,276
12	SNTGN TRANSGAZ	TGN	31.12.2018	274.547	10,0000	316,0000	86.756.852,00	2,332	4,703	5,027
TOTAL ADMITTED COMPANIES TO BVB							1.191.117.785,24		64,568	69,018
ADMITTED BUT NOT TRADED COMPANIES IN THE LAST 30 DAYS										
1	ADMET	ADMY	25.04.2018	125.400	2,5000	9,9208	1.244.066,48	23,842	0,067	0,072
2	ARMAX GAZ	ARAX	30.06.2017	157.778	10,0000	0,0000	0,00	2,569	0,000	0,000
3	ATLAS GALATI	ATLK	13.01.2014	17.036.782	0,1000	0,0000	0,00	33,995	0,000	0,000
4	ELEROM	ELER	20.08.2018	23.357	13,0000	51,5214	1.203.385,03	8,930	0,065	0,070
5	MARTENS	MABE	27.09.2018	72.203	2,5000	4,7796	345.100,00	7,743	0,019	0,020
6	SPIT BUCOVINA	SPTU	20.12.2017	1.162.275	1,0000	1,1804	1.372.000,00	19,547	0,074	0,079
7	TRANSTEC	TRCS	24.03.2017	286.699	2,5000	1,1303	324.067,00	41,031	0,018	0,019
8	VITIMAS	VITK	12.11.2018	10.497	2,5000	12,6755	133.055,01	1,477	0,007	0,008
TOTAL ADMITTED BUT NOT TRADED COMPANIES IN THE LAST 30 DAYS							4.621.673,52		0,251	0,268
TOTAL ADMITTED COMPANIES										
				30			1.262.350.164,56		68,429	73,145

Preemptive rights traded										
No	Issuer	Symbol	Last trading session	No of rights held	Nominal value / share	Market value / share	Total value	Percentage in the total assets of SIF	Percentage in the net assets of SIF	

1	2	3	4	5	6	7	8 = 5 * 7	9	10
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Preemptive rights which have not been traded							
No	Issuer	No of rights held	Nominal value / share	Theoretical value of the preemptive right	Total theoretical value	Percentage in the total assets of SIF Moldova	Percentage in the net assets of SIF Moldova
1	2	3	4	5	6 = 3 * 5	7	8
1	IASITEX	611.269	10,2400	0,0000	0,00	0,000	0,000
TOTALDREPTURI DE PREFERINTA NETRANZACTIONATE					0,00	0,000	0,000

Virtual shares										
No	Issuer	Symbol	Last trading session	Source	No of shares	Nominal value / share	Market value / share	Total value	Percentage in the total assets of SIF	Percentage in the net assets of SIF
1	2	3	4	5	6	7	8	9 = 6 * 8	10	11

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DETAILED STATEMENT OF INVESTMENTS

Instruments mentioned in Article 187, point a)

Date: 31/12/2018 Monthly

No.	Issue	No of shares held	Date of acquisition	Average price of acquisition	Nominal value/share	Share value	Total value	Total value (RON)	Percentage in the share capital of the issuer	Percentage in the total assets of SIF	Percentage in the net assets of SIF
1	2	3	4	5	6	7	8	9	10	11	12
CLOSED COMPANIES											
	EUR										
1	CATALYST ROMANIA SCA SICAR AA	259,000	31.12.2012	4.481,0232	1.000,0000	1.272,6559	329.617,88	1.537.304,83	2,183	0,083	0,089
	TOTAL EUR						329.617,88	1.537.304,83	2,18	0,083	0,089
	RON										
2	AGRICOLA INTERNATIONAL BC	6.639.150,000	2000	0,1000	0,1000	0,5372	3.566.724,92	3.566.724,92	1,990	0,193	0,207
3	AGROCOMPLEX BIRLAD VS	67.343,000	1993	2,5000	2,5000	0,0000	0,00	0,00	7,188	0,000	0,000
4	AGROINTENS SA B1	2.612.161,000	20.12.2016	10,0000	10,0000	12,5800	32.860.985,38	32.860.985,38	100,000	1,781	1,904
5	AGROLAND CAPITAL SA BC	3.812.000,000	20.12.2016	10,0000	10,0000	8,9340	34.056.500,00	34.056.500,00	100,000	1,846	1,973
6	ALIMENCO IS	53.857,000	1994	2,5000	2,5000	25,6977	1.384.000,00	1.384.000,00	28,465	0,075	0,080
7	ALIMENTARA CJ	5.910.898,000	2004	0,0000	0,1000	0,7104	4.199.272,21	4.199.272,21	10,376	0,228	0,243
8	ASSET INVEST BACAU BC	38.330.420,000	24.10.2013	0,1000	0,1000	0,0764	2.929.100,00	2.929.100,00	99,997	0,159	0,170
9	ATLAS BRAILA BR	22.337,000	1993	2,5000	2,5000	23,0997	515.978,77	515.978,77	14,985	0,028	0,030
10	BRIKSTON CONSTRUCTION SOLUTIONS(CERAMICA IS	225,000	2005	0,9626	0,5000	0,9270	208,56	208,56	0,000	0,000	0,000
11	BUCOVINA VEHICLES SA SV	2,000	31.05.2012	20.000,0000	20.000,0000	19.998,7991	39.997,60	39.997,60	0,009	0,002	0,002
12	BUCOVINA-TEX SV	77.820,000	1993	2,5000	2,5000	18,0433	1.404.130,00	1.404.130,00	28,488	0,076	0,081

13	BUMBACARIA ROMANEASCA IF	597.125,000	1993	1,0000	1,0000	0,0000	0,00	0,00	48,686	0,000	0,000
14	CASA ROMANA DE COMPENSATIE SB	852.039,000	2006	1,1990	0,1000	0,0000	0,00	0,00	7,879	0,000	0,000
15	CASA SA BACAU BC	4.658.462,000	1999	2,5212	2,5000	2,2071	10.281.700,00	10.281.700,00	99,319	0,557	0,596
16	CONFECTIA TG.JIU GJ	75.938,000	1993	2,5046	2,5000	0,0000	0,00	0,00	31,609	0,000	0,000
17	CONTOR GROUP AR	1.918.873,000	2008	0,3249	0,1000	0,0000	0,00	0,00	0,990	0,000	0,000
18	DEPOZITARUL CENTRAL(REGISCO) BU	7.396.029,000	1997	0,1341	0,1000	0,1222	903.467,81	903.467,81	2,924	0,049	0,052
19	DEPOZITARUL SIBEX SA SB	1.256,000	31.03.2009	127,9783	100,0000	0,0000	0,00	0,00	2,822	0,000	0,000
20	DYONISOS VN	772.824,000	1995	0,1000	0,1000	0,6220	480.700,00	480.700,00	5,075	0,026	0,028
21	EXIMBANK BU	414.740,000	1993	6,0000	6,0000	6,9607	2.886.900,00	2.886.900,00	0,311	0,156	0,167
22	FORTUS IS	5.153.925,000	1993	2,5000	2,5000	0,0000	0,00	0,00	13,565	0,000	0,000
23	HUMOREANCA SV	11.320,000	1993	3,5000	3,5000	34,1078	386.100,00	386.100,00	23,808	0,021	0,022
24	PARTMEN BC	75.748,000	1999	2,5000	2,5000	17,5467	1.329.126,00	1.329.126,00	26,592	0,072	0,077
25	PISCICOLA MURIGHIOL B1	253.026,000	1993	2,5000	2,5000	0,0000	0,00	0,00	30,000	0,000	0,000
26	RAFO BC	835.250,000	1993	0,2608	0,2600	0,0000	0,00	0,00	0,095	0,000	0,000
27	RULMENTI VS	2.408.645,000	1993	2,7514	2,7500	1,7372	4.184.280,00	4.184.280,00	6,005	0,227	0,242
28	STRAULESTI LAC ALFA S.A. B1	3.880.307,000	26.04.2018	9,9959	10,0000	9,9938	38.779.000,00	38.779.000,00	50,000	2,102	2,247
29	TESATORIILE REUNITE BU	10.833.277,000	1993	3,4205	2,5000	5,3539	58.000.600,00	58.000.600,00	100,000	3,144	3,361
30	VASCAR VS	327.591,000	1993	2,5000	2,5000	6,2767	2.056.200,00	2.056.200,00	21,450	0,111	0,119
31	VASTEX VS	147.105,000	1993	2,7613	2,5000	22,9857	3.381.307,72	3.381.307,72	13,935	0,183	0,196
32	VINIA IS	11.634,000	1993	2,5000	2,5000	0,0000	0,00	0,00	0,163	0,000	0,000
TOTAL RON							203.626.278,97	203.626.278,97	876,73	11,036	11,797
TOTAL CLOSED COMPANIES								205.163.583,80		11,119	11,886

(shares held due to the share capital increase with counterperformance in cash, at which it has not been operated yet the share capital increase at the Trade Register, assessed in accordance with Article 119, paragraph 10 of ASF Regulation No. 9 / 2014)

No	Issuer	Source	No of shares	Nominal value / share	Subscripti on price / share	Subscription value	Remaining amount to be subscribed	Percentage in the total assets of SIF	Percentage in the net assets of SIF
1	2	3	4	5	6	7 = 4 * 6	8	9	10

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DETAILED STATEMENT OF INVESTMENTS
Bonds or other tradable debt securities issued or guaranteed by the local public administration authorities

No.	Issuer	Symbol	No. of Bonds	Date of acquisition	Maturity date	Acquisition price	Bond value	Daily increase	Accrued interest	Present value	Present value (RON)	Percentage in the total assets of SIF	Percentage in the net assets of SIF
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Bonds listed and not traded in the last 30 trading days													
Municipal Bonds													
RON													
1	PRIMARIA BACAU	BAC26B	2.000	03.09.2009	31.10.2026	100,00	47,04	10,88	663,64	94.743,64	94.743,64	0,005	0,005
TOTAL RON			2.000						663,64	94.743,64	94.743,64	0,005	0,005
Total Municipal Bonds			2.000							94.743,64		0,005	0,005
TOTAL Bonds listed and not traded in the last 30 trading days			2.000							94.743,64		0,005	0,005
TOTAL			2.000							94.743,64		0,005	0,005

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DETAILED STATEMENT OF INVESTMENTS
Bonds or other tradable debt securities issued by companies

No.	Issuer	Symbol	No. of Bonds	Date of acquisition	Maturity date	Acquisition price	Bond value	Daily increase	Accrued interest	Present value	Present value (RON)	Percentage in the total assets of SIF	Percentage in the net assets of SIF
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Unlisted bonds													
Corporative Bonds													
EUR													
1	BANCA TRANSILVANIA		2.685.541	22.05.2013	22.05.2020	0,60	0,60	267,61	45.494,41	1.656.819,01	7.727.238,18	0,419	0,448
TOTAL EUR			2.685.541						45.494,41	1.656.819,01	7.727.238,18	0,419	0,448
Total Corporative Bonds			2.685.541								7.727.238,18	0,419	0,448
TOTAL Unlisted bonds			2.685.541								7.727.238,18	0,419	0,448
TOTAL			2.685.541								7.727.238,18	0,419	0,448

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DETAILED STATEMENT OF INVESTMENTS Bank deposits Date: 31/12/2018 Monthly

Filing date	Maturity date	Currency	Initial value		Daily interest		Accrued interest		Present value		Percentage in the total assets of SIF	Percentage in the net assets of SIF
			Foreign currency	RON	Foreign currency	RON	Foreign currency	RON	Foreign currency	RON		
BANCA TRANSILVANIA												
26.11.2018	03.01.2019	RON		6.000.000,00		475,00		17.100,00	6.017.100,00	6.017.100,00	0,33	0,35
26.11.2018	03.01.2019	RON		4.800.000,00		380,00		13.680,00	4.813.680,00	4.813.680,00	0,26	0,28
03.12.2018	03.01.2019	RON		6.000.000,00		445,00		12.905,00	6.012.905,00	6.012.905,00	0,33	0,35
03.12.2018	03.01.2019	RON		4.600.000,00		341,17		9.893,83	4.609.893,83	4.609.893,83	0,25	0,27
03.12.2018	03.01.2019	RON		4.000.000,00		296,67		8.603,33	4.008.603,33	4.008.603,33	0,22	0,23
10.12.2018	10.01.2019	EUR	98.500,00	459.394,15	0,03	0,13	0,60	2,81	98.500,60	459.396,96	0,02	0,03
20.12.2018	20.01.2019	EUR	165.000,00	769.543,50	0,05	0,21	0,55	2,57	165.000,55	769.546,07	0,04	0,04
Total BANCA TRANSILVANIA				26.628.937,65		1.938,17		62.187,54		26.691.125,19	1,45	1,55
BRD												
31.12.2018	03.01.2019	RON		10.936.984,18		486,09		486,09	10.937.470,27	10.937.470,27	0,59	0,63
Total BRD				10.936.984,18		486,09		486,09		10.937.470,27	0,59	0,63
UNICREDIT TIRIAC BANK												
07.12.2018	07.01.2019	RON		5.200.000,00		375,56		9.388,89	5.209.388,89	5.209.388,89	0,28	0,30

Filing date	Maturity date	Currency	Initial value		Daily interest		Accrued interest		Present value		Percentage in the total assets of SIF	Percentage in the net assets of SIF
			Foreign currency	RON	Foreign currency	RON	Foreign currency	RON	Foreign currency	RON		
07.12.2018	07.01.2019	RON		5.000.000,00		361,11		9.027,78	5.009.027,78	5.009.027,78	0,27	0,29
13.12.2018	14.01.2019	RON		7.600.000,00		570,00		10.830,00	7.610.830,00	7.610.830,00	0,41	0,44
13.12.2018	14.01.2019	RON		6.000.000,00		450,00		8.550,00	6.008.550,00	6.008.550,00	0,33	0,35
13.12.2018	14.01.2019	RON		4.000.000,00		300,00		5.700,00	4.005.700,00	4.005.700,00	0,22	0,23
13.12.2018	14.01.2019	RON		9.000.000,00		675,00		12.825,00	9.012.825,00	9.012.825,00	0,49	0,52
Total UNICREDIT TIRIAC BANK				36.800.000,00		2.731,67		56.321,67		36.856.321,67	2,00	2,14
GRAND TOTAL				74.365.921,83		5.155,93		118.995,29		74.484.917,12	4,04	4,32

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DETAILED STATEMENT OF INVESTMENTS

UCITS / Non UCITS listed DATE: 31/12/2018 Monthly

No.	Issuer	Symbol	Last trading session	No of securities held	Nominal value/ security	Security value	Total value	Percentage in the total no of fund units in circulation	Percentage in the total assets of SIF	Percentage in the net assets of SIF
1	2	3	4	5	6	7	8 = 5 * 7	9	10	11
SECURITIES ADMITTED BVB - REGS										
SHARES BVB - REGS										
1	SIF BANAT CRISANA	SIF1	31.12.2018	18.502.502	0,1000	2,0400	37.745.104,08	3,576	2,046	2,187
2	SIF TRANSILVANIA	SIF3	31.12.2018	108.777.386	0,1000	0,2150	23.387.137,99	4,980	1,268	1,355
TOTAL SHARES BVB - REGS							61.132.242,07		3,314	3,542
TOTAL UCITS							61.132.242,07		3,314	3,542

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Certified, Gabriela-Roxana VORONCA

DETAILED STATEMENT OF INVESTMENTS

UCITS / Non UCITS unlisted DATE: 31/12/2018 Monthly

No.	Issuer	Last trading session	No of securities held	NAV	Security value	Total value	Percentage in the total no of fund units in circulation	Percentage in the total assets of SIF	Percentage in the net assets of SIF
				lei	lei	lei	%	%	%
1	2	3	4	5	6	7 = 3 * 4	8	9	10
Securities denominated in RON									
1	FDI NAPOCA		7.265.417,54000000	0,5075		3.687.199,40	32,645	0,200	0,214
2	FDI Piscator Equity Plus		75.473,72150000	134,7874		10.172.906,69	51,242	0,552	0,590
3	FDI STAR FOCUS		159.783,58000000	5,9758		954.834,72	17,748	0,052	0,055
4	FDI STAR NEXT		364.421,84000000	6,0054		2.188.498,92	20,291	0,119	0,127
5	FIA ALCHEMIST		498,41250000	82.870,5565		41.303.721,24	49,724	2,239	2,393
6	FIA DCP INVESTITII		4.161,46230000	6.555,9450		27.282.317,96	40,696	1,479	1,581
7	FIA HERMES		70,95840000	141.433,3648		10.035.885,27	49,448	0,544	0,582
8	FII MULTICAPITAL INVEST		6.788,00000000	2.268,9800		15.401.836,24	40,649	0,835	0,892
9	FONDUL PRIVAT COMERCIAL		141.903,00000000	419,8567		59.578.925,30	48,074	3,230	3,452
10	Fond Deschis de Investitii Transilvania		97.116,34000000	47,4468		4.607.859,56	16,736	0,250	0,267
11	Fondul Inchis de Investitii OPTIM Invest		3.885,04000000	9.354,4100		36.342.257,03	27,503	1,970	2,106
12	TehnoGlobinvest		1.071,77000000	1.097,3126		1.176.066,73	16,101	0,064	0,068
TOTAL SECURITIES						212.732.309,06		11,532	12,326

No.	Issuer	Last trading session	No of securities held	NAV	Security value	Exchange rate BNR/RON	Total value	Percentage in the total no of fund units in circulation	Percentage in the total assets of SIF	Percentage in the net assets of SIF
				valuta	valuta	lei	lei	%	%	%
1	2	3	4	5	6	7	8=4*5*7	9	10	11
Securities denominated in foreign currencies										

Prepared
SIF MOLDOVA

CEO
Claudiu DOROS

CFO
Decebal DUMITRESCU

Assets Assessment Office
Gabriela PETER

Compliance Officer
Catalin NICOLAESCU

Depository Certification
BRD – Groupe Societe Generale

Securities Department
Manager, Claudia IONESCU

Certified, Gabriela-Roxana VORONCA

Net asset value per share as of 31/12/2018

Item	Current period	Period of the previous year	Differences
1	2	3	4
NET ASSETS	1.725.815.274,69	1.792.691.575,7200	-66.876.301,0300
NUMBER OF ISSUED OUTSTANDING SHARES *	991.113.939	997.179.176	-6.065.237
NET ASSET VALUE PER SHARE	1,7413	1,7978	-0,0565

NAV and NAV/share evolution in the last 3 years

	31.12.2015	30.12.2016	29.12.2017
NET ASSETS	1434287735.56	1585572859.06	1792691575.72
NET ASSET VALUE PER SHARE	1.3938	1.5473	1.7978

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Status of pending litigations with object the annulment of GMS resolutions for companies in SIF Moldova's portfolio (plaintiff)				
No.	Company	Object	Litigation status	Observations
1	Bucovina Tex	annulment of EGMSR on 04.09.2017 - assets sale	Action dismissed	SIF's appeal
2*	Vastex SA	annulment of resolutions 2-4 EGMS on 30.04.2018	Action dismissed	SIF's appeal
3*	Vascar SA	annulment of EGMSR on 21.05.2018	Action dismissed	SIF's appeal
4*	Partmen SA	annulment of resolutions 3 and 4 of 28.06.2018	Litigation pending, first instance	
SOLVED LITIGATIONS				
1	Chimcomplex S.A.	annulment of BD resolution for mcs	withdrawn	
2	Alimentara S.A.	annulment of OGMS on 17.05.2016	Respondent's appeal allowed	
3	Bucovina Tex	suspension of EGMSR on 04.09.2017 - assets sale	Action allowed. Plaintiff's appeal dismissed	
4	Bucovina Tex	annulment of EGMSR on 28.04.2017 - assets sale	Dismissed, without object	
5	Alimentara S.A.	annulment of OGMSR on 18.12.2013	SIF's appeal dismissed	
6	Iașitex S.A.	annulment of EGMSR on 05.04.2017	SIF's appeal dismissed	
7	Iașitex S.A.	annulment of OGMS resolution no. 2 of 05.04.2017	SIF's appeal dismissed	
8	Vascar SA	annulment of EGMSR no.. 2/28.05.2017 – BD competence assignment	SIF's appeal dismissed	
9	Iasitex SA	authorization of convening	SIF's appeal allowed	
10*	Iasitex SA	suspension of EGMS resolution on 12.03.2018	Action allowed and respondent's appeal dismissed	
11*	Vastex SA	suspension of resolutions 2-4 EGMS on 30.04.2018	SIF's appeal dismissed	
12	Dyonisos S.A.	suspension of EGMS resolution 2/19.07.2017 – share capital increase	Action allowed and respondent's appeal dismissed	
13*	Alimentara S.A.	annulment of EGMS on 30.05.2017	withdrawal noted	
14*	Iasitex SA	suspension of EGMSR on 22.02.2018 – share capital increase	SIF's appeal dismissed	
15	Iașitex S.A.	ascertainment of AN- EGMSR no.1 of 27.04.2015	Action allowed	
16	Alimentara S.A.	annulment of EGMS on 21.09.2016-BD competence assignment	withdrawal noted	
17	Dyonisos S.A.	annulment of EGMSR 2/19.07.2017 – share capital increase	Action allowed	
18	Iasitex SA	annulment of EGMSR 14.09.2017	Action dismissed	Parties' transaction
19	Transtec S.A.	annulment of EGMS on 11.08.2017 - assets sale	Action dismissed	
20*	Iasitex S.A.	partial absolute nullity EGMSR on 14.09.2017 - assets sale	Action dismissed	
21*	Iasitex SA	absolute nullity BD decision on 10.03.2018-assets sale	withdrawal	
22*	Partmen	annulment of OGMS on 04.04.2018	Action allowed	
23*	Iasitex S.A.	annulment of EGMS on 22.02.2018 – share capital increase	Action allowed	
24*	Iasitex S.A.	nullity assessment items 3, 4, 5, 6 and 7 of EGMSR no. 3 on 12.03.2018	withdrawal noted	
25*	Vascar SA	suspension of EGMSR on 21.05.2018	SIF's appeal dismissed	
26*	Partmen SA	suspension of resolution no. 4 on 28.06.2018	Action dismissed	

Status of pending litigations with object: claims – SIF Moldova as plaintiff

No.	Natural person/Company-respondent	Claims value in lei	Object	Litigation status
1*	Nedea Carmen	2,670.00	claims	Enforcement
2	Zaiet Marius	3,253.96	claims	Enforcement
3	Vastex S.A.	3,644,554.43	claims share value	Action dismissed SIF recourse
4	A.A.A.S.	883.44	legal expenses litigation PN 420.000 DEM Derby	Enforcement

5	A.A.A.S.	4,993.96	leg.exp.-PN 300.000 DEM Relona Trans	Enforcement
6	A.A.A.S.	486,376.82	enf. return PN 300.000 USD Avicom	Enforcement
7	A.A.A.S.	6,178,047.48	damages PN Issued by Digicom S.A.	Enforcement
8	A.A.A.S.	552,255.92	damages PN issued by Avicom	Enforcement
9	A.A.A.S.	1,318,001.38	enforcement return PN 800.000 USD SGI	Enforcement
10	A.A.A.S.	846,259.40	enforcement return PN 470.000 USD Aust Rom	Enforcement
11	A.A.A.S.	386,031.09	enforcement return PN 220.000 USD Best	Enforcement
12	A.A.A.S.	1,045,579.33	enforcement return PN 630.000 USD Best	Enforcement
13	A.A.A.S.	1,166,727.66	enforcement return PN 650.000 USD SGI	Enforcement
14	A.A.A.S.	1,099,612.11	enforcement return PN 655.000 USD SGI	Enforcement
15	A.A.A.S.	1,358,748.31	enforcement return PN 800.000 USD Max Inv	Enforcement
16	A.A.A.S.	425,550.42	int.ex.PN 250.000 USD Asociatia Pas Tranzitour	Enforcement
17	A.A.A.S.	12,038.01	leg.exp.-P.N. 300.000 USD Sercot Impex	Enforcement
18	A.A.A.S.	25,316.67	leg.exp.-P.N. 1.500.000 USD Lynx International	Enforcement
19	A.A.A.S.	5,194.06	leg.exp. litigation P.N. 250.000 USD Alionor	Enforcement
20	A.A.A.S.	865,256.16	enforcement return PN 300.000 USD Editip	Enforcement
21	A.A.A.S.	1,516,281.58	enforcement return P.N. 900.000 USD SGI	Enforcement
22	A.A.A.S.	1,595,397.19	int. ex. PN 940.000 USD Invest House	Enforcement
23	A.A.A.S.	884,946.81	int. ex. P.N. 300.000 USD Editip	Enforcement
24	A.A.A.S.	1,265,286.48	int.ex. P.N. 750.000 USD Bel Ami Invest	Enforcement
25	A.A.A.S.	1,237,180.50	enforcement return P.N. 400.000 USD Best	Enforcement
26	A.A.A.S.	14,089.55	leg.exp. litigation P.N. 650.000 USD SGI	Enforcement
27	A.A.A.S.	1,320.12	leg.exp. -P.N. USD Digicom	Enforcement
28	A.A.A.S.	42,688.04	leg.exp. - P.N. 800.000 USD SGI	Enforcement
29	A.A.A.S.	2,082.38	leg.exp. -P.N. 940.000 USD Invest House	Enforcement
30	A.A.A.S.	29,612.04	leg.exp. - P.N. 630.000 USD Best	Enforcement
31	A.A.A.S.	1,833.22	legal expenses litigation. P.N. 500.000 USD SGI	Enforcement
32	A.A.A.S.	33,308.19	legal expenses litigation P.N. 655.000 USD SGI	Enforcement
33	A.A.A.S.	1,914.31	legal expenses litigation P.N. 230.000 USD Lerus	Enforcement
34	A.A.A.S.	24,885.42	legal expenses litigation P.N. 470.000 USD Aust Rom	Enforcement
35	A.A.A.S.	2,613.41	legal expenses litigation P.N. 220.000 USD Best	Enforcement
36	A.A.A.S.	39,031.41	legal expenses litigation P.N. 800.000 USD Max Inv.	Enforcement
37	A.A.A.S.	29,700.09	legal expenses litigation P.N. 300.000 USD Editip	Enforcement
38	A.A.A.S.	1,972.72	leg.exp. -P.N. 900.000 USD SGI	Enforcement
39	A.A.A.S.	10,862.50	leg.exp. P.N. 500.000 USD Trust Ares	Enforcement
40	A.A.A.S.	1,940.24	leg.exp. - P.N. 300.000 USD Editip	Enforcement
41	A.A.A.S.	1,867.95	legal expenses litigation P.N. 500.000 USD Max	Enforcement
42	A.A.A.S.	2,042.40	legal expenses litigation P.N. 250.000 USD Pas Tranz.	Enforcement
43	A.A.A.S.	16,232.80	legal expenses litigation P.N. 720.000 USD Lerus	Enforcement
44	A.A.A.S.	20,059.90	legal expenses litigation P.N. 300.000	Enforcement

			USD Avicom	
45	A.A.A.S.	2,123,717.56	enf.return P.N. 720.000 USD Lerus Agnita	Enforcement
46	A.A.A.S.	1,538,224.56	enforcement return P.N. 500.000 USD Trust Ares	Enforcement
47	A.A.A.S.	1,475,864.08	enforcement return P.N. 500.000 USD Max I.	Enforcement
48	A.A.A.S.	2,089,200.39	damages (PN 800.000 USD) issued by Max Inv.	Enforcement
49	A.A.A.S.	1,004,284.60	damages (PN 300.000 USD) issued by Editip	Enforcement
50	A.A.A.S.	920,921.32	damages (PN 300.000 USD) issued by Editip	Enforcement
51	A.A.A.S.	1,642,322.34	damages (PN 500.000 USD) Max Invest	Enforcement
52	A.A.A.S.	254,664.88	damages (PN 230.000 USD) Lerus Agnita	Enforcement
53	A.A.A.S.	2,302,430.49	damages (PN 720.000 USD) Lerus Agnita	Enforcement
54	A.A.A.S.	1,400,820.47	damages (PN 470.000 USD) Aust-Rom 95	Enforcement
55	A.A.A.S.	711,423.75	damages (PN 220.000 USD) issued by Best	Enforcement
56	A.A.A.S.	1,611,054.04	damages (PN 630.000 USD) issued by y Best	Enforcement
57	A.A.A.S.	2,822,147.79	damages (PN 940.000 USD) Invest House	Enforcement
58	A.A.A.S.	2,337,895.89	damages (PN 940.000 USD) Invest House	Enforcement
59	A.A.A.S.	429,296.89	damages (PN 250.000 USD) Asoc.Tranzitour	Enforcement
60	A.A.A.S.	1,680,029.03	damages (PN 650.000 USD) issued by S.G.I.	Enforcement
61	A.A.A.S.	1,380,933.65	damages (PN 800.000 USD) issued by S.G.I.	Enforcement
62	A.A.A.S.	2,008,522.62	damages (PN 655.000 USD) issued by S.G.I.	Enforcement
63	A.A.A.S.	2,688,618.48	damages (PN 900.000 USD) issued by S.G.I.	Enforcement
64	A.A.A.S.	1,553,907.23	damages (PN 500.000 USD) issued by Trust Ares	Enforcement
65	A.A.A.S.	373,925.52	damages (PN 500.000 USD) issued by S.G.I.	Enforcement
66	A.A.A.S.	2,358.80	legal expenses	Enforcement
67	Galgros S.A.	377.00	claims- share value	Enforcement
68	CIA Hasmatuchi	3,327.78	claims- rent value	Action allowed. Final
69	AAAS	1,356.11	claims- legal expenses	Enforcement
70*	AAAS	1,977.29	claims- legal expenses	Enforcement
71*	AAAS	2,638.01	claims- legal expenses	Enforcement
72*	AAAS	2,066.27	claims- legal expenses	Enforcement
73*	AIPC	6,376.12	claims legal expenses	Enforcement
74*	AIPC	1,552.21	claims legal expenses	Enforcement
75*	Comat SA	1,096.05	claims legal expenses	Enforcement
76*	AAAS	2,633.57	enforcement	Pending
77*	AAAS	3,284.04	enforcement	Pending
78*	AAAS	3,847.90	enforcement	Pending
79*	AAAS	3,877.27	enforcement	Pending
80*	AAAS	3,881.57	enforcement	Pending
81*	AAAS	2,656.57	enforcement	Pending
82*	Favil SA	787,151.00	claims- withdrawal right	Mediation agreement
83*	AAAS	3,046.59	Enforcement	Pending
84*	AAAS	3,289.46	Enforcement	Pending
85*	AAAS	3,883.79	Enforcement	Pending
86*	AAAS	1,904.62	Enforcement	Pending
TOTAL:		59,397,287.46		

SOLVED LITIGATIONS				
1*	Alimentara SA	14,115.94	claims legal expenses	Collected debit
2*	Alimentara SA	4,794.51	claims legal expenses	Collected debit
3	AAAS	241,410.12	setting of interest for enforcement file no. 492/2016	SIF's appeal dismissed
4*	Alimentara SA	1,243.00	claims legal expenses	Collected debit
5*	Alimentara SA	6,280.78	claims legal expenses	Parties' transaction
6*	Alimentara S.A.	8,734.98	claims	withdrawal noted
7	Statul Roman	1,672,075.76	claims- TEXU litigious rights	SIF's recourse dismissed
8	Alimentara SA	10,165,151.99	share value as per Law. 151/2014	Agreement between the parties approved
9	Alimentara SA	21,896.65	claims- legal expenses separately	withdrawal noted
10*	CRC Impex Chemicals SRL (fostă A2 Impex)	493,534.17	damages –infringement of abstain obligation	Agreement between the parties approved
11*	Favil SA	9,158.51	claims legal expenses	Litigation pending, first instance . Fully collected debit
		12,638,396.41		

Status of pending litigations with object insolvency procedure (SIS as plaintiff – creditor)				
no.	Company	Claim value in lei	Status	Observation
1	Bankcoop SA	626,742.17	Bankruptcy	Procedure continues
2	BIR	344.12	Bankruptcy	Procedure continues
3	Nova Bank	729.25	Bankruptcy	Procedure continues
4	Network Press	3,799.87	Bankruptcy	Procedure continues
5	Pantex S.A.	10.3	Bankruptcy	Procedure continues
6	Ceramica Dorohoi	3,039.00	Bankruptcy	Procedure continues
7	Nobel Corporation	2,215.31	Bankruptcy	Procedure continues
8	Horticola SA	1,466,168.33	Insolvency	Procedure continues
9	Celule Electrice Bailesti	22,707.72	Insolvency	Procedure continues
10*	Genko Med Group	93,835.07	Insolvency	SIF's challenge partly allowed. Procedure continues
TOTAL LEI:		2,219,591.14		

SOLVED LITIGATIONS				
1	Mes Suceava	4,776.77	Bankruptcy	Procedure closed

Status of pending litigations with object various action where SIF acts as plaintiff				
Nr.crt.	Company	Object	Litigation status	Observations
1*	Inco Industry SRL s.a.	intervention –usucapio action	Litigation pending, first instance	
2*	Bucovina Vehicles SA	company dissolution	Litigation pending, first instance	
3*	Brikston Construction Solutions SA	TRO intervention – decision of OGMS on 17.10.2018	Litigation pending, first instance	

SOLVED LITIGATIONS				
1	Asia Debt Management; Eurobrick International BV	obligation to do – running of OPP as per article 203 LPC	SIF's recourse dismissed	
2	OPCI Iasi	LR complaint Litigation EGMSR lasitex on 14.09.2017	Action dismissed	
3*	lasitex SA; Vuza Stefan	oblique action	Agreement between the parties approved	

4*	Iasitex SA; A2 Impex; Depozitarul Central	transaction annulment	Agreement between the parties approved
5*	Iasitex S.A.	TRO intervention – EGMS resolution on 22.02.2018	SIF's appeal dismissed

Status of criminal litigations				
Nr. crt.	Perpetrator / culprit	Object	Litigation status	Observation
1	Ciuburciu Gabriela s.a.	prejudice generation for Vascar SA	Call before the court. Litigation pending, first instance	civil party setup
LITIGII SOLUTIONATE				
1*	Radauceanu Ana	complaint failure to call before the court, abuse of office a.o.	Complaint allowed	
2	Bogdan Eugen	crime Law 31/1990	Call before the court	art. 271, art. 275 (1) din LS
3	Bittner Alexandru s.a.	causing loss in Piscicola Murighiol	Criminal complaint	money laundering crime

Status of pending litigations where SIF Moldova acts as plaintiff				
Nr.crt.	Plaintiff	Claims value in lei	Object	Litigation status
1	Groza Daniel	40,155.85	claims- lack of real property use	Action allowed. Counterclaim and impleaded submitted by SIF dismissed SIF's appeal
2	Transcom SA Iasi	61,553.25	claims -impleaded	Action dismissed and plaintiff's appeal Plaintiff's recourse
3	Cantoreanu Ioan Florin	1,089,430.20	claims- return on 250.000 USD - PN issued by Pas Tranzitour	Action allowed. SIF's appeal allowed. Recurs SIF
4	Mercom SA Onesti	54,000.00	reclaim of real property and claims	Action allowed. SIF's appeal
5*	AIPC	12,741.28	challenge – enf. file 483 and 484/2016	Appeal allowed. Challenge dismissed and binds to expenses for SIF.
TOTAL		1,257,880.58		
6	AIPC	challenge – enf. file 483 and 484/2016	Litigation pending, first instance . Suspended	Garnished third party - Raiffeisen Bank
7	Solomon Ion		enforcement challenge	Action allowed. AFP bc's appeal
8	Andrei Lina		decision to replace authentic document	Litigation pending, first instance
9*	Baltaru Gheorghe		declaratory action - usucapio	Action allowed. SIF's appeal
10*	UAT Craiova		ascertainment of nullity Modexim SA share transfer	Action dismissed . With appeal
11*	Dau Valentina		decision to replace authentic document	Litigation pending, first instance
SOLVED LITIGATIONS				
1	Iovitu Marian		mortgage cancellation in LR	Plaintiff's appeal allowed
2	Casandriuc Florin Sorin		decision to replace authentic document	lack of trial quality for SIF
3	Eximbank SA	23,862.23	claims- leg.exp. separately	Party's recourse dismissed. Binds SIF to 9.832,50 lei.
4	Achitenei Viorica		decision to replace authentic document	Lack of trial quality for SIF
5	Horticola SA		challenge of claim in insolvency procedure	Challenge dismissed and binds to legal expenses
6*	Eximbank SA	7,707.42	claims- leg.exp. separately	Plaintiff's recourse

				dismissed. Binds SIF to 2.000 lei.
7*	Alimentara SA	6,280.78	challenge enf. file 110/2018	withdrawal noted
8	Primaria Tg. Neamt		declaratory action	Plaintiff withdraws
9*	lasitex SA		complaint LR entry	Action dismissed . Parties' transaction
10*	lasitex SA		complaint LR entry	Action dismissed . Parties' transaction
11*	lasitex SA		complaint LR entry	Action dismissed . Parties' transaction
12*	lasitex SA		complaint LR entry	Action dismissed . Parties' transaction
13*	lasitex SA		complaint LR entry	Action dismissed . Parties' transaction
14*	lasitex SA		complaint LR entry	Action dismissed . Parties' transaction
15*	lasitex SA		complaint LR entry	Action dismissed . Parties' transaction
16*	lasitex SA		complaint LR entry	Action dismissed . Parties' transaction
17*	lasitex SA		complaint LR entry	Action dismissed . Parties' transaction
18*	lasitex SA		complaint LR entry	withdrawal noted
19	lasitex SA		complaint LR entry	Action dismissed . Parties' transaction
20	lasitex SA		complaint LR entry	withdrawal noted
21*	lasitex SA		complaint LR entry	Litigation pending, first instance . Parties' transaction
22*	lasitex SA		complaint LR entry	Litigation pending, first instance . Parties' transaction
23*	lasitex SA		complaint LR entry	Litigation pending, first instance . Parties' transaction
24*	lasitex SA		complaint LR entry	Litigation pending, first instance . Parties' transaction
25*	lasitex SA		complaint LR entry	Litigation pending, first instance . Parties' transaction
26*	lasitex SA		complaint LR entry	Litigation pending, first instance . Parties' transaction
27*	lasitex SA		complaint LR entry	withdrawal noted
28*	lasitex SA		complaint LR entry	withdrawal noted
29*	lasitex SA		complaint LR entry	Litigation pending, first instance . Parties' transaction
30*	lasitex SA		complaint LR entry	Litigation pending, first instance . Parties' transaction
31*	lasitex SA		complaint LR entry	Litigation pending, first instance . Parties' transaction
32*	lasitex SA		complaint LR entry	Litigation pending, first instance . Parties' transaction
33*	lasitex SA		complaint LR entry	Litigation pending, first instance . Parties' transaction
34*	lasitex SA		complaint LR entry	withdrawal noted
35*	lasitex SA		complaint LR entry	withdrawal noted
36*	lasitex SA		complaint LR entry	Litigation pending, first instance . Parties' transaction
37*	lasitex SA		complaint LR entry	withdrawal noted

38*	lasitex SA	complaint LR entry	Litigation pending, first instance . Parties' transaction
39*	lasitex SA	complaint LR entry	Litigation pending, first instance . Parties' transaction
40*	lasitex SA	declaratory action	withdrawal noted
41*	lasitex SA	complaint LR entry	withdrawal noted
42*	lasitex SA	complaint LR entry	withdrawal noted
43*	lasitex SA	complaint LR entry	Litigation pending, first instance . Parties' transaction
44*	lasitex SA	complaint LR entry	Litigation pending, first instance . Parties' transaction
45*	lasitex SA	complaint LR entry	Litigation pending, first instance . Parties' transaction

LITIGATIONS AGAINST AAAS				
No.	Challenged amount in lei	Object	Status	Observations. Garnished third parties
1	700,777.50	challenge of enforcement file 45/2016	Litigation pending, first instance	Cause suspended
2	2,321,957.60	challenge of enforcement file 108/2016	Action dismissed. AAAS and SIF's appeal	
3		challenge of enforcement file no. 115/2013	Action allowed. AAAS' appeal	Eximbank, 4 th District Treasury B
4	1,073.06	challenge of enforcement file no. 187/2011	AAAS' recourse dismissed. Amendment of SIF resolution	Eximbank, 4 th District Treasury B, CEC Bank
5	3,403.68	challenge of enforcement file no. 103/2012	Challenge annulled. completion of resolution amendment.	Eximbank, Trezoreria S4 B
6*	1,694.50	challenge of enforcement file no. 37/2018	Challenge dismissed. AAAS' appeal	4 th District Treasury
7*	2,783.28	challenge of enforcement file no. 60/2018	Challenge dismissed. With appeal	
8*	3,287.03	challenge of enforcement file no. 65/2018	Litigation pending, first instance	
9*	2,201.77	challenge of enforcement file no. 71/2018	Challenge dismissed. With appeal	
10*	3,313.21	challenge of enforcement file no. 69/2018	Litigation pending, first instance	
11*	2,656.57	challenge of enforcement file no. 92/2018	Challenge dismissed. With appeal	
12*	3,883.79	challenge of enforcement file no. 104/2018	Litigation pending, first instance	
13*	3,289.46	challenge of enforcement file no. 98/2018	Litigation pending, first instance	
14*	3,317.21	challenge of enforcement file no. 86/2018	Litigation pending, first instance	
3,053,638.66				

SOLVED LITIGATIONS				
Nr	Challenged amount in a in lei	Object	Status	Observations
1	2,723.04	challenge of enforcement file no. 104/2012	Challenge party allowed.	Eximbank S.A., 4 th District Treasury B
2	13,771.12	challenge of enforcement file no. 102/2012	Challenge annulled. Binds legal expenses to SIF	Eximbank, Trezoreria S4th District Treasury 4 B
3	2,527.21	challenge of enforcement file no. 528/2010	Partly allowed. Dismissed SIF's recourse	Eximbank, 4 th District Treasury, CEC Bank.
4	562.46	challenge of enforcement file 482/2010	Challenge and AAAS' recourse dismissed	Expenses recovery to follow
5	3,498.93	challenge of enforcement file no. 290/2011	Challenge and AAAS' recourse dismissed	Eximbank, 4 th District Treasury

6		challenge of enforcement file no. . 727/2015	Parties' appeal dismissed	TP - 4 th District Treasury B
7	3,278.99	challenge of enforcement file no. 114/2012	challenge annulled and binds AAAS to expenses	Eximbank, 4 th District Treasury B
8		challenge of enforcement file no. 45/2016	Challenge and AAAS' appeal dismissed	Garnished third party: 4 th District Treasury
9*		challenge of enforcement file no. 492/2016	Challenge dismissed and binds to expenses to SIF	
10	1,641,754.50	challenge of enforcement file no. 95/2015	Request annulled and AAAS' appeal dismissed	4 th District Treasury
11	4,721.55	challenge of enforcement file no. 115/2012	Recourse allowed. Binds AAAS to expenses	Eximbank S.A., 4 th District Treasury
12	2,791.75	challenge of enforcement file no. 291/2011	AAAS' recourse dismissed. Binds to expenses to SIF	CEC Bank, 4 th District Treasury Bucharest
13	920,080.23	challenge of enforcement file no. 727/2015	Challenge dismissed and binds to expenses to SIF	BT, BRD, 4 th District Treasury
14	1,553,407.23	challenge of enforcement file no. 492/2016	Action ascertained as outdated	BT, BRD, 4 th District Treasury
15	2,302,001.06	challenge of enforcement file no. 101/2015	Action ascertained as outdated	BT, BRD, 4 th District Treasury
16	3,350.05	challenge of enforcement file no. 221/2011	AAAS's recourse rejected. Binds to expenses to SIF .	CEC Bank, 4 th District Treasury București
17	2,668,118.48	challenge of enforcement file no. 113/2013	Challenge annulled and binds AAAS to expenses. Final.	BCR, Eximbank, 4 th District Treasury B
18*		challenge of enforcement file no. 492/2016	Allows the addition to the resolution and binds AAAS to legal expenses	
19	1,209.18	challenge of enforcement file no. 244/2012	AAAS' recourse rejected. Binds AAAS to expenses	Eximbank S.A., 4 th District Treasury B
20	1,679,684.65	enforcement challenge 116/2013 damages (PN 650.000 USD-S.G.I.	AAAS' recourse rejected. Binds AAAS to expenses	Eximbank S.A., BCR
21		challenge of enforcement file no. 113/2013	challenge dismissed. Binds AAAS to expenses	BCR, Eximbank, T S4 B
22	1,036,979.79	challenge of enf file. 727/2015	Action ascertained as outdated	Final
23	2,821,171.02	challenge of enforcement file no. 115/2013	Challenge rejected. Binds AAAS to expenses .	Eximbank, S4 Treasury B
24*	2,205.79	challenge of enforcement file no. 41/2018	AAAS' challenge rejected	4 th District Treasury
25	3,016.08	challenge of enforcement file no. 118/2011	Action ascertained as outdated. Binds AAAS to expenses	
14,666,853.11				

* - new litigation started in 2018

A. CURRENT REPORTS

1. 27.12.2018 (11:40) Important event: Management Transactions - art. 19 Reg. (EU) 596/2014
2. 21.12.2018 (15:45) Current report as per art. 82 Law no. 24/2017 – 2nd Semester 2018
3. 18.12.2018 (12:55) Current report as per art. 82 Law no. 24/2017 – 2nd Semester 2018
4. 04.12.2018 (15:35) Current report as per art. 82 Law no. 24/2017 – 2nd Semester 2018
5. 26.11.2018 (17:32) Current report as per art. 82 Law no. 24/2017 – 2nd Semester 2018
6. 15.11.2018 (18:00) Important event: Availability of BD Report and Q3 Financial Statements 2018
7. 30.10.2018 (16:40) Current report as per art. 82 Law no. 24/2017 – 2nd Semester 2018
8. 26.10.2018 (9:40) Current report as per art. 82 Law no. 24/2017; (16:40) Notification of holding threshold modification IASITEX SA – drop under 5% ; (18:05) Important event: completion of IASITEX SA transaction
9. 23.10.2018 (16:35) Current report – Certification of the present members of " SIF Moldova Group"
10. 15.10.2018 (17:05) Current report - Iasitex SA litigation
11. 21.09.2018 (17:55) Current report as per art. 82 Law no. 24/2017; (18:30) Auditor's Report - art. 82, Law 24/2017 –Hotel Sport transaction
12. 07.09.2018 (13:20) Press release regarding SIF Moldova dividend payment
13. 30.08.2018 (17:15) Press release: Investment in the residential real-estate project: "ATRIA URBAN RESORT" in Bucharest
14. 27.08.2018 (17:25) Important event: Management Transactions - art. 19 Reg. (EU) 596/2014
15. 13.08.2018 (18:35) Important event: Disponibilitate Raport CA si Situatii financiare S1 2018
16. 30.07.2018 (19:23) Current report in compliance to art. 82 Law no. 24/2017
17. 26.07.2018 (16:23) Current report in compliance to art. 82 Law no.24/2017- for the second semester of 2018"
18. 23.07.2018 (17:15) Important event: Management Transactions - /art. 19 Reg. (EU) 596/2014
19. 11.07.2018 (13:35) Important event: Management Transactions - art. 19 Reg. (EU) 596/2014
20. 26.06.2018 (17:35) Current report in compliance with art. 82 of Law no. 24/2017 for the 1st semester 2018 "
21. 14.06.2018 (15:10) Important event: Approval of " SIF Moldova SA Memorandum of Association" modifications
22. 13.06.2018 (17:40) Important event: Approval of the public offer to purchase SIF Moldova issued shares- FSA Resolution no 726/13.06.2018
23. 06.06.2018 (16:08) Current Report – sale of Alimentara SA Cluj share package
24. 31.05.2018 (18:00) Press release - "Baba Novac Residence" Real Estate project
25. 31.05.2018 (15:20) Press release – SIF Moldova has not used total return swap –type instruments and has not carried out financing operations through financial instruments („SFT”)- EU Reg. 2015/2365.
26. 24.05.2018 (15:00) Reporting holding under 5% at BUCHAREST STOCK EXCHANGE (BVB)
27. 15.05.2018 (18:30) Important event – availability of BD report, 1st Quarter 2018
28. 07.05.2018 (17:40) Important event – Offering the option to purchase SIF2 shares to the managers, directors and employees of the company as part of the 2017 Benefit Plan, according to the Company's remuneration policy.
29. 27.04.2018 (15:48) Current report: OGMS and EGMS resolutions on 27.04.2018; (17:31) Press release regarding the results of FSA consultations on the change of SIF Moldova's name; (17:38) Press release regarding the availability of the individual and consolidated BD Report for 2017 and the 2017 IFRS individual and consolidated audited financial statements.
30. 26.04.2018 (17:30) Important event: investment in the residential project "City Ring" in Bucharest
31. 10.04.2018 (18:35) 29.03.2018 (17:20) Current report in compliance with art. 82 of Law no. 24/2017 for the 1st semester 2018
32. 23.03.2018 (18:45) Current report: Convening the Extraordinary and Ordinary General Meeting of Shareholders on 27/28 April 2018; Convening Notice for the Extraordinary and Ordinary General Meeting of Shareholders on 27/28th April 2018 – published in Official Gazette 1226/26.03.2018, part 4
33. 09.03.2018 (15:30) Press release: completion of the withdrawal of SIF Moldova Group from Luceafărul S.A (completion of Current Report on 04.10.2017)
34. 28.02.2018 (17:20) Reporting holdings under 5% in ELECTROMAGNETICA SA

35. 21.02.2018 (18:05) Modification of 2018 financial reporting calendar; (18:10) Notification – Collection of withdrawal amounts from Galgros SA Galati (according to Law 151/2014)
36. 15.02.2018 (18:40) Current report: Preliminary unaudited financial results for financial year 2017; Presentation of preliminary unaudited financial results for financial year 2017; Phone conference invitation on 19.02.2018, at 15:00
37. 01.02.2018 (18:40) Important event: Share capital lowering – Securities registration certificate
38. 26.01.2018 (16:10) Auditor's Report for the 2nd semester 2017 - art. 82, Law 24/2017
39. 25.01.2018 (17:30) Important event: SIF Moldova's authorization as alternate investment fund manager (AIFM); subsequent certifications; (17:40) Event: certification of the current members of "SIF Moldova Group" – FSA Certificate no. 2/23.01.2018 (attached)
40. 23.01.2018 (13:50) Reporting holding over 5% in BVB Bucharest
41. 18.01.2018 (11:45) Important event: Approval of "SIF Moldova SA's Memorandum of Association" modification
42. 17.01.2018 (16:15) Important event to report – collection of amounts
43. 15.01.2018 (17:15) Current report – 2018 Financial calendar
44. 2018; (11:35) Important event –SIF2 share assignment in compliance with the « 2016 share-based payment plan
45. 29.03.2018 (17:20) Current report in compliance with art. 82 of Law no. 24/2017 for the 1st semester 2018
46. 23.03.2018 (18:45) Current report: Convening the Extraordinary and Ordinary General Meeting of Shareholders on 27/28 April 2018; Convening Notice for the Extraordinary and Ordinary General Meeting of Shareholders on 27/28th April 2018 – published in Official Gazette 1226/26.03.2018, part 4
47. 09.03.2018 (15:30) Press release: completion of the withdrawal of SIF Moldova Group from Luceafărul S.A (completion of Current Report on 04.10.2017)
48. 28.02.2018 (17:20) Reporting holdings under 5% in ELECTROMAGNETICA SA
49. 21.02.2018 (18:05) Modification of 2018 financial reporting calendar; (18:10) Notification – Collection of withdrawal amounts from Galgros SA Galati (according to Law 151/2014)
50. 15.02.2018 (18:40) Current report: Preliminary unaudited financial results for financial year 2017; Presentation of preliminary unaudited financial results for financial year 2017; Phone conference invitation on 19.02.2018, at 15:00
51. 01.02.2018 (18:40) Important event: Share capital lowering – Securities registration certificate
52. 26.01.2018 (16:10) Auditor's Report for the 2nd semester 2017 - art. 82, Law 24/2017
53. 25.01.2018 (17:30) Important event: SIF Moldova's authorization as alternate investment fund manager (AIFM); subsequent certifications; (17:40) Event: certification of the current members of "SIF Moldova Group" – FSA Certificate no. 2/23.01.2018 (attached)
54. 23.01.2018 (13:50) Reporting holding over 5% in BSE
55. 18.01.2018 (11:45) Important event: Approval of "SIF Moldova's Memorandum of Association" modification
56. 17.01.2018 (16:15) Important event to report – collection of amounts
57. 15.01.2018 (17:15) Current report – 2018 Financial calendar

B. PERIODIC REPORTS

1. Monthly net assets – January/February/March /April/May/June/July/August/September/October/ November/ December
2. 5.11.2018 (18:05) Important event: Availability of BD Report and Q3 Financial Statements 2018
3. 28.09.2018 (18:35) Availability of Consolidated Financial Statements and Consolidated Board Report for H1 2018
4. 13.08.2018 (18:35) Availability of Financial Statements and BD Report S 1 2018
5. 15.05.2018 (18:30) Availability of Financial Statements and BD Report Q1 2018
6. 27.04.2018 (17:38) Availability of 2017 IFRS Individual and Consolidated Financial Statements and Individual and Consolidated Board Report for the year 2017.
7. 21.02.2018 (18:05) Modification of 2018 Financial Calendar
8. 15.02.2018 (18:40) – Preliminary unaudited financial results for financial year 2017
9. 15.01.2018 (17:15) - 2018 Financial Calendar

Statement regarding the application of corporate governance principles

according to the provisions of Regulation no. 2/2016 regarding the application of the corporate governance principles by authorized entities, regulated and supervised by the Financial Supervision Authority

No.	Rules for corporate governance principles application	Conformity		If NO, explain
		YES	NO	
1.	The regulated entity has stated in its Articles of Incorporation, the basic responsibilities of the council regarding the implementation and abidance by the corporate governance principles.	X		
2.	The corporate governance structures, positions, competencies and responsibilities of the Board and executive management/ higher management are stated in internal policies and/or internal regulations.	X		
3.	The annual report of the regulated entity is accompanied by an explanatory note which describes relevant events in connection to the application of corporate governance principles, recorded during the financial year.	X		
4.	The regulated entity has drafted a communication strategy with the interested parties in order to insure proper information.	X		
5.	The structure of the council insures, depending on the case, a balance between the executive and non-executive members so that no individual or close group of individuals can influence the decision-making process.	X		
6.	The council meets at least once every three months in order to monitor the way the activity of the regulated entity is carried out.	X		
7.	The Board or executive/ higher management, depending on the case, regularly examines the policies regarding financial reporting, internal control and the risk administration/management system adopted by the regulated entity.	X		
8.	In its activity, the Board has the support of consultative committees that issue recommendations regarding various issues that are the object of the decision-making process.	X		
9.	Consultative committees submit the Board materials/reports regarding issues entrusted by these.	X		
10.	In the internal procedures/policies/regulations are provisions regarding the selection of nominations for the individuals in the executive/higher management, the appointment of new individuals or extending the mandate of those already existent.	X		
11.	The regulated entity makes sure that the members of the executive management/ higher management receive professional training so that they can fulfill their attributions efficiently.	X		
12.	The key positions are set in such a way so that they are proper for the organizational structure of the regulated entity, and according to the regulations applicable to it.	X		
13.	The Board regularly analyze the efficiency of the internal control system of the regulated entity and the updating method, in order to insure a rigorous management of the risks the regulated entity is exposed to.	X		
14.	The audit committee makes recommendations to the Board, regarding the selection, appointment, name and replacement of the financial auditor, as well as the terms and conditions of its remuneration.	X		
15.	The Board analysis, at least once a year and makes sure that the remuneration policies are consistent and have an efficient risk management.	X		
16.	The remuneration policy of the regulated entity is foreseen in internal regulations that target the implementation and abidance by the corporate governance principles.	X		
17.	The Board has adopted a procedure for the purpose of the proper identification and solving of conflict of interest cases.	X		
18.	The executive management / higher management, depending on the case, informs the Board about conflict of interest once these occur and does not participate to the decision-making process connected to the conflict state, if these structures or individuals are involved in that particular conflict state.	X		
19.	The council analyses, at least once a year, the efficiency of the risk administration /management system of the regulated entity.	X		
20.	The regulated entity has drafted procedures regarding the identification, evaluation and management of significant risks to which it can or will be exposed.	X		
21.	The regulated entity has clear action plans to insure the continuity of the activity and for emergency situations.	X		

President
Costel Ceoce

Compliance Officer
Michaela Puscas

Provisions of BSE Code		Compliance
A.1	All companies must have an internal regulation of the Board that includes the reference terms/responsibilities of the Board and key management positions of the company, which involve, among others, the General Principles in Section A.	YES
A.2	The provisions of conflict of interest management must be included in the Council's regulation	YES
A.3	The Board of Directors or Board of Supervisors should comprise at least five members	YES
A.4	The majority of the members in the Board of Directors should not have an executive position. At least one member of the Board of Directors or Board of Supervisors should be independent in case of Standard Category Companies. In case of Premium Category companies, no less than two non-executive members of the Board of Directors or Board of Supervisors should be independent (<i>four members in the Board of Directors are independent</i>).	YES
A.5	Other professional engagement and obligations, relatively permanent of one member of the Board, including executive and non-executive positions in the Board of some non-profit companies and institutions must be disclosed to shareholders and potential investors before appointment and during his mandate.	YES
A.6	Any member of the Board must present the Board information regarding any relationship with any shareholder directly or indirectly holding shares that represent over 5% of all vote rights. This obligation refers to any kind of relationship that might affect the position of the member regarding matters decided by the Board.	YES
A.7	The company must assign a secretary of the Board, responsible for the support of the Board's activity.	YES
A.8	The Corporate Governance Statement will inform if there has been a Board evaluation under the President or Appointment Committee, and if so, it will summarize the key measures and changes resulted from it. The Company should have a policy/guide regarding the Board's evaluation, including the purpose, criteria and frequency of the evaluation process.	YES
A.9	The Statement regarding corporate governance should contain information regarding the number of meetings of the Board and Committees over the previous year, <i>participation of managers</i> (in person or in absence) and a report of the Board and committees regarding their activity.	15 Board meetings attended by all directors (details in the Board Report)
A.10	The Corporate Governance Statement should include information regarding the <i>exact number of independent members</i> of the Management Board or in the Board of Supervisors.	YES
A.11	The Board of companies in the Premium Category should set up an <i>Appointment Committee</i> comprised of non-executive members that <i>will manage the appointment procedure for new Board members</i> and will make recommendations for the Board. The majority of the Appointment Committee members should be independent.	YES
B.1	In case of companies from Premium Category, the Audit Committee must comprise at least three members and the majority of the Audit Members should be independent.	YES
B.2	The president of the Audit Committee must be an independent non-executive member.	YES
B.3	The Audit Committee should carry out an annual evaluation of the internal control system.	YES
B.4	The evaluation must consider the efficiency and coverage of the internal audit function, de adequacy of the risk management and internal control reports presented by the Audit Committee before the Board, the promptness and efficiency of the executive management in solving identified deficiencies or weaknesses following internal control and the presentation of relevant reports before the Board.	YES
B.5	The Audit Committee must evaluate the conflicts of interest, in connection to the transaction of the company and its branches with affiliated parties.	YES
B.6	The Audit Committee must evaluate the efficiency of the internal control system and risk management system.	YES
B.7	The Audit Committee must monitor the application of legal standards and internal audit standards accepted. The Audit Committee should receive and evaluate the reports of the internal audit team.	YES
B.8	Every time the Code mentioned reports or analysis initiated by the Audit Committee, these must be followed by periodical reports (at least on an annual basis) or ad hoc reports to be later presented to the Boards.	YES
B.9	No shareholder can be awarded preferential treatment in comparison to other shareholders in connection to transactions and agreements entered by the Company with shareholders and their affiliates.	YES
B.10	The Board should adopt a policy to make sure that any transaction of the company with any of the company it is closely connected to and whose value is equal or larger than 5% of the assets company's net assets (according to the latest financial record) is approved by the Board following a mandatory opinion of the Audit Committee and correctly present to the shareholders and potential investors, as long as these transactions are entered in the category of events that are object of the reporting requirements.	YES
B.11	Internal Audits should be carried out by a structurally separate division (Internal Audit Department) from within the Company or through the employment of an independent entity.	YES
B.12	For the purpose of insuring the fulfillment of the main functions of the internal audit department, this should report to the Board from a functional point of view. For administrative purposes and within the obligations of management to monitor and reduce risks, these should report directly before the general manager.	YES
C.1	The Company should publish on its website its remuneration policy and include in the annual report, a statement regarding the implementation of the remuneration policy during the annual period that is object of the analysis.	YES

D.1	The company should set up a Investor Relations Service- indicating to the public the person / individuals responsible or <i>organizational unit</i> . Besides the information requested by legal provisions, the company should include on its website a section dedicated to Investors' Relations, in the Romanian and English language, with all relevant information that might interest the investors, including:	YES
D.1.1	Main corporate regulations: Articles of Incorporation, procedures regarding the General Shareholders Meetings.	YES
D.1.2	Professional CVs of the members of the company's management bodies of the Company; other professional engagements of the Board's members, including executive and non-executive positions in the company's management boards or in non-profit institutions;	YES
D.1.3	Current and periodical reports (quarterly, half-yearly and annually) – at least those foreseen under point D8 – including current reports with detained information concerning the non-compliance with the present Code;	YES
D.1.4	Information regarding shareholders' general meetings: agenda and informative materials, selection of Board members; arguments supporting the candidate proposed to be elected in the Board, along with their professional CVs; shareholder's questions regarding items on the agenda and answers of the company, included adopted resolutions;	YES
D.1.5	Information regarding corporate events, such as dividend payment and other distributions to shareholders, or other events that lead to the acquiring or limitations of a shareholder's rights, including the deadlines and principles applicable to these operations. This information shall be published within a deadline that allows investors adopt investment decisions;	YES
D.1.6	Name and contact details of an individual who, on request can supply information	YES
D.1.7	Company's presentation (e.g., presentations for investors, presentations regarding quarterly results, etc.) financial reports (quarterly, half-yearly, annual) audit reports and annual reports.	YES
D.2	The company shall have a policy regarding annual dividend distribution or distribution of other benefits to shareholders proposed by the General Manager or Directorate and approved by the Board, as a set of directorate guidelines that the company intends to follow regarding the distribution of net profit. The main annual policies for the distributions to shareholders will be published on the company's website.	YES
D.3	The company will adopt a policy regarding forecasts. Forecasts refer to the quantified conclusions of some studies that aim to certain the global impact of a number of factors regarding a certain value (so called hypothesis): through its nature, this forecast has a high level of uncertainty, the real results can significantly differ from the initially presented forecasts. The forecast policy will set the frequency, period considered and forecast content. If published, the forecasts can be included only in annual, half-yearly and quarterly reports. The forecast policy will be published on the Company's internet page.	YES
D.4	The rules of the general shareholders' meeting should not limit the participation of shareholders to the general meetings and their exercising their votes. The modifications of the rules come into force, on the following meeting of shareholders.	YES
D.5	External auditors will be present at the general shareholders' meeting when their reports are presented during the meeting.	YES
D.6	The Board will present the annual general shareholders' meeting a short ascertainment of the internal control sand significant risk management systems, as well as opinions on issues presented before the general meeting.	YES
D.7	Any specialist, consultant, expert of financial analyst can be present during the shareholders' meeting based on a prior invitation from the Council. Accredited journalist can participate to the general shareholders' meeting with the exception of the case when the President of the Board decides otherwise.	YES
D.8	Quarterly and semi-annual financial statements will include information in the Romanian and English language regarding key factors that influence changes on the level of the sales, the operational profile, net profit and other relevant financial indicators, from one quarter to the other and from year to the other.	YES
D.9	A Company shall organize at least to meetings/ teleconferences with analysts and investors per year. The information presented with such occasion will be published in the Investors' Relation section on the Company's internet page on the date of the meetings/ teleconferences.	YES
D.10	In case a company supports various forms of artistic and cultural events, sporting events, educational or scientific events and considers that their impact on the innovative nature and competitiveness of the company are part of its mission and development strategy, shall publish its <i>policy regarding its activity in this field</i> .	YES

President
Costel Ceoce

Compliance Officer
Michaela Puscas

SIF MOLDOVA SA

**SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

**PREPARED IN ACCORDANCE WITH INTERNATIONAL
FINANCIAL REPORTING STANDARDS AS ADOPTED BY
THE EUROPEAN UNION (“IFRS”) AND APPLYING
FINANCIAL SUPERVISORY AUTHORITY NORM NO.
39/2015, REGARDING THE APPROVAL OF THE
ACCOUNTING REGULATIONS IN ACCORDANCE WITH
IFRS, APPLICABLE TO THE ENTITIES AUTHORIZED,
REGULATED AND SUPERVISED BY THE FSA –
FINANCIAL INVESTMENTS AND INSTRUMENTS
SECTOR, AS AMENDED**

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SIF MOLDOVA SA
SEPARATE STATEMENT OF COMPREHENSIVE INCOME
AS AT DECEMBER 31, 2018
(all amounts are expressed in RON, unless specified otherwise)

	Note	31 December 2018	31 December 2017
Income			
Dividend income	6	95,594,508	73,301,258
Interest income	7	2,427,375	1,148,917
Other operating revenue	8	1,605,103	897,387
Other income		3,371,596	4,781,789
Investment income			
Net profit from sale of assets	9	394,396	100,530,811
Net loss/net gain from revaluation of financial assets at fair value through profit or loss	10	(16,338,454)	40,549,007
Net gains from revaluation of investment property		-	314,328
Expenses			
Impairment loss	11	1,485,801	(152,475)
Expense with provisions for risk and charges	12a	-	901,839
Other operating expenses	12b	(33,407,766)	(34,737,537)
Other expenses		-	(2,219,881)
Profit before tax		55,132,559	185,315,443
Income tax	13	(4,972,610)	(20,528,695)
Net profit for the year		50,159,949	164,786,748
Other comprehensive income		-	-
<i>Gain on the disposal of financial assets at fair value through other comprehensive income, net of tax, recycled to retained earnings</i>	16e)	43,201,285	-
Increases/(Decreases) of revaluation reserve on property, plant and equipment, net of deferred tax		52,666	(297,959)
Net gain on the revaluation of financial assets at fair value through other comprehensive income	16e)	12,845,408	-
Net gain on the revaluation of available-for-sale financial assets		-	125,984,478
Transfer of reserve to retained earnings further to the sale of FVTOCI, net of tax	16e)	(43,201,285)	-
Transfer of reserve to profit or loss further to the sale of AFS, net of tax		-	(84,313,578)
Other comprehensive income		12,898,074	41,372,941
Total comprehensive income for the period		63,058,023	206,159,689

The separate financial statements were approved by the Board of Directors on March 13, 2019 and were signed on its behalf by:

Claudiu Doros,
CEO

Decebal Dumitrescu,
CFO

The accompanying notes are an integral part of these separate financial statements.
This is a free translation from the original Romanian version.

SIF MOLDOVA S.A.
SEPARATE STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2018
(all amounts are expressed in RON, unless specified otherwise)

	Note	December 31, 2018	December 31, 2017
Assets			
Cash and cash equivalents	14	278,239	229,547
Deposits at banks	15	74,536,926	36,387,265
Financial assets at fair value through profit or loss	16a	341,800,429	204,732,623
Financial assets at fair value through other comprehensive income	16b	1,441,126,064	-
Financial assets available for sale		-	1,611,822,537
Bonds at depreciation cost	16c	7,821,978	7,324,894
Investment property	17	3,505,273	3,505,273
Intangible assets	18	26,723	21,294
Tangible assets		8,461,441	8,213,719
Other assets at depreciation cost		8,556,152	7,443,288
Other assets	19	192,852	467,703
Total assets		1,886,306,077	1,880,148,143
Liabilities			
Dividends payable	20	34,768,768	33,087,963
Provisions for risk and charges	21	2,565,455	2,565,455
Deferred tax liability	22	69,143,317	79,144,662
Current tax profit liabilities	23	1,669,219	5,033,350
Financial liabilities at depreciation cost	23	12,140,530	1,299,173
Other liabilities	23	16,540,039	17,409,795
Total liabilities		136,827,328	138,540,398
Equity			
Share capital	24	526,723,352	539,720,149
Retained earnings		717,946,800	573,485,823
Reserves from revaluation of property, plant and equipment		8,850,223	8,797,557
Reserves from revaluation of financial assets at fair value through other comprehensive income		524,449,576	-
Reserves from revaluation of financial assets available-for-sale		-	657,887,603
Own shares	24	(28,598,935)	(37,436,693)
Other equity elements		107,733	(846,694)
Total equity		1,749,478,749	1,741,607,745
Total liabilities and equity		1,886,306,077	1,880,148,143

The separate financial statements were approved by the Board of Directors on March 13, 2019 and were signed on its behalf by:

Claudiu Doros,
CEO

Decebal Dumitrescu,
CFO

The accompanying notes are an integral part of these separate financial statements.
This is a free translation from the original Romanian version.

SIF MOLDOVA S.A.
SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2018
(all amounts are expressed in RON, unless specified otherwise)

	Share capital	Reserves from the revaluation of tangible assets	Reserves from the revaluation financial assets at fair value through other comprehensive income	Retained earnings	Own shares	Other equity elements	Total
Balance as at 1 January 2018	539,720,149	8,797,557	657,887,603	573,485,823	(37,436,693)	(846,694)	1,741,607,745
Changes further to the adoption of IFRS 9 (see note 3a)	-	-	(103,082,150)	103,082,150	-	-	-
Balance as at January 1, 2018, restated	539,720,149	8,797,557	554,805,453	676,567,973	(37,436,693)	(846,694)	1,741,607,745
Comprehensive income							
<i>Profit of the period</i>	-	-	-	50,159,949	-	-	50,159,949
<i>Other comprehensive income</i>							
Reserve increase from revaluation of tangible assets	-	52,666	-	-	-	-	52,666
Fair value revaluation of financial assets through other comprehensive income, net of deferred tax	-	-	12,845,408	-	-	-	12,845,408
(Gain)/Loss on transfer to profit or loss/retained earnings further to the sale of financial assets	-	-	(43,201,285)	43,201,845	-	-	-
Total comprehensive income for the period	-	52,666	(30,355,876)	93,361,233	-	-	63,058,023
Transactions with shareholders recognized directly in equity							
Share capital decrease	(12,996,797)	-	-	(12,434,333)	25,000,000	431,130	-
Own shares redeemed	-	-	-	-	(19,998,000)	(283,759)	(20,281,759)
Own shares allocated	-	-	-	(398,920)	3,835,758	807,056	4,243,895
Dividends prescribed by law	-	-	-	10,406,543	-	-	10,406,543
Dividends payment related to 2017	-	-	-	(49,555,697)	-	-	(49,555,697)
Total transactions with shareholders recognized directly in equity	(12,996,797)	-	-	(51,982,407)	8,837,757	954,427	(55,187,019)
Balance as at 31 December 2018	526,723,352	8,850,223	524,449,576	717,946,800	(28,598,935)	107,733	1,749,478,749

The separate financial statements were approved by the Board of Directors on March 13, 2019 and were signed on its behalf by:

Claudiu Doroș,
CEO

Decebal Dumitrescu,
CFO

The accompanying notes are an integral part of these separate financial statements.
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SIF MOLDOVA S.A.
SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2018
(all amounts are expressed in RON, unless specified otherwise)

	Share capital	Reserves from the revaluation of tangible assets	Reserves from the revaluation financial assets available for sale	Retained earnings	Own shares	Other equity elements	Total
Balance as at 1 January 2017	539,720,149	9,095,516	616,216,703	445,783,128	(10,311,450)	(412,296)	1,600,091,750
Comprehensive income							
Profit of the period	-	-	-	164,786,748	-	-	164,786,748
Other comprehensive income	-	-	-	-	-	-	-
Reserve increase from revaluation of tangible assets	-	(297,959)	-	-	-	-	(297,959)
Transfer from the revaluation reserve to retained earnings following the sale of tangible assets	-	-	-	-	-	-	-
Revaluation of assets available for sale at fair value, net of deferred tax	-	-	140,218,541	-	-	-	140,218,541
Reserve decrease due to the sale of financial assets	-	-	(98,547,641)	-	-	-	(98,547,641)
Total comprehensive income for the period	-	(297,959)	41,670,900	164,786,748	-	-	206,159,689
Transactions with shareholders recognized directly in equity							
Share capital increase	-	-	-	-	-	-	-
Own shares redeemed	-	-	-	-	(27,125,243)	(434,398)	(27,559,641)
Dividends prescribed by law	-	-	-	6,791,916	-	-	6,791,916
Dividends payment related to 2016	-	-	-	(43,875,969)	-	-	(43,875,969)
Total transactions with shareholders recognized directly in equity	-	-	-	(37,084,053)	(27,125,243)	(434,398)	(64,643,694)
Balance as at 31 December 2017	539,720,149	8,797,557	657,887,603	573,485,823	(37,436,693)	(846,694)	1,741,607,745

The separate financial statements were approved by the Board of Directors on March 13, 2019 and were signed on its behalf by:

Claudiu Doros,
CEO

Decebal Dumitrescu,
CFO

The accompanying notes are an integral part of these separate financial statements.
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SIF MOLDOVA S.A.
SEPARATE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018
(all amounts are expressed in RON, unless specified otherwise)

	2018	2017
Cash flows from operating activities:		
Profit before taxation	55,132,559	185,315,443
Adjustments for:		
Reversals of impairment of financial assets	-	152,475
Net loss from financial assets at fair value through profit and loss	16,200,763	(40,549,007)
Adjustment for available for sale financial assets	-	(112,781,368)
Dividend income	(95,594,508)	(73,301,258)
Interest income	(2,427,375)	(1,148,917)
Charge/Release of provisions for risk and charges	265,687	886,831
Write back of provisions	(3,167,058)	5,312,282
Net gains from forex exchange	(509,403)	-
Other adjustments	(43,068)	881,204
Changes in operating assets and liabilities:		
Acquisition of financial assets at fair value through profit or loss	(97,112,529)	(50,640,148)
Sales of financial assets at fair value through profit or loss	34,055,942	16,214,403
Acquisition of financial assets at fair value through other comprehensive income/available for sale	(110,492,026)	(201,768,318)
Sales of financial assets at fair value through other comprehensive income/available for sale	216,131,853	202,376,604
Proceeds from investments held to maturity	11,760	2,223,764
Other assets changes	5,698,629	(6,300,402)
Other liabilities changes	2,367,976	(3,681,306)
Collected dividends	91,157,618	69,918,050
Collected interest	2,325,626	1,213,436
Income tax paid	(17,308,289)	(13,282,880)
Net cash flow proceeds / (used in) operating activities	96,694,159	(18,959,112)
Investment activities:		
Payments for purchases of property, plant and equipment	(1,002,403)	(1,235,695)
Proceeds from sale of property and investment property	256,705	-
Net cash flow proceeds / (used in) investment activities	(745,698)	(1,235,695)
Investment activities:		
Dividends paid	(37,468,348)	(34,354,499)
Buy-back shares	(20,281,759)	(27,559,641)
Net cash flow proceeds / (used in) investment activities	(57,750,108)	(61,914,140)
Net increase in cash and cash equivalents	38,198,353	(82,108,947)
Cash and cash equivalents at 1 January	36,616,812	118,725,759
Cash and cash equivalents at 31 December	74,815,165	36,616,812

The separate financial statements were approved by the Board of Directors on March 13, 2019 and were signed on its behalf by:

Claudiu Doros,
CEO

Decebal Dumitrescu,
CFO

SIF MOLDOVA SA
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(all amounts are expressed in RON, unless specified otherwise)

REPORTING ENTITY

SIF Moldova SA (“the Company” or “**SIF Moldova**”), holding code “SIF2” at the Bucharest Stock Exchange is a collective investment body operating in Romania in accordance with the provisions of Law 31/1990 on commercial companies and Law 297/2004 on capital market, as subsequently amended and supplemented, authorized as manager of alternative investments (AFIA) by Licence no. 20/23.01.2018 issued by the FSA.

The Company is the successor of Fondul Proprietății Private II Moldova, reorganized and transformed in accordance with the provisions of Law no. 133/1996.

The registered office of the Company is located on street Pictor Aman, nr. 94C, Bacău municipality, Bacău county, Romania. The Company also operates through its representative offices located in Iași and Bucharest.

During the reporting period, the EGMS of April 27, 2018 approved the change of the company’s name from Societatea de Investiții Financiare Moldova SA into First Romanian Capital Invest SA. Such decision cannot be put into practice due to the final position of the FSA, which invoked the application of a provision of Law no. 133/1996 on the conversion of former Fonduri ale Proprietatii Private, according to which FPP II Moldova shall be called “Societatea de Investiții Financiare Moldova SA”.

According to its statute, the Company’s core activities are:

- administration and management of financial instruments, derivative financial instruments and other instruments qualified as such by the regulations of the National Securities Commission (NSC), whose duties and prerogatives have been taken over by the Financial Supervisory Authority (FSA);
- administration and management of shares, bonds and other rights arising therefrom to companies not traded or closed;
- other auxiliary and related activities, in accordance with the regulations in force.

The Company is self-administered.

The Company's shares are listed on the Bucharest Stock Exchange, Category I, code SIF2, starting from November 1, 1999.

The shares and shareholders are recorded according to law by Depozitarul Central SA Bucharest.

The assets are deposited with BRD – Société Générale S.A. – company authorized by the National Securities Commission, whose duties and prerogatives have been taken over by the Financial Supervisory Authority (FSA).

(a) Statement of compliance

The separate financial statements are prepared by the Company in accordance with the recognition, measurement and valuation criteria of the International Financial Reporting Standards adopted by the European Union (“IFRS”). The separate financial statements were prepared in accordance with Norm of the Financial Supervisory Authority 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, operating in the Financial Instruments and Investments Sector (FSA).

SIF MOLDOVA SA
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(all amounts are expressed in RON, unless specified otherwise)

BASIS OF PREPARATION

(a) Statement of compliance (continued)

Within the meaning of Norm 39/2015, International Financial Reporting Standards, hereinafter referred to *IFRS*, are the standards adopted according to the procedure provided by Regulation no. 1606/2002 of the European Parliament and the EU Council of 19 July 2002 on the application of international accounting standards, as subsequently amended and supplemented.

The separate financial statements for the year ended December 31, 2018 comprise the separate statement of financial position, separate statement of comprehensive income, separate statement of cash flows, separate statement of changes in equity and notes.

The comparatives are presented as at December 31, 2017 both for the separate statement of financial position and the separate statement of changes in equity and statement of comprehensive income.

The consolidated financial statements of Group SIF Moldova as at December 31, 2018 will be prepared, approved and made public until March 18, 2018. They can be consulted on the Company's website: www.sifm.ro.

The Company's accounting is kept in RON (the symbol of the national currency is "RON").

(b) Presentation of financial statements

The separate financial statements are presented in accordance with IAS 1 "Presentation of financial statements". The Company has adopted a liquidity-based presentation in the statement of financial position and a presentation of income and expenses by their nature in the statement of comprehensive income, as it considers that such presentation methods offer reliable and more relevant information compared to those that would have been presented using alternative methods allowed by IAS 1.

(c) Functional and presentation currency

The Company's management considers that the functional currency, as defined by IAS 21 "Effects of changes in foreign exchange rates", is the Romanian Leu (RON). The separate financial statements are presented in RON, rounded at the closest RON value, which the Company's management has chosen as presentation currency.

(d) Bases of measurement

The separate financial statements are prepared at fair value for derivative financial instruments, financial assets and liabilities at fair value through profit and loss and financial assets at fair value through other comprehensive income.

SIF MOLDOVA SA
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(all amounts are expressed in RON, unless specified otherwise)

2. BASIS OF PREPARATION (continued)

(d) Bases of measurement (continued)

Other financial assets and liabilities, and non-financial assets and liabilities are carried at amortized cost, revalued amount or historical cost.

(e) Use of estimates and judgments

The preparation of the separate financial statements in accordance with International Financial Reporting Standards adopted by the European Union ("IFRS") requires the management to make estimates and assumptions that affect the application of accounting policies and the reported values of assets and liabilities, income and expenses. The judgments and assumptions related to such estimates are based on the historical experience and other factors deemed reasonable for such estimates. The results of such estimates are the basis of the judgments regarding the carrying amounts of assets and liabilities which cannot be obtained from other sources. Actual results may differ from these estimates.

The judgments and assumptions underlying the financial statements are revised periodically by the Company. The revisions of accounting estimates are recognized when the estimate is revised if it affects only that period or in the period when the estimate is revised and in future periods if the revision affects both the current and future periods.

3. SIGNIFICANT ACCOUNTING POLICIES

Except for the amendments related to the adoption of IFRS 9 Financial instrument ("IFRS 9") described herein below, the accounting policies applied in these annual financial statements have been applied consistently for all of the years presented in these annual financial statements.

IFRS 9 is the IASB's replacement of IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes requirements for recognition and measurement, a new model on credit risk to calculate the impairment of financial assets and new general requirements on hedge accounting. It also keeps principles similar to IAS 39 on the recognition and de-recognition of financial instruments.

SIF Moldova adopted IFRS 9 as of its initial application, i.e., January 1, 2018. SIF Moldova holds the following types of financial instruments that fall under the scope of IFRS 9: **shares, fund units, bonds, cash and current accounts, bank deposits, other financial assets and liabilities**. Based on the review conducted, as of the initial adoption of IFRS 9, SIF Moldova decided to classify investments in: **financial assets (equity instruments not intended for trading) measured at fair value through other comprehensive income (application of classification option upon transition to IFRS 9), financial assets (equity instruments not intended for trading) measured at fair value through profit or loss** (implicit measurement provided by IFRS 9, for equity instruments) and **financial assets at depreciation cost** (bank deposits, other receivables and bonds not intended to trading, which meet the requirements of IFRS 9 regarding cash flows and business model). Such approach is in line with the business model of SIF Moldova of managing the performance of its portfolio at fair value, with the intended purpose of maximising the returns for shareholders and increasing the net asset value.

SIF MOLDOVA SA
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(all amounts are expressed in RON, unless specified otherwise)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

There were no changes in the book value of the financial assets and liabilities upon transition to IFRS 9 as at January 1, 2018 compared to their previous value established in accordance with IAS 39. The classification and accounting value of financial assets and liabilities in accordance with IAS 39 and IFRS 9 as at January 1, 2018 are presented in the table below:

Type of instrument	IAS 39 (December 31, 2017)		IFRS 9 (December 31, 2018)		Impact of IFRS 9 adoption	Impact explained
	classification	Book value	Classification	Book value		
Equity investments	Financial assets at fair value through profit or loss	25,770,693	Financial assets at fair value through profit or loss	25,770,693	-	
Equity investments	Financial assets at fair value through profit or loss	178,961,930	Financial assets at fair value through other comprehensive income	178,961,930	8,869,544	The impact is the reclassification from "Profit or loss carried forward" to "Reserves from revaluation of financial assets at fair value through other comprehensive income" upon transition to IFRS 9.
Equity investments	Available-for-sale financial assets	267,544,060	Financial assets at fair value through profit or loss	267,544,060	(73,960,058)	The impact is the reclassification from "Reserves from the revaluation of financial assets at fair value through other comprehensive income" to "Profit or loss carried forward" upon transition to IFRS 9.
Equity investments	Available-for-sale financial assets	1,344,278,477	Financial assets at fair value through other comprehensive income	1,344,278,477	(37,991,636)	The impact is the reclassification from "Reserves from the revaluation of financial assets at fair value through other comprehensive income" to "Profit or loss carried forward" upon transition to IFRS 9.
Cash, current accounts and bank deposits	Cash, current accounts and bank deposits	36,616,812	Cash, current accounts and bank deposits	36,616,812	-	
Bonds	Investments held to maturity	7,324,894	Bonds at depreciation cost	7,324,894	-	
Other assets	Other assets	7,443,288	Other assets at depreciation cost	7,443,288	-	
Dividends payable	Dividends payable	33,087,963	Dividends payable	33,087,963	-	
Financial liabilities	Other payables	1,299,173	Financial liabilities at depreciation cost	1,299,173	-	
TOTAL impact					(103,084,493)	

This is a free translation from the original Romanian version.

SIF MOLDOVA SA
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(all amounts are expressed in RON, unless specified otherwise)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Further to the adoption of IFRS 9, as of the initial adoption as at January 1, 2018, the fair value reserve of available-for-sale financial assets, net of deferred tax, in total amount of RON 103,082,150, was reclassified to retained earnings.

In accordance with the transient provisions of IFRS 9, SIF Moldova decided not to restate the previous periods.

Based on our review, SIF Moldova decided to classify most (84% of the IFRS value of outstanding financial assets as at December 31, 2017) of the financial instruments, as of the initial adoption of IFRS 9, at fair value through other comprehensive income.

Upon transition to IFRS 9, no changes of fair value were required.

The separate financial statements have been prepared on a going concern basis which assumes that the Company will continue to operate in the foreseeable future. To assess the applicability of this assumption, the management analyzes the cash inflow forecasts.

(a) Foreign currency transactions

Operations denominated in foreign currencies are recorded in RON at the official exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into RON at the exchange rate of that date.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the exchange rate at the end of the year of monetary assets and liabilities denominated in a foreign currency are recognized in the statement of comprehensive income except those recognized in equity as a result of their registration based on hedge accounting.

Translation differences on elements in the form of interests held at fair value through profit or loss are presented as gains or losses on fair value. The translation differences on elements in the form of financial instruments classified at fair value through other comprehensive income are included in the reserve from the change of fair value of such financial instruments.

The exchange rates of the main foreign currencies were:

Currency	December 31, 2018	December 31, 2017	Variation
EUR	1:LEU 4,6639	1: LEU 4,6597	0,09%
USD	1:LEU 4,0736	1: LEU 3,8915	4,47%

(b) Subsidiaries and associates

Subsidiaries are entities controlled by the Company. Control exists when, inter alia, the Company has the ability to influence those returns through its power over the investee. When evaluating control, the Company must also consider the potential or convertible voting rights exercisable at that time.

SIF MOLDOVA SA
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(all amounts are expressed in RON, unless specified otherwise)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Subsidiaries and associates (continued)

Associates are companies in which the Company may exercise significant influence but not control over the financial and operational policies.

The list of subsidiaries and associates is available in Note 27.

The Company classified in these separate financial statements in subsidiaries and associates as financial assets at fair value through other comprehensive income and at fair value through profit or loss, in accordance with IFRS 9.

(c) Accounting for the effect of hyperinflation

In accordance with IAS 29, the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy shall be stated in terms of the current measuring unit at the end of the reporting period (non-monetary items shall be restated using a general price index as at the acquisition or contribution date).

According to IAS 29, an economy is hyperinflationary if, inter alia, the cumulative inflation rate over three years exceeds 100%.

The continued decrease of the inflation rate and other factors related to the characteristics of the Romanian economic environment indicate that the economy whose functional currency was adopted by the Company is no longer hyperinflationary, the effects of which were felt in the financial periods starting from January 1, 2004. Thus, the provisions of IAS 29 have been adopted in the preparation of the separate financial statements as at December 31, 2003.

Thus, values expressed in the current measuring unit as at December 31, 2003 are treated as basis for the accounting values reported in the separate financial statements and do not represent valued amounts, replacement cost or any other measurement of the current value of the assets or the prices of the potential current transactions.

For the purpose of preparing the separate financial statements, the Company adjusts the following non-monetary items to express them in the current measuring unit as at December 31, 2003:

- share capital;
- financial assets at fair value through other comprehensive income.

Property, plant and equipment and investment property are stated at revalued amount as at December 31, 2017 and December 31, 2018. The latest revaluation was performed by the Company as at December 31, 2016 through Evaluari Consultanta Management Bacau – ANEVAR member.

The amounts affected reversed annually as a result of the restatement of the financial statements according to IAS 29 are in amount of RON 425,405,435.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Cash and cash equivalents

Cash and cash equivalents include: actual cash, current accounts and deposits at banks (including blocked deposits and interest on bank deposits).

In the preparation of the statement of cash flows, the Company considers the following as cash and cash equivalents: actual cash, current bank accounts, deposits with initial maturity of less than 90 days and interest thereon (excluding blocked deposits).

(e) Financial assets and liabilities

(i) Classification of financial assets

• Financial assets at fair value through profit or loss (“FVTPL”):

Further to the adoption of IFRS 9, financial assets in the form of equity instruments that the Company did not chose to classify as financial assets measured at fair value through other comprehensive income and were not held for trading, were classified at fair value through profit or loss.

A financial asset (whether or not intended for trading) must be measured at fair value through profit or loss. However, upon initial recognition, the company may irrevocably designate an equity instrument not intended for trading as measured at fair value through other comprehensive income.

An asset is held for trading if it cumulatively fulfils the following conditions:

- it is held to sale and redemption in the near future;
- upon initial recognition it is part of a portfolio of identified financial instruments, managed together and for which there is evidence of a recent real pattern of monitoring short-term profit.

• Financial assets at fair value through other comprehensive income (“FVOCI”): classification option upon initial recognition for equity instruments not held for trading

A financial asset (equity instrument not intended for trading) must be carried at fair value through other comprehensive income if the management opts for such category upon initial recognition.

A gain or loss on a financial asset stated at fair value through other comprehensive income must be recognised in other comprehensive income, except interest income for debts instruments and income from dividends in the case of equity instruments.

When the financial asset is derecognised, the accumulated gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment (see IAS 1) in case of debt instruments (recycling to profit or loss). In the case of equity instruments, the accumulated gain or loss previously recognised to other comprehensive income are not reclassified from equity to profit or loss (not recycled to profit or loss).

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Financial assets and liabilities (continued)

(i) Classification of financial assets (continued)

Financial assets at depreciation cost - debt instruments not intended for trading, are held in a business model whose objective is only met by the collection of contractual cash flows and if the contractual terms of the financial asset generate, at certain dates, cash flows that are exclusively payments of principal and interest related to the value of the principal owed

Financial assets and liabilities at depreciation cost

Financial assets and liabilities are stated at depreciation cost using the effective interest method, minus impairment losses (in case of financial assets). Other financial assets and liabilities at amortised cost include cash and current accounts, bank deposits, dividends receivable, amounts owed to shareholders, amounts owed to services providers and other receivables and payables.

The depreciation cost of a financial asset or liability is the value at which the financial asset or liability is evaluated upon initial recognition, less principal payments, more or less the accumulated amortisation, established using the effective interest method, of any difference between the initially recognised value and the value as at the due date, less any impairment.

A financial asset must be carried at depreciation cost if both the conditions below are met:

- (a) the financial asset is held in a business model whose objective is fulfilled both through the collection of contractual cash flows, and the sale of financial assets, and
- (b) the contractual terms of the financial asset generate at certain dates cash flows that are exclusively payments of principal and interest related to the principal owed.

Financial liabilities at depreciation cost – are recognised upon initial recognition and are not related to a trading activity.

(ii) Recognition

The assets and liabilities are recognized when the Company becomes contract party in the conditions of the instrument. Financial assets and liabilities are measured upon initial recognition at fair value plus directly attributable trading costs, except investments in shares whose fair value could not be reliably determined and which are initially carried at cost.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Financial assets and liabilities (continued)

(iii) Offset

The Company offsets financial assets and liabilities, and the net result is presented in the statement of financial position if and only if it has a legally enforceable right of set-off intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis if and only if it is permitted by accounting standards or for the gain or loss resulting from a pool of similar transactions such as those deriving from the Company's trading.

(iv) Measurement 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 minus principal repayments, plus or minus the cumulative amortization using the effective interest method, minus any impairment losses.

(v) Measurement at fair value

Fair value is the price which would be received from the sale of an asset or the price which would be paid to transfer a liability, through a normal transaction between market participants as at the valuation date (i.e., outgoing price).

The fair value of financial assets and liabilities is determined based on the quotations in an active market. A financial instrument has an active market if quoted prices are readily and regularly available for such instrument and such prices reflect regular arm's length market transactions.

Instruments traded in an active market are measured at fair value by multiplying the number of shares held with the closing price of the last trading day in the corresponding reporting period.

If a financial asset is quoted in more active markets, then the Company uses the quotation of the most advantageous market, considering all barriers/costs associated to accessing each of the markets.

For all other financial instruments, fair value is calculated using measurement techniques. Measurement techniques include techniques based on net discounted value, discounted cash flows, comparison with similar instruments for which there is an observable market price and other measurement techniques.

The value resulting from using a measuring model is adjusted depending on certain factors, as measurement techniques do not reliably reflect all the factors considered by market participants when entering into a transaction. Adjustments are registered so as to reflect risk models, the differences between sale and purchase quotes, liquidity risks and other factors. The Company's management considers that such adjustments are required to reliably present the financial instruments at fair value in the statement of financial position.

SIF MOLDOVA SA
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(all amounts are expressed in RON, unless specified otherwise)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Financial assets and liabilities (continued)

(v) Measurement at fair value (continued)

Financial assets carried at depreciation cost

Financial assets carried at amortized cost

Financial assets at depreciation cost are tested for impairment according to IFRS 9. For this purpose, these instruments are classified in Stage 1, Stage 2 or Stage 3, depending on their absolute or relative credit quality in terms of initial payments. So:

Stage 1: includes (i) newly recognized exposures; (ii) exposures for which credit risk has not materially deteriorated since initial recognition; (iii) low credit risk exposures (reduced credit risk relief).

Stage 2: includes exposures that, although performing, have experienced a significant deterioration in credit risk since initial recognition.

Stage 3: includes impaired credit exposures.

For Stage 1 exposures, depreciation is equal to the expected loss calculated over a time horizon of up to one year. For Stage 2 or 3 exposures, the depreciation is equal to the expected loss calculated over a time horizon corresponding to the full duration of the exposure.

As regards bank deposits and amortized cost bonds, the Company has opted to apply the low credit risk relief in full compliance with IFRS 9.

Adjustments for impairment of receivables are based on the present value of the expected cash flows of the principal. To determine the present value of future cash flows, the basic requirement is to identify estimated collections, payment maturity and discount rate used.

The Group defined as non-performing exposures receivables that meet one or both of the following criteria:

- exposures for which the Group estimates that it is unlikely that the debtor will fully pay its obligations regardless of the exposure value and the number of days for which the exposure is delayed;
- unpaid amounts.

(vi) Derecognition

The Company derecognizes a financial asset when the rights to the cash flows from the financial asset expire, or when the Company has transferred the contractual rights to the cash flows from the financial asset in a transaction in which it has transferred substantially all the risks and rewards of ownership.

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

The Company derecognizes a financial liability when the contractual obligations terminated or when the contractual obligations are annulled or expire.

If an entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it shall recognize either a servicing asset or a servicing liability for that servicing contract.

If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation shall be recognized at its fair value. If the fee to be received is expected to be more than an adequate compensation for the servicing, a servicing asset shall be recognized for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Financial assets and liabilities (continued)

(vi) Derecognition (continued)

In addition, if, as a result of the transfer, a financial asset is derecognized in its entirety, but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity shall recognize the new financial asset, financial liability or servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between:

- the carrying amount; and
- the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in other comprehensive income shall be recognized in profit or loss.

If the transferred asset is part of a larger financial asset (e.g. when an entity transfers interest cash flows that are part of a debt instrument interest) and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset shall be allocated between the part that continues to be recognized and the part that is derecognized, based on the relative fair values of those parts on the date of the transfer. For this purpose, a servicing asset shall be treated as a part that continues to be recognized.

The difference between:

- the carrying amount allocated to the part derecognized; and
- the sum of (i) the consideration received for the part derecognized (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss allocated to it that had been recognized in other comprehensive income shall be recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is derecognized, based on the relative fair values of those parts.

(f) Other financial assets and liabilities

Other financial assets and liabilities are carried at amortized cost using the effective interest method, less any impairment losses.

(g) Investment property

Investment property is property (land or a building — or part of a building) held by the Company to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for administrative purposes; or
- sale in the ordinary course of business.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Investment property (continued)

If these portions can be sold separately (or leased out separately under a finance lease), the Company accounts for the portions separately. If the portions cannot be sold separately, the property is treated as investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

(i) Recognition

Investment property shall be recognized as an asset when, and only when:

- it is probable that the future economic benefits that are associated with the investment property will flow to the Company; and;
- the cost of the investment property can be measured reliably.

(ii) Measurement

Initial measurement

An investment property shall be measured initially at its cost. Transaction costs shall be included in the initial measurement. The cost of a purchased investment property comprises its purchase price and any directly attributable expenses (for example professional fees for legal services, property transfer taxes and other transaction costs).

The value of the Company's investment property as at December 31, 2018 and December 31, 2017 is presented in **Note 17**.

Subsequent measurement

The Company's accounting policy on the subsequent measurement of investment property is based on the fair value model. This policy is applied consistently for all investment property. The fair value measurement of investment property is conducted by valuers of the National Association of Romanian Valuers (ANEVAR). Fair value is based on market price quotations adjusted, if applicable, so as to reflect the differences in the nature, location or conditions of the respective asset. Such valuations are periodically revised by the Company's management.

Gains or losses from the change of the fair value of investment property are recognized in the profit or loss corresponding to the period in which they occur.

The fair value of investment property reflects the market conditions as at the balance sheet date.

(iii) Transfers

Transfers to or from investment property are performed when and only when there is a change in the use of the asset.

To transfer an investment property measured at fair value to property, plant and equipment, the implicit cost of the asset for the purpose of its subsequent registration shall be its fair value as at the date when the use is changed.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Investment property (continued)

(iv) Impairment

The same accounting policies are applied as for property, plant and equipment.

(v) Derecognition

The carrying amount of an investment property shall be derecognized on disposal or when the investment is definitely withdrawn from use and no future economic benefits are expected from its disposal.

The gain or loss arising from the disposal or sale of an investment property shall be included in profit or loss when the property is disposed of or sold.

(h) Tangible and intangible assets

(i) Recognition and measurement

Property, plant and equipment recognized as assets are initially carried at cost by the Company. The cost of an item of property, plant and equipment comprises the cost of purchase, including unrecoverable fees, after deducting all trade price discounts plus any cost directly attributable to bringing the asset to its present location and condition so that it can be used as intended by the management, such as, for instance: employee related expenses arising directly from the construction or acquisition of the asset, site layout costs, initial delivery and handling costs, installation and assembly costs, professional fees.

The value of the Company's tangible and intangible assets as at December 31, 2018 and December 31, 2017 is detailed in Note 18.

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

- Land;
- Buildings;
- Plant and machinery;
- Vehicles;
- Other property, plant and equipment.

Land and buildings are stated at revalued amount, which represents the fair value as at the revaluation date less any subsequently cumulated depreciation and any impairment losses.

The fair value is based on market price quotations, adjusted, if applicable, to reflect the differences in the nature, location or conditions of the respective asset.

Revaluations are performed by specialized valuers, ANEVAR members. The frequency of the revaluations of the Company's land and buildings is imposed by the dynamics of the corresponding markets.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Tangible and intangible assets (continued)

(i) Recognition and measurement (continued)

The other categories of property, plant and equipment are carried at cost, less cumulated depreciation and impairment allowance.

Expenses with maintenance and repair of property, plant and equipment are registered in the statement of comprehensive income as they appear, and significant improvements to property, plant and equipment which increase the value or useful life thereof, or significantly increase the capacity to generate economic benefits are capitalized.

(ii) Depreciation

Depreciation is calculated on a straight-line basis over their estimated useful life, as follows:

Buildings	40 years
Equipment	2-12 years
Vehicles	4-8 years
Furniture and other property, plant and equipment	4-12 years

Land is not depreciated.

Intangible assets fulfilling the recognition criteria of the International Financial Reporting Standards are carried at cost less cumulated amortization. The amortization of intangible assets is registered in profit or loss on a straight-line basis over an estimated period of maximum 3 years.

The depreciation/amortization methods, estimated useful lives and residual values are revised by the Company management at each reporting date.

(iii) Sale / disposal of tangible and intangible assets

Property, plant and equipment which is disposed of or sold is deregistered from the balance sheet along with the corresponding cumulated depreciation. Any gain or loss arising from such operation is included in the current profit or loss.

(i) Impairment of non-financial assets

The carrying amount of Company's non-financial assets, other than deferred tax, is revised at each reporting date to identify any impairment evidence. If such evidence exists, the Company estimates the recoverable value of such assets.

An impairment loss is recognized when the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in the statement of comprehensive income.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Impairment of non-financial assets (continued)

To determine the value in use, future cash flows are discounted using a discount rate before tax which reflects the current market conditions and risks specific for such asset.

Impairment losses recognized in previous periods are measured at each reporting date to determine if they have decreased or still exist. Impairment losses are reversed if a change occurred in the estimates to determine the recoverable value. Impairment losses are reversed if and only if the carrying amount of the asset does not exceed the carrying amount which would have been calculated, net of amortization/depreciation and impairment, should the impairment loss had not been recognized.

(j) Share capital

Ordinary shares are recognized in the share capital. Incremental costs directly attributable to an issuance of ordinary shares are deducted from capital, net of taxation effects.

(k) Dividends distributable

Dividends are treated as profit allocation in the period in which they have been declared and approved by the General Meeting of Shareholders.

(l) Dividends prescribed

Dividends payable not received within 3 years from the declaration date are prescribed according to law. Dividends prescribed represent transactions with shareholders and are recognized in equity, in retained earnings.

(m) Provisions for risks and charges

Provisions are recognized in the statement of financial position when an obligation arises for the Company from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits and the value of the obligation can be reliably estimated. To determine the provision, future cash flows are discounted using a discount rate before taxation, which reflects current market conditions and the risks specific to the liability.

(n) Interest income

Interest income and expenses are recognized in the statement of comprehensive income using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

(o) Dividend income

Dividend income is recognized in profit or loss at the date when the right to receive the income is established. In case of dividends received as shares as alternative to cash payment, dividend income is recognized at the level of the cash that would have been received, according to the increase of the related participation. The Company does not register dividend income for the shares received under a free title when they are distributed proportionally to all shareholders.

The Company registers dividend income at gross value which includes dividend tax, which is recognized as current income tax expense.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Employee benefits

(i) Short-term benefits

Short-term employee benefits are not discounted and are recognized in the statement of comprehensive income as the services are rendered.

Employee short-term benefits include salaries and premiums. Employee short-term benefits and social security contributions are recognized in the Company's financial statements when the services are delivered. The Company recognizes a provision for the amounts expected to be paid as short-term cash premiums or profit participation schemes when the Company has a present legal or constructive obligation to pay such amounts as a result of past services delivered by employees and when the obligation can be reliably estimated.

(ii) Defined contribution plans

The Company makes payments on behalf of its employees to the Romanian state pension scheme, health and unemployment fund in the ordinary course of business.

All the Company's employees are members of the plan and also have the legal obligation to contribute (through the social contributions) to the Romanian state pension scheme (a State defined contribution plan). All related contributions are recognized in the profit or loss of the period when they are incurred. The Company does not have any other additional obligations.

The Company is not enrolled in any independent pension scheme and, consequently, does not have any other obligations in this respect. The Company is not enrolled in any other post-retirement benefit scheme. The Company does not have the obligation to deliver further services for its former or current employees.

(iii) Employee long-term benefits

The Company's net obligation as regards long-term services benefits consists of the future benefits which employees earned in exchange for the services delivered by them in current and previous periods. The Company does not have the obligation to grant employees benefits on the retirement date.

(q) Gains or losses on foreign exchange differences

Foreign exchange transactions are registered in the functional currency (Leu), by converting the foreign currency amount at the official exchange rate communicated by the National Bank of Romania on the transaction date. As at the reporting date, foreign exchange monetary items are translated using the closing exchange rate.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognized in profit or loss in the period in which they arise.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Income tax

Income tax comprises current and deferred tax. Current income tax comprises tax on dividend income recognized at gross value.

Income tax is recognized in the statement of comprehensive income or in other elements of comprehensive income if the tax refers to items of equity.

Current tax is the tax payable on the profit obtained in the current year, determined based on the percentages applied as at the reporting date and all adjustments from previous periods.

For the period ended December 31, 2018, the income tax rate was 16% (December 31, 2017: 16%). The tax rate related to taxable dividend income was 5% for the period ended December 31, 2018 (December 31, 2017: 5%). Deferred tax is determined by the Company using the balance sheet method for temporary differences arising between the tax base for calculating tax for assets and liabilities and their carrying amount, used for reporting purposes in the separate financial statements.

Deferred tax shall not be recognized for the following temporary differences: initial recognition of goodwill, initial recognition of an asset or liability in a transaction which is not a business combination and affects neither accounting profit nor taxable profit and differences associated with investments in subsidiaries, provided they are not reversed in the near future.

Deferred tax is calculated based on the taxation percentages expected to be applicable to temporary differences when reversed, based on the legislation in force as at the reporting date. Deferred tax assets and liabilities are offset if and only if there is a legally enforceable right to set off current tax assets against current tax liabilities and if the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity; or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously.

Deferred tax receivables are recognized by the Company if and only if future profit is probable, which can be used to cover the tax loss. The asset is revised at the closing of each financial year and is decreased if the related tax benefit is improbable to be realized. Additional taxes arising from the distribution of dividends are recognized on the same date as the obligation to pay the dividends.

(s) Earnings per share

The Company presents basic and diluted earnings per share for ordinary shares. Earnings per share are calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares for the reporting period. Earnings per share are calculated by adjusting the profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares to the dilution effects generated by the potential ordinary shares.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Lease payments

Lease payments under an operating lease are recognized as an expense in profit or loss on a straight-line basis over the lease term. The lease facilities received are recognized as an integral part of the total lease expense, over the lease term. The operating lease expense is recognized as part of the operating expenses. The minimum lease payments under finance leases are divided on a pro rata basis between lease interest expenses and reduction of lease debt. The lease interest expense is allocated to each lease term so as to generate a constant interest rate for the remaining lease debt.

The following sections present: the list of new standards, amendments and interpretations of already existing standards effective in the financial year ended December 31, 2018, the list of new standards, and amendments and interpretations of the standards adopted by the International Accounting Standards Board (IASB) and the European Union (EU), but not effective yet as at December 31, 2018 and the list of new standards, and amendments and interpretations of the standards adopted by the International Accounting Standards Board, but not adopted yet by the European Union for the period ended December 31, 2018.

(u) Standards and interpretations in force in the current year

The following new standards, amendments to the existing standards and interpretation issued by the International Accounting Standards Board (IASB) and adopted by the European Union ("EU") effective for the current reporting period, are applicable to the Company:

- **IFRS 9 "Financial Instruments"** – adopted by the EU on 22 November 2016 (effective for annual periods beginning on or after 1 January 2018),
- **Amendments to IFRS 1 and IAS 28 due to "Improvements to IFRSs (cycle 2014-2016)"** resulting from the annual improvement project of IFRS (IFRS 1, IFRS 12 and IAS 28) primarily with a view to removing inconsistencies and clarifying wording - adopted by the EU on 7 February 2018 (amendments to IFRS 1 and IAS 28 are to be applied for annual periods beginning on or after 1 January 2018),
- **IFRIC 22 "Foreign Currency Transactions and Advance Consideration"** - adopted by the EU on 28 March 2018 (effective for annual periods beginning on or after 1 January 2018).

Except for IFRS 9, the Company considers that the adoption of these new standards, amendments and interpretation has not led to any material changes in its annual financial statements.

The Company adopted IFRS 9 as of its initial application as of 1 January 2018. There were no changes in the book value of financial assets further to the transition to IFRS 9 (see note 3 for further details).

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Standards and interpretations issued by IASB and adopted by the EU, but not yet effective

At the reporting date of these financial statements, the following standards, amendments to existing standards and new interpretations also applicable to the Company were in issue by IASB, but not yet effective:

- **IFRS 16 “Leases”** – adopted by the EU on 31 October 2017 (effective for annual periods beginning on or after 1 January 2019),
- **Amendments to IFRS 9 “Financial Instruments”** - Prepayment Features with Negative Compensation - adopted by the EU on 22 March 2018 (effective for annual periods beginning on or after 1 January 2019),
- **IFRIC 23 “Uncertainty over Income Tax Treatments”** - adopted by the EU on 23 October 2018 (effective for annual periods beginning on or after 1 January 2019).

The Company has analysed the impact of adoption of IFRS 16 and the other standards mentioned above and anticipates that they will not have any significant impact on the annual financial statements if applied for the first time. The Company will apply such standards as of their effectiveness.

(w) Standards and interpretations issued by IASB, but not yet adopted by the EU

As at the reporting date of such financial statements, IFRS as adopted by the EU do not significantly differ from regulations adopted by the IASB except for the following new standards, amendments and interpretations, which are also applicable to the Company and which were not endorsed for use in EU as at the date of authorisation of these financial statements:

- **Amendments to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures”** - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred indefinitely until the research project on the equity method has been concluded),
Amendments to IAS 1 “Presentation of Financial Statements” and IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” - Definition of Material (effective for annual periods beginning on or after 1 January 2020),
- **Amendments to IAS 28 “Investments in Associates and Joint Ventures”** - Long-term Interests in Associates and Joint Ventures (effective for annual periods beginning on or after 1 January 2019),
- **Amendments to various standards due to “Improvements to IFRSs (cycle 2015 - 2017)”** resulting from the annual improvement project of IFRS (IFRS 3, IFRS 11, IAS 12 and IAS 23) primarily with a view to removing inconsistencies and clarifying wording (effective for annual periods beginning on or after 1 January 2019),
- **Amendments to References to the Conceptual Framework in IFRS Standards** (effective for annual periods beginning on or after 1 January 2020).

The Company anticipates that the adoption of these new standards and amendments to the existing standards will have no material impact on the financial statements of its annual financial statements in the year of initial application.

MANAGEMENT OF SIGNIFICANT RISKS

The Company's management considers that risk management must be done in a consistent methodological framework and that risk management is an important component of the strategy of return maximization, obtaining a desired level of profit by maintaining an acceptable risk exposure and compliance with legal regulations. Formalizing risk management procedures determined by the Company's management is integral to the strategic objectives of the Company.

The Company's investing activity exposes it to various risks associated with financial instruments held and the financial markets in which it operates. The main risks to which the Company is exposed are:

- market risk (interest rate risk, currency risk and price risk);
- credit risk;
- liquidity risk;
- tax risk;
- economic environment risk;
- operating risk;
- risk of capital inadequacy.

The general risk management strategy seeks to maximize the Company's profit by reference to the level of risk to which it is exposed and maximize any adverse variations on the Company's financial performance.

The Company has implemented risk management and assessment policies and procedures. Such policies and procedures are presented in the section dedicated to each type of risk.

(a) Market risk

Market risk is defined as the risk of incurring a loss or not obtaining the expected profit, as a result of price, interest rates and foreign exchange rates fluctuations.

For an efficient market risk management, the Company uses technical and fundamental analysis methods, forecasts on the evolution of economic branches and financial markets, taking into account:

- the return evaluations corresponding to the share portfolio;
- the concentration limits of assets in the same market, geographical area or economic sector;
- the limits of presence in new markets;
- the tolerable risk limits;
- tolerance to risk concentrations;
- the strategic allocation of long-term investments based on the principle according to which the market will determine the correct fundamental value;
- the short-term tactical allocation, which requires the use of short-term market variations to obtain profit.

4. MANAGEMENT OF SIGNIFICANT RISKS (continued)

(a) Market risk (continued)

The selection of investment opportunities is made through:

- a technical analysis;
- fundamental analysis – determining the issuer's capacity to generate profit;
- comparative analysis – determining the relative value of an issuer in relation to the market or other similar companies;
- statistical analysis – determining the trends and correlations using the historical prices and quantities traded.

The Company is exposed to the following categories of market risk:

(i) Price risk

Exposure to price risk means that the value of financial instruments is likely to fluctuate due to market price changes.

The Company is exposed to the risk associated with the variation of the price of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. 81% of the Company's total shares traded in an active market as at December 31, 2018 (December 31, 2017: 70%) represented investments in companies included in the BET index of the Bucharest Stock Exchange, weighted by the stock capitalization and created to reflect the overall tendency of the prices of the ten most liquid shares traded on the Bucharest Stock Exchange.

A 10% positive variation of the price of financial assets at fair value through profit or loss would lead to a profit increase after taxation by RON 28,711,236 (December 31, 2017: RON 17,197,540), a 10% negative variation having an equal and opposite net impact.

A 10% positive variation of the price of financial assets at fair value through other comprehensive income would lead to an equity increase, net of income tax, by RON 121,054,589 (December 31, 2017: by RON 135,393,093), a 10% negative variation having an equal and opposite net impact.

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4. MANAGEMENT OF SIGNIFICANT RISKS (continued)

(a) Market risk (continued)

(i) Price risk (continued)

The Company holds shares in companies operating in various sectors of activity, as follows:

<i>In RON</i>	December 31, 2018	%	December 31, 2017	%
Financial, brokerage and insurance	766,069,017	48,79%	862,913,542	52,45%
Natural gas industry	177,813,028	11,32%	202,556,271	12,31%
Transport, storage and communication	4,094,067	0,26%	3,050,689	0,19%
Chemical and petrochemical industry	115,356,925	7,35%	140,311,746	8,53%
Real estate developing (promoting)	166,414,130	10,60%	101,815,731	6,19%
Textile industry	6,227,310	0,40%	33,662,174	2,05%
Pharmaceutical industry	43,333,402	2,76%	40,009,730	2,43%
Manufacture of machinery and equipment	48,698,099	3,10%	62,378,640	3,79%
Wholesale, retail, tourism and restaurants	29,481,781	1,88%	44,118,902	2,68%
Manufacture of transport	111,161,452	7,08%	107,723,469	6,55%
Metallic construction and metal products	10,267,952	0,65%	748,655	0,05%
Real estate, renting and other services	44,779,680	2,85%	18,280,343	1,11%
Agriculture, animals and others	34,872,349	2,22%	22,851,798	1,39%
Food industry	7,810,237	0,50%	716,512	0,04%
Others	3,814,755	0,24%	4,008,754	0,24%
TOTAL	1,570,194,184	100,00%	1,645,146,956	100,00%

As it revealed in the table above, as at December 31, 2018 the Company was primarily holding shares in companies operating in the finance, banking and insurance sector, accounting for 48.79% of the total portfolio, less than the 52.45%, amount registered as at December 31, 2017. The Company's exposure towards Banca Transilvania is 44.10% as at December 31, 2018 (41.97% as at December 31, 2017).

(ii) Interest rate risk

The Company faces interest rate risk due to its exposure to negative interest rate fluctuations. Changes in the market interest rate directly influences income and expenses regarding variable interest bearing financial assets and liabilities, and the market value of fixed interest financial assets and liabilities.

As at December 31, 2018 and December 31, 2017 most of the Company's assets and liabilities are not interest bearing. Therefore, the Company is not significantly affected by the risk of interest rate fluctuations. The excess of cash or other assimilated cash equivalents is invested in short-term investment titles with maturity between 1 to 3 months.

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4. MANAGEMENT OF SIGNIFICANT RISKS (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

The Company does not use derivative financial instruments to hedge interest rate fluctuations.

The following tables present the Company's exposure to interest rate risk.

	Book value	Less than 3 months	3 to 12 months	more than 1 year	No fixed maturity
December 31, 2018					
Financial assets					
Cash and cash equivalents	278,239	278,239	-	-	-
Deposits at banks	74,536,926	74,484,917	-	-	52,009
Financial assets at fair value through profit or loss	341,800,429	-	-	-	341,800,429
Financial assets at fair value through other comprehensive income	1,441,126,064	-	-	-	1,441,126,064
Bonds at depreciation cost	7,821,978	215,781	8,820	7,597,377	-
Other financial assets at depreciation cost	8,556,152	7,399,102	1,099,600	-	57,450
Total financial assets	1,874,119,788	82,378,039	1,108,420	7,597,377	1,783,035,952
Financial liabilities					
Dividends payable	34,768,768	34,768,768	-	-	-
Other liabilities at depreciation cost	12,140,530	1,440,530	10,700,000	-	-
Total financial liabilities	46,909,298	36,209,928	10,700,000	-	-

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4. MANAGEMENT OF SIGNIFICANT RISKS (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

	Net amount	Less than 3 months	3 to 12 months	more than 1 year	No fixed maturity
December 31, 2017					
Financial assets					
Cash and cash equivalents	229,547	229,547	-	-	-
Deposits at banks	36,387,265	36,335,347	-	-	51,918
Financial assets at fair value through profit or loss	204,732,623	-	-	-	204,732,623
Financial assets available-for-sale	1,611,822,537	-	-	-	1,611,822,537
Investments held to maturity	7,324,894	215,149	8,820	7,100,924	-
Other financial assets	7,443,288	7,443,288	-	-	-
Total financial assets	1,868,407,857	44,223,331	8,820	7,100,924	1,816,607,078
Financial liabilities					
Dividends payable	33,087,963	33,087,963	-	-	-
Other liabilities	1,299,173	1,299,173	-	-	-
Total financial liabilities	34,387,136	34,387,136	-	-	-

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4. MANAGEMENT OF SIGNIFICANT RISKS (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

The impact on the Company's net profit of a change of ± 100 bp in the interest on variable interest bearing assets and liabilities and expressed in other currencies corroborated with a change of ± 500 bp in the interest on variable interest bearing assets and liabilities and expressed in RON is \pm RON 3,158,146 (December 31, 2017: \pm RON 1,563,848).

(iii) Currency risk

Currency risk is the risk of the Company incurring losses or not realizing profit as a result of unfavorable fluctuations in the exchange rate. Although the Company is exposed to foreign exchange rate fluctuations, most of the Company's financial assets and liabilities are expressed in the national currency. The other currencies in which the Company trades are EUR and USD.

As at December 31, 2018 and December 31, 2017, assets expressed in Lei and other currencies are presented in the following tables.

	RON	EUR	USD	Other Currency
December 31, 2018				
Financial assets				
Cash and cash equivalents	204,775	46,702	26,762	-
Deposit at banks	73,307,983	1,228,943	-	-
Financial assets at fair value through profit or loss	340,179,852	1,620,577	-	-
Financial assets at fair value through other comprehensive income	1,441,126,064	-	-	-
Bonds at depreciation cost	94,740	7,727,238	-	-
Other financial assets at depreciation cost	8,556,152	-	-	-
Total financial assets	1,863,469,565	10,623,460	26,762	-
Financial liabilities				
Dividends payable	34,768,768	-	-	-
Other financial liabilities at depreciation cost	12,140,530	-	-	-
Total financial liabilities	46,909,298	-	-	-

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4. MANAGEMENT OF SIGNIFICANT RISKS (continued)

(a) Market risk (continued)

(iii) Currency risk (continued)

	RON	EUR	USD	Other Currency
December 31, 2017				
Financial assets				
Cash and cash equivalents	179,419	35,450	14,679	-
Deposits at banks	35,508,911	878,353	-	-
Financial assets at fair value through profit or loss	204,732,623	-	-	-
Available for sale	1,610,769,205	1,053,332	-	-
Investments held to maturity	106,130	7,218,764	-	-
Other financial assets	7,443,288	-	-	-
Total financial assets	1,858,739,576	9,185,899	14,679	-
Financial liabilities				
Dividends payable	33,087,963	-	-	-
Other financial liabilities	1,299,173	-	-	-
Total financial liabilities	34,387,136	-	-	-

The impact on the Company's profit of a change of $\pm 15\%$ of the RON/EUR exchange rate corroborated with a change of $\pm 15\%$ of the RON/USD as at December 31, 2018, with all the other variables remaining constant, is \pm RON 1,597,533 (December 31, 2017: \pm RON 1,380,087).

(b) Credit risk

Credit risk means the risk that the Company suffers a financial loss if a counterparty fails to meet its contractual obligations and refers mostly to current accounts, bank deposits, bonds and other receivables.

As at December 31, 2018 and December 31, 2017 the Company did not hold real guarantees as insurance, or other improvements of credit rating. As at December 31, 2018 and December 31, 2017 the Company did not register overdue, but not impaired, financial assets.

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4. MANAGEMENT OF SIGNIFICANT RISKS (continued)

(b) Credit risk (continued)

The Company's maximum exposure to credit risk is in amount of RON 91,386,149 as at December 31, 2018, in amount of RON 51,852,697 as at December 31, 2017 and can be analyzed as follows:

Exposures from current accounts and bank deposits

<i>In RON</i>	December 31, 2018	December 31, 2017
Banca Transilvania	26,829,251	34,466,096
BRD - Groupe Societe Generale	11,041,535	2,035,075
UniCredit Bank	36,875,795	915
Other banks	65,881	105,275
Total bank deposits	74,812,462	36,607,361
Cash	2,703	9,452
Total current accounts and bank deposits	74,815,165	36,616,812

Exposures from bonds at depreciation cost

<i>In RON</i>	December 31, 2018	December 31, 2017
Bacau municipal bonds	94,740	106,130
Bonds Banca Transilvania	7,727,238	7,218,764
Total	7,821,978	7,324,894

Financial assets at depreciation cost

<i>In RON</i>	December 31, 2018	December 31, 2017
AAAS Bucharest	54,952,612	54,730,659
Casa SA Bacau	-	3,524,450
Ministry of Public Finance – litigating rights	2,415,314	2,415,314
Central Depository	645,912	987,563
Minerva SA	3,870,192	-
Other sundry debtors and trade receivables	2,342,001	2,989,220
Other financial assets at amortised cost	57,450	57,037
Adjustments for impairment	(55,727,329)	(57,260,955)
Total	8,556,152	7,443,288

4. MANAGEMENT OF SIGNIFICANT RISKS (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Company fails to meet its financial obligations when due. Liquidity risk management requires ensuring a constant liquidity level in order to pay off outstanding debts, without this involving excessive costs or losses that cannot be borne by the Company.

The Company's financial instruments may include investments in shares not traded in an organized market and which may therefore have low liquidity. Therefore, the Company may face difficulties in rapidly liquidating its investments in such instruments at a value close to the value determined based on the computation model of the net assets of financial investment companies provided by Regulation no. 9/2014 issued by NSC to fulfil its own liquidity requirements.

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4. MANAGEMENT OF SIGNIFICANT RISKS (continued)

(c) Liquidity risk (continued)

The structure of the Company's assets and liabilities has been analyzed based on the remainder of the period spanning from the balance sheet date until the contract maturity date, both for the financial year ended December 31, 2018 and the financial year ended December 31, 2017, as follows:

December 31, 2018	Book value	Less than 3 month	3 to 12 months	more than 1 year	No fixed maturity
Financial assets					
Cash and cash equivalents	278,239	278,239	-	-	-
Deposits	74,536,926	74,484,917	-	-	52,009
Financial assets at fair value through profit or loss	341,800,429	-	-	-	341,800,429
Financial assets at fair value through other comprehensive income	1,441,126,064	-	-	-	1,441,126,064
Bonds at depreciation cost	7,821,978	215,781	8,820	7,597,377	-
Other financial assets at depreciation cost	8,556,152	7,399,102	1,099,600	-	57,450
Total financial assets	1,874,119,788	82,378,039	1,108,420	7,597,377	1,783,035,953
Financial liabilities					
Dividends payable	34,768,768	34,768,768	-	-	-
Other financial liabilities	12,140,530	1,440,530	10,700,000	-	-
Total financial liabilities	46,909,298	36,209,298	10,700,000	-	-

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4. MANAGEMENT OF SIGNIFICANT RISKS (continued)

(c) Liquidity risk (continued)

December 31, 2017	Book value	Less than 3 month	3 to 12 months	more than 1 year	No fixed maturity
Financial assets					
Cash and cash equivalents	229,547	229,547	-	-	-
Deposits	36,387,265	36,335,347	-	-	51,918
Financial assets at fair value through profit or loss	204,732,623	-	-	-	204,732,623
Available for sale	1,611,822,537	-	-	-	1,611,822,537
Investments held to maturity	7,324,894	215,419	8,820	7,100,924	-
Other financial assets	7,443,288	7,443,288	-	-	-
Total financial assets	1,867,940,155	44,223,332	8.820	7,100,924	1,816,607,078
Financial liabilities					
Dividends payable	33,087,963	33,087,963	-	-	-
Other financial liabilities	1,299,173	1,299,173	-	-	-
Total financial liabilities	34,387,136	34,387,136	-	-	-

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4. MANAGEMENT OF SIGNIFICANT RISKS (continued)

(d) Tax risk

The Romanian tax system is subject to permanent interpretations and changes. In certain cases, the tax authorities may adopt different positions from the Company's position and may calculate tax interest and penalties. Although the tax for a transaction may be minimum, penalties may be high, depending on the interpretations of the tax authorities.

In addition, there are agencies subordinated to the Government of Romania, which are authorized to control both Romanian and foreign entities operating in Romania. Such controls are largely similar to the controls conducted in many other countries, but can also extend to legal or regulatory fields of interest for the Romanian authorities.

The tax statements may be subject to control and review for a period of five years, generally after their submission date. In accordance with the legal regulations in force in Romania, the periods under review may be subject to additional controls in the future.

The Company's management considers that it has accurately registered the amounts in the accounts corresponding to taxes, levies and other State liabilities; however, the authorities may have a different position than the Company.

Starting from January 1, 2007, after Romania joined the European Union, the Company had to comply with the tax regulations of the European Union and implement the changes brought by the European legislation. The way in which the Company has implemented such changes remains subject to tax audit for a period of five years.

The latest control conducted by the Ministry of Public Finance covered the period up to January 1, 2010. Therefore, the Company's liabilities up to that date may be subject to a further verification.

(e) Economic environment risk

The Romanian economy is still having the characteristics of an emerging economy and there is a significant degree of uncertainty regarding the future development of the political, economic and social environment. The Company's management attempts to estimate the nature of the changes that will occur in the Romanian economic environment and their effect on the financial standing of the Company.

Among the characteristics of the Romanian economy are also a currency that is not fully translatable abroad and a low degree of liquidity in the capital market.

The Company's management cannot predict all of the effects of the crisis which will affect the Romanian financial sector or the potential impact thereof on these financial statements. The management of SIF Moldova considers that it has taken all the required measures for the Company to be sustainable and develop in the current market conditions.

4. MANAGEMENT OF SIGNIFICANT RISKS (continued)

(f) Operating risk

Operating risk is defined as the risk of registering losses or not realizing the estimated profit due to internal factors such as the improper carrying out of internal activities, existence of improper personnel or systems or due to external factors such as economic conditions, changes in the capital market, technological advances. Operating risk is inherent to all of the Company's activities.

The described policies for operating risk management considered any type of event that may cause significant risks and modalities in which they may manifest, so as to eliminate or reduce financial or reputational losses.

(g) Capital adequacy

Although the Company is not subject to any capital adequacy requirements, the management policy regarding capital adequacy focuses on maintaining a robust capital base in order to support the Company's continued development and the achievement of its investment objectives.

The Company's equity includes share capital, various types of reserves and retained earnings.

As at December 31, 2018, the Company registered equity in amount of RON 1,749,478,749 (December 31, 2017: RON 1,741,607,745).

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FINANCIAL ASSETS AND LIABILITIES

The table below summarizes the carrying amounts and fair values of the Company's financial assets and liabilities as at December 31, 2018:

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Depreciation cost	Total carrying value	Fair value
Cash and cash equivalents	-	-	278,239	278,239	278,239
Deposit at banks	-	-	74,536,926	73,536,926	74,536,926
Financial assets at fair value through profit or loss	341,800,429	-	-	341,800,429	341,800,429
Financial assets at fair value through other comprehensive income	-	1,441,126,064	-	1,441,126,064	1,441,126,064
Bonds at depreciation cost	-	-	7,821,978	7,821,978	7,821,978
Other financial assets at depreciation cost	-	-	8,556,152	8,556,152	8,556,152
Total financial assets	341,800,429	1,441,126,064	91,193,295	1,874,119,788	1,874,119,788
Dividends payable	-	-	34,768,768	34,768,768	34,768,768
Other financial liabilities	-	-	12,140,530	12,140,530	12,140,530
Total financial liabilities	-	-	46,909,298	46,909,298	46,909,298

For financial assets and liabilities at depreciation cost, there is no difference between fair value and book value, since these are current assets/liabilities with high exigibility. For bonds at depreciation cost, the Company assessed the fair value of the bonds as at December 31, 2018 and concluded that there are no material differences between fair value and depreciation cost or impairment clues

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5. FINANCIAL ASSETS AND LIABILITIES (continued)

The table below summarizes the carrying amounts and fair values of the Company's financial assets and liabilities as at December 31, 2017:

	Tradable	Available for sale	Depreciation cost	Total carrying value	Fair value
Cash and cash equivalents	-	-	229,547	229,547	229,547
Deposit at bank	-	-	36,387,265	36,387,265	36,387,265
Financial assets at fair value through profit or loss	204,732,623	-	-	204,732,623	204,732,623
Available for sale	-	1,611,822,537	-	1,611,822,537	1,611,822,537
Investments held to maturity	-	-	7,324,894	7,324,894	7,324,894
Other financial assets	-	-	7,443,288	7,443,288	7,443,288
Total financial assets	204,732,623	1,611,822,537	51,384,994	1,867,940,154	1,867,940,155
Dividends payable	-	-	33,087,963	33,087,963	33,086,963
Other financial liabilities	-	-	1,299,173	1,299,173	1,299,173
Total financial liabilities	-	-	34,387,126	34,387,136	34,387,136

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6. GROSS DIVIDEND INCOME

Dividend income is registered to profit or loss at gross value. The tax rates of dividends for the financial year ended December 31, 2018 were 5% and nil (2017: 5% and 0%). Dividend income by main accounts is presented in the table below:

<i>In RON</i>	2018	2017
Banca Transilvania	42,777,002	15,038,885
SNGN ROMGAZ SA	21,349,934	16,578,363
SNTGN Transgaz	12,771,926	16,706,185
OMV Petrom	9,807,338	7,355,503
Biofarm	2,540,581	2,281,523
Aerostar	2,154,469	2,062,790
Regal	2,125,079	-
SIF Transilvania	1,087,774	-
SIF OLTENIA	-	2,588,404
SIF Muntenia	-	1,606,435
Transelectrica	-	2,500,937
Conpet	-	1,020,827
Bucharest Stock exchange (BVB)	680,847	353,120
Others	299,558	5,208,286
Total	95,594,508	73,301,258

7. INTEREST INCOME

<i>In RON</i>	2018	2017
Interest income on deposit and current accounts	1,969,289	562,079
Interest income on bonds at depreciation cost	458,086	586,838
Total	2,427,375	1,148,917

8. a) OTHER OPERATING INCOME

<i>In RON</i>	2018	2017
Rental income	863,348	743,034
Income from recovered receivables	741,344	-
Other operating income	411	154,353
Total	1,605,103	897,387

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8. b) OTHER INCOME, NET

In RON

	2018	2017
Income from transfer of litigating rights (Textila Oltul compensation) Ministry of Finance	2,849,456	2,415,314
Other income	16,104	134,842
Income from ENGIE Romania SA bonds matured	-	2,218,821
Gains on foreign exchange differences	506,036	12,812
Total	3,371,596	4,781,789

9. NET GAINS ON THE SALE OF ASSETS

In RON

	2018	2017
Net gains from sale of financial assets at fair value through profit or loss	137,691	(390,330)
Net gains from sale of available-for-sale financial assets	-	100,921,141
Net gains from sale of property, plant and equipment	256,705	-
Total	394,396	100,530,811

As at December 31, 2018 the Company does not register to profit or loss gains from the sale of available-for-sale financial assets (RON 100,921,141 as at December 31, 2017). The gains from the sale of financial assets at fair value through other comprehensive income registered as at the reporting date (RON 43,201,285) are reflected in the Retained earnings account further to the transition to IFRS 9, detailed in note 16e).

10 NET LOSS / (GAIN) ON THE REVALUATION OF THE ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

In RON

	2018	2017
Net gains on the revaluation of investment property	-	314,328
Net loss from the revaluation of financial assets at fair value through profit or loss, of which:	(16,338,454)	40,549,007
Total	(16,338,454)	40,863,335

11. IMPAIRMENT/(REVERSALS ON THE IMPAIRMENT) OF ASSETS

In RON

	2018	2017
(Impairment)/Reversal of impairment of available-for-sale financial assets	-	(126,796)
(Impairment)/Reversal of impairment of other financial assets	1,485,801	(25,679)
Total	1,485,801	(152,475)

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12. OTHER OPERATING EXPENSES

<i>In RON</i>	2018	2017
Expenses with salaries and other personnel expenses	23,315,129	23,905,500
Expenses with external services	3,086,283	1,503,243
Commissions and fees	3,370,179	4,037,930
Entertaining, promotion and advertising	316,616	451,575
Other operating expenses	2,552,394	3,791,051
Audit and consulting services	767,165	1,048,238
Total	33,407,766	34,737,537

13. INCOME TAX

<i>In RON</i>	2018	2017
Current income tax		
Current income tax (16%)	1,296,210	18,311,594
Tax on dividends (5%)	4,436,996	3,383,834
Total current tax	5,733,206	21,695,428
Deferred income tax		
Financial assets	(987,086)	(316,768)
Provision for benefits	246,105	(1,073,169)
Provisions for risk and charges	-	141,893
Provision for premiums and untaken leaves	(19,615)	81,311
Total deferred tax	(760,596)	(1,166,733)
Total	4,972,610	20,528,695
<i>In RON</i>	2018	2017
Profit before tax	55,132,559	185,315,443
Tax under statutory tax rate of 16% (2017: 16 %)	8,821,209	29,650,471
Income tax effect of:		
Non-deductible expenses	13,928,929	5,076,678
Non-taxable income	(21,356,235)	(15,050,728)
Registration/(reversal) of temporary differences	(760,596)	(1,166,733)
Other differences	(97.693)	(1,364.827)
Dividend tax (5%)	4,436,996	3,383,834
Income tax	4,972,610	20,528,695

The computation of the tax result takes into account management and administration expenses, as well as other common expenses pro rata with the share of non-taxable income in the total income obtained by the Company.

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14 CASH AND CASH EQUIVALENTS

<i>In RON</i>	December 31, 2018	December 31, 2017
Cash	2,703	9,452
Current accounts in banks	275,536	220,095
Total cash and cash equivalents	278,239	229,547

The current bank accounts are permanently at the Company's disposal and are not restricted.

15. BANK DEPOSITS

<i>In RON</i>	December 31, 2018	December 31, 2017
Term deposits	74,365,922	36,317,468
Attached receivables	118,995	17,879
Collateral (securities)	52,009	51,918
Total deposits at banks	74,536,926	36,387,265

Bank deposits are permanently at the Company's disposal and are not restricted.

16. FINANCIAL ASSETS

a) Financial assets at fair value through profit or loss

<i>In RON</i>	December 31, 2018	December 31, 2017
Unit funds	212,732,309	25,770,693
Shares	129,068,120	178,961,930
Total	341,800,429	204,732,623

b) Financial assets at fair value through other comprehensive income

<i>In RON</i>	December 31, 2018	December 31, 2017
Shares held at fair value	1,441,126,064	1,460,906,544
Shares held at estimated fair value	-	5,278,482
Unit funds held at fair value	-	145,637,511
Total	1,441,126,064	1,611,822,537

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16. FINANCIAL ASSETS (continued)

b) Financial assets at fair value through other comprehensive income (continued)

As at December 31, 2018 and December 31, 2017 the category of shares measured at fair value includes primarily the value of the shares held with Banca Transilvania, OMV, Aerostar, Romgaz, SNTGN Transgaz. Shares at fair value have been measured by multiplying the number of shares held as at the reporting date with the closing price on the last trading day of the reporting period.

The movement of financial assets in the period ended December 31, 2018 and December 31, 2017 is presented in the table below:

In RON

	Financial assets at fair value through other comprehensive income	Financial assets at estimated fair value through other comprehensive income	Fund units	Total	Financial assets at fair value through profit or loss
January 1, 2017	1,368,942,869	5,769,365	73,857,217	1,448,569,451	128,999,673
Net change during the period	58,406,176	(420,536)	47,045,789	105,031,429	35,183,943
Transfer between categories	-	-	-	-	-
Impairment losses	(56,449)	(70,347)	-	(126,796)	-
Change in fair value	33,613,947	-	24,734,505	58,348,452	40,549,007
December 31, 2017	1,460,906,544	5,278,482	145,637,511	1,611,822,537	204,732,623
Transfer from financial assets at fair value through other comprehensive income (AFS as per IAS 39) to financial assets at fair value through profit or loss (FVTPL)	(121,555,043)	(351,506)	(145,637,511)	(267,544,060)	264,544,060
Transfer from financial assets at fair value through profit or loss (HFT as per IAS 39) to financial assets at fair value through other comprehensive income (FVTOCI)	178,961,930	-	-	178,961,930	(178,961,930)
Outflows during the period	(221,284,986)	(2,323,486)	-	(223,608,472)	(34,065,942)
Inflows during the period	123,806,476	-	-	123,806,476	98,742,380
Transfer between categories	2,603,490	(2,603,490)	-	-	-
Changes in fair value	17,687,654	-	-	17,687,654	(16,338,454)
Gains from FVTPL sells	-	-	-	-	137,691
December 31, 2018	1,441,126,064	-	-	1,441,126,064	341,800,429

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16. FINANCIAL ASSETS (continued)

c) Bonds at depreciation cost

<i>In RON</i>	December 31, 2018	December 31, 2017
Corporate bonds	7,727,238	7,218,764
Municipal bonds	94,740	106,130
Total	7,821,978	7,324,894

d) Fair value hierarchy

The table below analyzes the financial instruments carried at fair value depending on the measurement method. The fair value levels depending on the input in the measurement model have been defined as follows:

- Level 1: quoted prices (not adjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than the quoted prices included in Level 1, observable for assets or liabilities either directly (e.g.: prices), or indirectly (e.g.: price derivatives)
- Level 3: inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

December 31, 2018	Level 1	Level 2	Level 3	Total
<i>In RON</i>				
Financial assets at fair value through profit or loss	265,299,087	-	76,501,342	341,800,429
Financial assets at fair value through other comprehensive income	1,175,414,893	-	265,711,171	1,441,126,064
Total	1,440,713,981	-	342,212,513	1,782,926,494
December 31, 2017	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	204,732,623	-	-	204,732,623
Financial assets available for sale	1,332,854,975	-	278,967,562	1,611,822,537
Total	1,537,587,598	-	278,967,562	1,816,555,160

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16. FINANCIAL ASSETS (continued)

d) Fair value hierarchy (continued)

Changes in Level 3 fair value

<i>In RON</i>	2018	2017
Opening balance	278,967,562	283,592,473
Total gain/(loss) included in profit or loss	5,706,413	(35,840)
Total gain/(loss) included in other comprehensive income	14,974,498	(26,716,905)
Purchases	89,124,750	24,657,474
Sales	(46,630,569)	(2,529,640)
Transfers	69,860	-
Closing balance	342,212,513	278,967,562

In 2018, the Company classified in Measurement Level 1 securities measured based on the closing prices on the BSE, on the last trading day. This measurement level comprises fund units measured based on the unit value of their net value, certified by the fund depository.

Investments classified in level 3 have been revalued by independent valuers, based on the financial information provided by the departments with monitoring function, through valuation methods which maximize the usage of relevant observable input data and minimize the usage of unobservable input data, under management supervision and control, who ensures that all information used in the revaluation reports is fair and accurate. Level 3 also includes investments not subject to measurement, but their amount is insignificant.

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16. FINANCIAL ASSETS (continued)

d) Fair value hierarchy (continued)

The following tables comprise information on the main unobservable input used as at December 31, 2018 and December 31, 2017 in measuring the investments classified in level 3 in the fair value hierarchy:

Financial assets	Fair value as at December 31, 2018	Valuation technique	Unobservable inputs range (weighted average)	Relationship of unobservable inputs to fair value-sensitivity
Unlisted minority interests	5,182,589	Market approach, comparable companies method (based on multiple on invested capital/EBITDA)	EV multiple/EBITDA: 5.4 – 11.7 Discount for lack of liquidity: 12% - 16.8%.	The higher the EBITDA multiple, the higher the fair value. The lower the discount for the lack of liquidity, the higher the fair value.
Unlisted minority interests	2,886,900	Market approach, comparable companies method (based on equity multiple/unit book value)	P/BV multiple: 1 Discount for lack of liquidity: 9.6%.	The higher the P/BV multiple, the higher the fair value. The lower the discount for the lack of liquidity, the higher the fair value.
Illiquid unlisted minority interests	12,336,386	Market approach, comparable companies method (based on multiple on invested capital/unit turnover)	EV/CA multiple: 1.1 Discount for lack of liquidity: 3.0%.	The higher the EV/CA multiple, the higher the fair value. The lower the discount for the lack of liquidity, the higher the fair value.
Illiquid listed minority interests	1,850,000	Market approach, comparable companies method (based on equity multiple/net profit)	Price/Net profit multiple: 7.5 Discount for lack of liquidity: 16.6%.	The higher the Price/net profit multiple, the higher the fair value. The lower the discount for the lack of liquidity, the higher the fair value.

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16. FINANCIAL ASSETS (continued)

d) Fair value hierarchy (continued)

Financial assets	Fair value as at December 31, 2018	Valuation technique	Unobservable inputs range (weighted average)	Relationship of unobservable inputs to fair value-sensitivity
Illiquid listed minority interests	345,100	Market approach, comparable companies method (based on equity multiple/equity)	Price/Equity multiple: 0.78 Discount for lack of liquidity: 16.6%.	The higher the Price/Equity multiple, the higher the fair value. The lower the discount for the lack of liquidity, the higher the fair value.
Unlisted majority interests	34,872,349	Income approach - discounted cash flow method	Weighted average cost of capital: 9.4% Discount for lack of liquidity: 20.7%. Long-term income growth rate: 0.6%	The lower the weighted average cost of capital, the higher the fair value. The lower the discount for the lack of liquidity, the higher the fair value. The higher the long-term income growth rate, the higher the fair value.
Unlisted minority interests	10,276,921	Income approach - discounted cash flow method	Weighted average cost of capital: 8% - 14% Discount for lack of control: 7.7% - 13.8 Discount for lack of liquidity: 9.6% - 16.6%. Long-term income growth rate: 1% - 2.5%	The lower the weighted average cost of capital, the higher the fair value. The lower the discount for the lack of control, the higher the fair value. The lower the discount for the lack of liquidity, the higher the fair value. The higher the long-term income growth rate, the higher the fair value.

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16. FINANCIAL ASSETS (continued)

d) Fair value hierarchy (continued)

Financial assets	Fair value as at December 31, 2018	Valuation technique	Unobservable inputs range (weighted average)	Relationship of unobservable inputs to fair value-sensitivity
Illiquid listed majority interests	34,635,500	Income approach - discounted cash flow method	Weighted average cost of capital: 12.8% Discount for lack of liquidity: Long-term income growth rate: 3%	The lower the weighted average cost of capital, the higher the fair value. The lower the discount for the lack of liquidity, the higher the fair value. The higher the long-term income growth rate, the higher the fair value.
Illiquid listed minority interests	71,799,078	Income approach - discounted cash flow method	Weighted average cost of capital: 10.3% - 13.3% Discount for lack of control: 7.7% - 14% Discount for lack of liquidity: 10% - 16.6%. Long-term income growth rate: 1% - 2.5%	The lower the weighted average cost of capital, the higher the fair value. The lower the discount for the lack of control, the higher the fair value. The lower the discount for the lack of liquidity, the higher the fair value. The higher the long-term income growth rate, the higher the fair value.
Illiquid listed majority equity instruments (holding or which intend to sell a large portion of the real estate)	12,578,390	Asset-based approach - accumulation method or adjusted net asset method	Market value of equity by reference to their book value: 4 Discount for lack of liquidity: 9.6%	In the balance sheet, the book value is identified by equity. The lower the resulting price/accounting value, the lower the fair value. The lower the discount for the lack of liquidity, the higher the fair value.

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16. FINANCIAL ASSETS (continued)

d) Fair value hierarchy (continued)

Financial assets	Fair value as at December 31, 2018	Valuation technique	Unobservable inputs range (weighted average)	Relationship of unobservable inputs to fair value-sensitivity
Illiquid listed minority equity instruments (holding or which intend to sell a large portion of the real estate)	1,808,378	Asset-based approach - accumulation method or adjusted net asset method	Market value of equity by reference to their book value: 0.5 – 0.85 Discount for lack of control: 9.3% - 20.4% Discount for lack of liquidity: 9.6% - 14.7%	In the balance sheet, the book value is identified by equity. The lower the resulting price/accounting value, the lower the fair value. The lower the discount for the lack of control, the higher the fair value. The lower the discount for the lack of liquidity, the higher the fair value.
Unlisted majority equity instruments (holding or which intend to sell a large portion of the real estate)	148,050,888	Asset-based approach - accumulation method or adjusted net asset method	Market value of equity by reference to their book value: 0.7 – 1 Discount for lack of liquidity: 0% - 24.4%	In the balance sheet, the book value is identified by equity. The lower the resulting price/accounting value, the lower the fair value. The lower the discount for the lack of liquidity, the higher the fair value.
Unlisted minority equity instruments (holding or which intend to sell a large portion of the real estate)	5,588,747	Asset-based approach - accumulation method or adjusted net asset method	Market value of equity by reference to their book value: 0.5 – 5.7 Discount for lack of control: 9.3% - 20.4% Discount for lack of liquidity: 0% - 24.4%	In the balance sheet, the book value is identified by equity. The lower the resulting price/accounting value, the lower the fair value. The lower the discount for the lack of control, the higher the fair value. The lower the discount for the lack of liquidity, the higher the fair value.
Unlisted minority equity instruments	1,287	Cost	The fair values for such instruments were deemed those used previously due to the limited information and limitations identified in the measurement approaches due to losses.	
Total	342,212,513			

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16. FINANCIAL ASSETS (continued)

d) Fair value hierarchy (continued)

Financial assets	Fair value as at December 31, 2017	Valuation technique	Unobservable inputs range (weighted average)	Relationship of unobservable inputs to fair value-sensitivity
Listed majority equity instruments with no active market	40,003,600	Income approach - discounted cash flow method	Weighted average cost of capital: 12.2%	The lower the weighted average cost of capital, the higher the fair value.
			Discount for lack of liquidity: 16.8%	The lower the discount for the lack of marketability, the higher the fair value.
			Long-term revenue growth rate: 3.9%.	The higher the long-term revenue growth rate, the higher the fair value.
Listed untraded majority equity instruments – (holding)	12,325,570	Asset-based approach - accumulation method or adjusted net asset method	Market value of equity by reference to their book value: 2.9	In the balance sheet, the book value is identified by equity. The lower the price/accounting value, the lower the fair value.
			Discount for lack of liquidity: 9.8%	The lower the discount for the lack of liquidity, the higher the fair value.
Unlisted majority equity instruments	39,038,798	Income approach - discounted cash flow method	Weighted average cost of capital is between 8.4% and 11%.	The lower the weighted average cost of capital, the higher the fair value.
			Discount for lack of marketability is between 9.8% and 16.8%.	The lower the discount for the lack of marketability, the higher the fair value.
			Long-term revenue growth rate: 1.5%	The higher the long-term revenue growth rate, the higher the fair value.
Unlisted majority equity instruments - holdings or start-ups	68,569,600	Asset-based approach - accumulation method or adjusted net asset method	Market value of equity to Book Value rate is between 0.9 and 1.1. The sum of the equity instruments are stated based on income (the weighted average cost of capital: 8.3%)	The Price / Book Value (P/BV) rate can take lower or higher values. Within the areas of high investments in non-current assets, the P/BV is usually lower.
			Discount for lack of marketability is between 9.8% and 24.4%.	The lower the discount for the lack of marketability, the higher the fair value.

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16. FINANCIAL ASSETS (continued)

d) Fair value hierarchy (continued)

Financial assets	Fair value as at 31 December 2017	Valuation technique	Unobservable inputs range (weighted average)	Relationship of unobservable inputs to fair value-sensitivity
Listed minority equity instruments, with no active market	11,731,567	Market approach - market approach – comparable companies method	Price/Sales multiple: 1.7	The lower the price/sales multiple, the lower the fair value.
			Discount for lack of control: 7.7%	The lower the discount for the lack of control, the higher the fair value.
			Discount for lack of marketability: 16.8%.	The lower the discount for the lack of marketability, the higher the fair value.
Listed minority equity instruments, with no active market, which intend to sell a large portion of the real estate	19,931,100	Asset-based approach - accumulation method or adjusted net asset method	Market value of equity to Book Value rate: 0.5	In the balance sheet, the book value is identified by equity. Within the areas of high investments in non-current assets, the P/BV is usually lower. The lower the resulting price/accounting value, the lower the fair value.
			Discount for lack of control: 7.7%	The lower the discount for the lack of control, the higher the fair value.
			Discount for lack of marketability: 16.8%	The lower the discount for the lack of marketability, the higher the fair value.
Unlisted minority equity instruments	58,651,988	Income approach - discounted cash flow method companies method	Weighted average cost of capital is between 9% and 11.3%	The lower the weighted average cost of capital, the higher the fair value.
			Discount for lack of control is between 7.1% and 10.5%	The lower the discount for the lack of control, the higher the fair value.
			Discount for lack of marketability is between 10% and 16.8%	The lower the discount for the lack of marketability, the higher the fair value.
			Long-term revenue growth rate is between 1.4% and 2%	The higher the long-term revenue growth rate, the higher the fair value.
Unlisted minority equity instruments	21,717,770	Income approach - discounted cash flow method companies method	Weighted average cost of capital is between 10% and 11.1%	The lower the weighted average cost of capital, the higher the fair value.
			Discount for lack of control is between 7.71% and 20.5%	The lower the discount for the lack of control, the higher the fair value.
			Discount for lack of marketability is between 10% and 16.8%.	The lower the discount for the lack of marketability, the higher the fair value.
			Long-term revenue growth rate is between 1% and 3%.	The higher the long-term revenue growth rate, the higher the fair value.
Unlisted minority equity instruments	6,997,569	Cost		
TOTAL	278,967,562			

16. FINANCIAL ASSETS (continued)

d) Fair value hierarchy (continued)

The main unobservable input is:

Revenues multiple: is an instruments used to evaluate companies based on a market comparison with similar listed companies. Evaluating a company based on its turnover is particularly useful when the profit value is influenced by elements not related to the usual course of business. Turnover is the indicator from the income statement which is the hardest vulnerable to accounting policies, which recommends it as multiple.

EBITDA multiple: represents the most relevant multiple used when pricing the investments and it is calculated using information from comparable listed public companies (similar geographic location, industry size, target market and other factors that valutors consider as relevant).

The trading multiples for the comparable companies are determined by dividing the enterprise value of the a company by its EBITDA and by further discounting, due to possible lack of marketability and other differences between the comparable peer group and specific company.

Price / Book value multiple: often expressed simply as "price-to-book", this multiple measures a company's market price based on its book value (net assets). It reflects how many times the book value per share investors are ready to pay for a share. The Price / Book value ratio multiple varies significantly based on the industry. A company that requires more assets (e.g. a manufacturing company with factory space and machinery) will generally post a significantly lower price-to-book than a company whose earnings result from rendering services (e.g. a consulting firm).

Weighted average cost of capital: represents the calculation of a company's cost of capital in nominal terms (including inflation), based on the "Capital Asset Pricing Model". All capital sources – shares, bonds and any other long-term debts - are included in the weighted average cost of capital calculation.

Discount for lack of control: represents the discount applied to reflect the absence of the power of control and it is used within the discounted cash flow method, in order to determine the value of a minority interest in the equity of the revalued company.

Discount for lack of marketability: represents the discount applied to the comparable market multiples, in order to reflect the liquidity differences between the revalued company from the portfolio and its comparable peer group. Valutors estimate the discount for lack of marketability based on their professional judgement after considering market liquidity conditions and company-specific factors.

In case of equity instruments in holdings, the evaluation model was determined by summing the market value of assets and liabilities, namely their book values adjusted further to the subsequent valuations where the income-based approach was used. This method was used to determine directly the value of the equity of holding-type majority shareholders.

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16. FINANCIAL ASSETS (continued)

e) Reserve from fair value revaluation of shares financial assets at fair value through other comprehensive income, net of deferred tax

<i>In RON</i>	2018	2017
As at 1 January	657,887,603	616,216,703
<i>Transfer of reserve to retained earnings further to the transition to IFRS 9 (AFS classified as FVTPL)</i>	(78,566,977)	-
<i>Transfer of retained earnings to reserve further to the transition to IFRS 9 (HFT classified as FVTOCI)</i>	10,558,982	-
<i>Transfer of retained earnings to reserve further to the transition to IFRS 9 (reversal of impairment/provisions)</i>	(44,040,499)	-
Tax for adoption of IFRS 9	8,966,344	-
Total net impact of adoption of IFRS 9 on reserve	(103,082,150)	-
Gross gains on the revaluation of financial assets stated at fair value through other comprehensive income	16,305,272	151,435,943
Deferred tax on gains on the revaluation of FVTOCI/available-for-sale financial assets	(3,459,864)	(25,451,464)
Net gains on the revaluation of available-for-sale financial assets/FVTOCI	12,845,408	125,984,478
Net gains on the transfer to retained earnings/profit or loss further to the sale of financial assets	(43,201,285)	(84,334,187)
Effect of loss in profit or loss from the impairment of available-for-sale financial assets	-	20,609
As at 31 December	524,449,576	657,887,603

The net gain obtained, in amount of RON 43,201,285 registered during 2018, comes mainly from the sale of the shares of Banca Transilvania, Iașitex, OMV Petrom, SIF Oltenia, SIF Muntenia, Hotel Sport and Alimentara Cluj.

17. INVESTMENT PROPERTY

<i>In RON</i>	2018	2017
Balance at 1 January	3,505,273	3,505,273
Investment property increases/reductions	-	-
Balance at 31 December	3,505,273	3,505,273

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18. INTANGIBLE AND TANGIBLE ASSETS

The Company revalued land and buildings held as at December 31, 2016 and will revalue them again as at December 31, 2019.

	January 1, 2018	Increase	Decrease/ Reclassification	December 31, 2018
Intangible assets				
Intangible assets	2,095,073	19,776	-	2,114,849
Total	2,095,073	19,776	-	2,114,849
Tangible assets				
Land	563,193	-	-	563,193
Buildings	6,506,674	1,906,677	-	8,413,351
Plant and machinery	1,470,040	137,086	36,253	1,570,874
Motor vehicles	1,411,781	-	714,088	697,693
Others fixed assets	148,441	-	1,665	146,776
Intangible assets in progress	1,061,136	845,541	1,906,677	-
Total	11,161,265	2,889,304	2,658,683	11,391,886
	January 1, 2018	Increase	Decrease	December 31, 2018
Accumulated amortization/depreciation				
Intangible assets				
Intangible assets	2,073,779	14,347	-	2,088,126
Total	2,073,779	14,347	-	2,088,126
Buildings	406,463	390,444	-	796,907
Plant and machinery	1,178,256	228,280	38,067	1,368,469
Motor vehicles	1,252,355	105,282	714,088	643,550
Others fixed assets	110,472	12,713	1,665	121,520
Total	2,947,546	736,719	753,820	2,930,445
Net book value	8,235,013			8,448,165
Intangible assets	21,294			26,723
Property, plant and equipment	8,213,719			8,461,441

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19. a) OTHER FINANCIAL ASSETS AT DEPRECIATION COST

In RON

	2018	2017
Sundry debtors	64,226,031	64,647,099
Dividends receivable	-	107
Other assets at depreciation cost	57,450	57,037
Less impairment of sundry debtors	(55,727,329)	(57,260,955)
Total	8,556,152	7,443,288

Sundry debtors include primarily amounts arising from final court decisions in amount of RON 55,014,790. Sundry debtors are divided into Stage 1 (non-performing receivables) in amount of RON 8,498,702 and Stage 3 (non-performing receivables) in amount of RON 55,727,329. For Stage 3 sundry debtors, for which collection is uncertain, the Company calculated impairments. For Stage 1 sundry debtors, the Company did not calculate an allowance for anticipated credit risk (as per IFRS 9), since it chose to apply the low credit risk exemption.

The impairment allowance for sundry debtors (Stage 3) can be analysed herein below. The charges in 2018 are represented by transfers of receivables from Stage 1 to Stage 3 (became non-performing), and the releases are represented by collections of non-performing receivables.

In RON

	2018	2017
1 January	(57,260,955)	(56,496,561)
Charge	(567,561)	(1,069,002)
Release	2,101,187	304,608
31 December	(57,727,329)	(56,260,955)

19. b) OTHER ASSETS

In RON

	2018	2017
Prepaid amounts	191,615	456,678
Materials	1,237	11,025
Total	192,852	467,703

20. DIVIDENDS PAYABLE

Dividends payable not collected within 3 years from the date of their declaration are prescribed for exceeding the limitation period, according to law, and are transferred by the Company to equity, in retained earnings.

In RON

	2018	2017
Dividends payable for 2012	641	642
Dividends payable for 2013	985	1,055
Dividends payable for 2014	162,380	10,676,542
Dividends payable for 2015	10,705,771	10,963,612
Dividends payable for 2016	10,819,471	11,446,112
Dividends payable for 2017	13,079,512	-
	34,768,769	33,087,963

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Total dividends payable

21. PROVISIONS FOR RISKS AND CHARGES

<i>In RON</i>	2018	2017
Provision for litigation	2,565,455	2,565,455
Total	2,565,455	2,565,455

Regarding the amounts collected by the Company through court officers, AAAS filed legal proceedings contesting the enforced amounts. Mainly, the provisions for litigation represent amounts collected by the Company through court officers between 2010 and 2014 and subsequently contested by AAAS.

Litigation provisions - changes

<i>In RON</i>	2018	2017
1 January	2,565,455	3,452,286
Charge	-	98,522
Release	-	(985,353)
31 December	2,565,455	2,565,455

22. DEFERRED INCOME TAX LIABILITIES

Deferred income tax liabilities as at December 31, 2018 are triggered by the elements detailed in the table below:

In RON

	Assets	Liabilities	Net
Property, plant, equipment	5,395,751	-	5,395,751
Financial assets at fair value through other comprehensive income	444,160,567	-	444,160,567
Investment property	(9,126)	-	(9,126)
Provisions for litigation and other provisions	-	(2,565,455)	(2,565,455)
Provision for benefits and untaken vacations	-	(14,836,003)	(14,836,003)
Total	449,547,192	(17,401,458)	432,145,734
Net temporary differences - 16%			432,145,734
Deferred tax liability			69,143,317

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22. DEFERRED INCOME TAX LIABILITIES (continued)

Deferred income tax liabilities as at December 31, 2017 are triggered by the elements detailed in the table below:

In RON

	<u>Assets</u>	<u>Liabilities</u>	<u>Net</u>
Property, plant, equipment and investment property	7,425,363	-	7,425,363
Available for sale financial assets	505,270,969	-	505,270,969
Investment property	3,285,113	-	3,285,113
Provisions for litigation and other provisions		(2,565,455)	(2,565,455)
Financial assets at fair value through profit or loss - unit funds	(2,510,280)	-	(2,510,280)
Provision for benefits and untaken vacations		(16,251,572)	(16,251,572)
Total	<u>513,471,165</u>	<u>(18,817,027)</u>	<u>494,654,138</u>
Net temporary differences - 16%			494,654,138
Deferred tax liability			<u>79,144,662</u>

As at December 31, 2018, deferred income tax recognized directly by reducing equity amounts to RON 71,929,011 (December 31, 2017: RON 81,169,760), being generated by tangible assets and financial assets at fair value through other comprehensive income.

23. a) FINANCIAL LIABILITIES AT DEPRECIATION COST

In RON

	<u>2018</u>	<u>2017</u>
Suppliers	801,143	685,644
Payments due to portfolio entities	10,700,000	-
Other liabilities	639,387	613,529
Total	<u>12,140,530</u>	<u>1,299,173</u>

Payments due to portfolio entities in amount of RON 10.7 million represent subscription to share capital increases not paid as at December 31, 2018, mainly the subscription to the share capital of Străulești Lac Alfa SA – RON 9.3 million.

23. b) LIABILITIES WITH INCOME TAX AND OTHER LIABILITIES

In RON

	<u>2018</u>	<u>2017</u>
Current income tax liability	1,669,219	5,033,350
Tax and duties	1,463,423	1,005,783
Profit sharing liability	14,836,003	16,251,572
Other liabilities	240,613	152,440
Total	<u>18,209,258</u>	<u>22,443,145</u>

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23. b) LIABILITIES WITH INCOME TAX AND OTHER LIABILITIES (continued)

Profit-sharing liabilities include the SOP 2017 programme and the profit-sharing plan for 2018, which will be granted to employees (within the limit of the collective labor contract) and directors (within the limit of the Constitutive Act). Current income tax liabilities have been paid by the Company on term.

24. EQUITY AND RESERVES

(a) Share capital

The total share capital as at December 31, 2018 and December 31, 2017 is presented in the tables below:

December 31, 2018	Shareholders	Shares	Amount (RON)	(%)
Individuals	5,755,928	375,501,610	37,550,161	37%
Companies	201	637,677,566	63,767,757	63%
Total	5.756.129	1.013.179.176	101.317.918	100%
December 31, 2017	Shareholders	Shares	Amount (RON)	(%)
Individuals	5,761,922	389,597,287	38,959,729	38
Companies	212	648,581,889	64,858,189	62
Total	5,762,134	1,038,179,176	103,817,918	100

In January 2018, the Company registered the share capital reduction from RON 103,817,917.60 to RON 101,317,917.60, further to the annulment of the 25,000,000 equity shares with a nominal value of RON 0.10/share, acquired by the Company according to EGMS Resolution no. 2 of 04.04.2017 and according to article 207(1) letter c) of Company Law no. 31/1990, as revised.

The redemption of the 25,000,000 shares was carried out from the allocable profit included in the Company's separate financial statements as at December 31, 2016, prepared in accordance with the International Financial Reporting Standards adopted by the European Union ("IFRS") and Norm of the Financial Supervisory Authority 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, operating in the Financial Instruments and Investments Sector (herein after Norm no. 39/2015) according to article 103¹ of Company Law no. 31/1990, as revised.

All shares are ordinary, subscribed and fully paid in as at December 31, 2018. All shares entitle to the same voting right and have a nominal value of RON 0.1/share. The number of shares authorized for issuance equals the number of shares issued.

Thus, the share capital in 2018 is RON 101,317,918 (December 31, 2017: RON 103,817,918).

The right to hold shares up to 1% of the share capital has been amended by Law 11 of January 6, 2012 (effective from January 13, 2012), to 5% of the share capital, namely 50,658,959 shares.

24. EQUITY AND RESERVES (continued)

(b) Reserves from the revaluation of financial assets at fair value through other comprehensive income

Such reserve includes the net cumulated changes in the fair values of available-for-sale financial assets from the date they are classified as such to the date they are derecognized.

Reserves from the revaluation of financial assets at fair value through other comprehensive income are registered at a value net of the related deferred tax. The value of deferred tax recognized directly through the reduction of equity is presented in Note 22.

(c) Legal reserves

According to the legal requirements, the Company establishes legal reserves in amount of 5% of the profit registered according to RAS, up to 20% of the share capital. The value of the legal reserve as at December 31, 2018 is RON 20,763,584 (December 31, 2017: RON 20,763,584).

Legal reserves cannot be distributed to shareholders.

(d) Own shares

The total number of own shares held by the Company as at December 31, 2018 is 22,065,237 representing 2.18% of the share capital (as at December 31, 2017 – 41,000,000 shares, representing 3.95% of the share capital) totalling RON 28,598,935 (as at December 31, 2017 – RON 37,436,693).

During the reporting period, of the shares held by the Company as at December 31, 2017 a number of 4,934,763 was allocated to employees and directors (0.4871% of the share capital), totalling RON 4,243,896, representing SOP 2016.

In 2018, 25,000,000 shares at a price of RON 1 were cancelled, by which the share capital was reduced.

In July 2018, the public offering for the buy of own shares was finalised, approved by FSA Decision no. 726/13.06.2018 with the following main characteristics:

- number of shares covered by the offering: 11,000,000 (1.08569% of share capital);
- buying price: RON 1.818/share;
- period: 20.06.2018 – 10.07.2018;
- subscription: according to the call posted on www.sifm.ro

The purpose of the program is to reduce the share capital, by cancelling the shares bought back, according to Extraordinary General Meeting of Shareholders of SIF Moldova no. 2/27.04.2018 (published in the Official Journal Part IV no. 1952/22.05.2018).

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25. EARNINGS PER SHARE

The earnings per share have been calculated based on the profit attributable to ordinary shareholders and the average weighted number of ordinary shares:

<i>In RON</i>	2018	2017
Profit attributable to ordinary shareholders	50,159,949	164,786,748
Gain attributable to ordinary shareholders	43,201,285	-
Average weighted number of ordinary shares	1,013,179,176	1,038,179,176
Basic earnings per share	0.092	0.159

Diluted earnings per share equal the basic earnings per share as the Company has not registered potential ordinary shares.

26. CONTINGENT COMMITMENTS AND LIABILITIES

(a) Legal proceedings

As at December 31, 2018, the Company was involved in lawsuits as defendant and as plaintiff.

For the lawsuits in which the Company acts as either defendant or plaintiff and whose object influence the Company's patrimony, litigation provisions are registered in accounting.

Most of the lawsuits in which the Company acts as plaintiff relate to AAAS disputes. For the amounts claimed by the Company and obtained by final and irrevocable court decisions, the Company registered in accounting AAAS receivables – the enforcement proceedings have been filed for most of them.

The lawsuits filed by AAAS against the enforcements executed by the Company are detailed below:

• Total contingencies as at December 31, 2018	RON 20.130.992
• Disputes initiated in 2018	RON 28.633
• Court rulings in favor of SIF	RON 17,105,986
• Contingent liabilities as at 31.12.2018	RON 3,053,639

Out of the total contingent assets registered as at December 31, 2018 in amount of RON 7,715,664, the amount of RON 5,601,387 represents the counter value of shares according to Law 151/2014 as a result of the withdrawal of SIF Moldova from the shareholding, RON 985,555 represents the counter value of the agreement for takeover of litigating rights between Textila Oltul and SIF Moldova and the amount of RON 634,672 represents amounts claimed by SIF Moldova in litigation with AAAS having as their object the recovery of trial expenses and damages claimed in connection with amounts obtained in lawsuits.

(b) Environmental contingencies

Environment regulations are still developing in Romania, and the Company has not registered any liabilities as at December 31, 2018 and December 31, 2017 for any expected costs, including legal and consulting fees, site surveys, the design and implementation of recovery plans, related to environmental matters.

The Company's management does not deem significant the expenses with any environmental matters.

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26. CONTINGENT COMMITMENTS AND LIABILITIES (continued)

(c) Transfer pricing

The Romanian tax legislation has been providing rules on transfer pricing between affiliates ever since 2000. The current legislative framework defines the principle of “market value” for transactions between affiliates as well as the methods of determining transfer prices. Thus, it is probable that the tax authorities should conduct verifications of the transfer pricing to verify that the tax result and/or customs value of imported goods is not distorted by the effect of the prices practiced in the relations with affiliates. The Company cannot measure the result of such verifications.

27. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The Company has identified in the ordinary course of business the following related parties:

Company subsidiaries

Subsidiaries and ownership percentage

	December 31, 2018		December 31, 2017
AGROINTENS SA	99.99	%	99.99
AGROLAND CAPITAL SA	99.99	%	99.99
ASSET INVEST	99.99	%	99.99
CASA	99.32	%	99.02
HOTEL SPORT CLUJ	0.00	%	99.98
MECANICA CEAHLAU	73.30	%	73.30
REGAL	93.02	%	93.02
TESATORIILE REUNITE	99.99	%	99.99

Associates of the Company

The Company holds an associate as at December 31, 2018 – Străulești Lac Alfa SA, with an ownership of 50%. As at December 31, 2017, the Company did not register associates.

Between January 1, 2018 and December 31, 2018, the Company participated in the increase of the subsidiaries’ and associates’ share capital as follows:

- Agointens SA - cash contribution in total amount of RON 7,285,000, of which RON 6,815,000 subscribed and paid in
- Casa SA – RON 3,524,450 representing cash increase through the conversion of the Company’s debt towards Casa SA
- Tesatoriile Reunite SA Bucharest – cash contribution in total amount of RON 1,410,000, of which RON 500,000 subscribed and paid in
- Straulești Lac Alfa SA - cash contribution in total amount of RON 18,640,000, of which RON 9,320,000 subscribed and paid in
- Agroland Capital SA – fully subscribed and paid in cash contribution in total amount of RON 38,000,000.

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27. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

During the reporting period, the Company sold its interest in subsidiary Hotel Sport Cluj.

At the end of the reporting period, the following balances relate to intra-Group transactions:

In RON	2018	2017
TESATORIILE REUNITE		
- Financial liabilities	910,000	-
ASSET INVEST		
- Other financial assets at depreciation cost	-	2,928
- Financial liabilities	37,212	37,212
CASA		
- Other financial assets at depreciation cost	-	3,530,218
- Financial liabilities	16,276	16,276
AGROINTENS		
- Financial liabilities	470,000	-
AGROLAND		
- Other financial assets at depreciation cost	-	125
STRAULESTI LAC ALFA		
Financial liabilities	9,320,000	-

During the reporting period, the following intra-Group transactions were carried out, mainly represented by dividends, rentals and provision of administration, archiving and mandate services.

In RON	December 31, 2018	December 31, 2017
AGROLAND SA		
Other operating income	1,384	1,482
ASSET SA		
Other operating income	31,213	32,034
Other operating expenses	858,290	858,181
CASA SA		
Other operating income	310,437	286,874
Other operating expenses	209,589	184,512
REGAL SA		
Dividend income	2,125,079	59,985

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27. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Key management personnel

December 31, 2018

The members of the Board of Directors of SIF Moldova S.A. are: Ceoce Costel (President of the Board of Directors), Octavian Claudiu Radu (Vice-president of the Board of Directors), Doros Claudiu (CEO), Cătălin Jianu Dan Iancu (Deputy CEO), Horia Ciorcilă (Non-executive director).

December 31, 2017

The members of the Board of Directors of SIF Moldova S.A. are: Ceoce Costel (President of the Board of Directors), Octavian Claudiu Radu (Vice-president of the Board of Directors), Doros Claudiu (CEO), Catalin Jianu Dan Iancu (Deputy CEO), Horia Ciorcila.

As at December 31, 2018 there were 34 individual employment contracts (as at December 31, 2017 there were 33 individual employment contracts); 2 management contracts (2 management contracts as at December 31, 2017); 5 administration contracts (7 administration contracts as at December 31, 2017).

Of which:	Employees	Management contracts	Administration contracts
• Directors	-	-	5
• Officers – directors	-	2	-
• Higher education employees	31	-	-
• Secondary education employees	3	-	-
TOTAL	34	2	5

The salaries and incentives paid or payable for the period January – December 2018 are in amount of RON 14,276,038 (December 31, 2017: RON 103,342,667).

Of which:	December 31, 2018	December 31, 2017
• Management contract	2,601,056	2,863,481
• Board of directors	6,967,151	4,393,387
• Employees	4,706,053	3,083,895
• Other collaborators	1,778	1,904
Total	14,276,038	10,342,667

In January 1, 2018 – December 31, 2018, the employees received RON 1,413,200 (2017: RON 954,992) for profit sharing and shares granted through the SOP programme in amount of RON 898,739, as well as trainings in amount of RON 44,596 (December 31, 2017: trainings in amount of RON 53,914).

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27. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Key management personnel (continued)

The officers' financial rights are approved by the Board of Directors under the management contract. The directors' salaries and incentives account for 67% of the Company's total salary expenses.

The directors received RON 4,279,365 (2017: RON 3,213,973) for profit sharing and shares granted through the SOP programme in amount of RON 3,345,157, as well as trainings in amount of RON 1,400 (December 31, 2017: trainings in amount of RON 1,620).

In 2018, the Company paid salary-related contributions in amount of RON 476,189. In addition, it paid social security in amount of RON 42,011.

28. SUBSEQUENT EVENTS

As at December 31, 2018, the Company did not register subsequent events that might affect the information presented.

The separate financial statements were approved by the Board of Directors on March 13, 2019 and were signed on its behalf by:

Claudiu Doroş,
CEO

Decebal Dumitrescu,
CFO

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of,
SIF Moldova S.A.

Report on the Audit of the Separate Financial Statements

Opinion

1. We have audited the separate financial statements of SIF Moldova S.A. ("SIF Moldova"), with registered office in Pictor Aman nr. 94C street, Bacău, identified by unique tax registration code 2816642, which comprise the separate statement of financial position as at December 31, 2018, the separate statement of comprehensive income, separate statement of changes in shareholders' equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.
2. The separate financial statements as at December 31, 2018 are identified as follows:

• Total Equity	RON 1,749,478,749
• Net profit for the financial year	RON 50,159,949
3. In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of SIF Moldova as at December 31, 2018, and its separate financial performance and its separate cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") and applying Financial Supervisory Authority ("FSA") Norm no. 39 /2015, regarding the approval of the accounting regulations in accordance with International Financial Reporting Standards, applicable to the entities authorized, regulated and supervised by the FSA – Financial Investments and Instruments Sector, as amended (referred to herein as "FSA Norm no. 39 / 2015").

Basis for Opinion

4. We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation (EU) No. 537/2014 of the European Parliament and the Council (forth named "the Regulation") and Law 162/2017 ("the Law"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), in accordance with ethical requirements relevant for the audit of the financial statements in Romania including the Regulation and the Law and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements for the current year. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the matter
<p>Valuation of equity investments</p> <p>We refer to note 16 to the separate financial statements, which presents the equity investments (shares) of SIF Moldova. As at December 31, 2018, the investments in such financial assets valued at fair value represent 84% of the total assets of SIF Moldova.</p> <p>A part of the total financial assets valued at fair value of SIF Moldova is represented by equity investments in:</p> <ul style="list-style-type: none"> - unlisted Romanian companies, some of which are controlled by SIF Moldova; - listed Romanian companies which, according to the accounting policies of SIF Moldova, qualify as inactive market. <p>Financial investments with a fair value presented to Level 3 represent RON 342 million in the total assets of SIF Moldova.</p> <p>The fair value valuation of equity investments with a fair value presented to Level 3 has been performed based on financial information available prior to December 31, 2018 and was performed by authorized in-house valuers of SIF Moldova, as well as external independent valuers. The management of SIF Moldova performed an analysis for the period following the date of the valuation reports until December 31, 2018 and identified no significant changes in the fair values of such investments.</p> <p>This was a key area of focus in our audit due to the significance of the amounts involved, the complexity involved in valuing these investments, the significance of the judgments and estimates included in the valuation, as well as the reflection of the changes in fair value in the separate financial statements.</p>	<p>In order to address the key audit matter, our audit focus was to assess key controls over the valuation process of equity investments in financial assets at fair value. The assessment of internal control effectiveness give us the support to plan our audit procedures over the equity investments.</p> <p>For the material listed equity investments, we have assessed the frequency of the trading in order to identify illiquid equity investments, and we have assessed the accuracy of the closing share market price.</p> <p>For a sample of unlisted equity investments and illiquid equity investments, we involved our own internal valuation specialists, who assessed the valuation methodology, assumptions and inputs used by the in-house and external valuers and their professional competence. We also assessed the compliance of the valuation methods with the relevant valuation standards and accounting policies of SIF Moldova.</p> <p>We have assessed the SIF Moldova management's analyses for the period following the date of the valuation reports until December 31, 2018, in order to identify significant events which may have a significant impact on the fair value of equity investments.</p> <p>We have also assessed the accuracy of the changes in fair value that have been reflected in the separate financial statements, by comparing year-on-year fair value variation for the selected financial investments.</p> <p>We have also considered whether the separate financial statements appropriately reflect the material disclosures in relation to equity investments according to the accounting policies of SIF Moldova and IFRS requirements. In this regard, we assessed the presentation of the material information on fair value hierarchy, disclosures regarding significant unobservable inputs against disclosures of IFRS 13 <i>Fair Value Measurement</i>.</p>

Other information – Administrators’ Separate Report

6. The administrators are responsible for the preparation and presentation of the other information. The other information comprises the Administrators’ separate report (“Administrators’ report”), but does not include the separate financial statements and our auditor’s report thereon.

Our opinion on the separate financial statements does not cover the other information and, unless otherwise explicitly mentioned in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements for the year ended December, 31, 2018, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

With respect to the Administrators’ report, we read and report if this has been prepared, in all material respects, in accordance with the provisions of FSA Norm no. 39 / 2015 articles no. 8-13.

On the sole basis of the procedures performed within the audit of the separate financial statements, in our opinion:

- a) the information included in the Administrators’ report for the financial year for which the separate financial statements have been prepared are consistent, in all material respects, with these separate financial statements;
- b) the Administrators’ report has been prepared, in all material respects, in accordance with the provisions of FSA Norm no. 39 / 2015 articles no. 8-13.

Moreover, based on our knowledge and understanding concerning the Company and its environment gained during the audit on the separate financial statements prepared as at December 31, 2018, we are required to report if we have identified a material misstatement of this Administrator’s report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

- 7. Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRS and applying FSA Norm no. 39 / 2015 and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.
- 8. In preparing the separate financial statements, management is responsible for assessing SIF Moldova’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate SIF Moldova or to cease operations, or has no realistic alternative but to do so.
- 9. Those charged with governance are responsible for overseeing SIF Moldova’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Separate Financial Statements

- 10. Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

11. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SIF Moldova's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on SIF Moldova's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause SIF Moldova to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with all relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

We have been appointed by the General Assembly of Shareholders on April 4, 2017 to audit the separate financial statements of SIF Moldova S.A. for the financial year ended December 31, 2018, following the tender organized by SIF Moldova during 2017. The uninterrupted total duration of our commitment is 14 years, covering the financial years ended December 31, 2005 until December 31, 2018.

We confirm that:

- Our audit opinion is consistent with the additional report submitted to the Audit Committee of SIF Moldova that we issued the same date we issued and this report. Also, in conducting our audit, we have retained our independence from the audited entity.
- We have not provided for the Company any non-audit services referred to in Article 5 (1) of EU Regulation no. 537/2014.

The engagement partner on the audit resulting in this independent auditor's report is Irina Dobre.

Irina Dobre, Audit Director

For signature, please refer to the original Romanian version.

Registered with the Authority for the Public Oversight of the Statutory Audit Activity under number 3344

On behalf of:

DELOITTE AUDIT S.R.L.

Registered with the Chamber of Financial Auditors in Romania under certificate no. 25/25.06.2001

Sos. Nicolae Titulescu nr. 4-8, America House, Intrarea de Est,
Etajul 2 - zona Deloitte și Etajul 3, sector 1,
Bucharest, Romania
March 18, 2019

STATEMENT

In accordance with article 63 paragraph 1 letter c) of Law no. 24/2017, the undersigned Claudiu DOROȘ - CEO and Decebal DUMITRESCU as CFO - responsible for the preparation of the individual financial statements of SIF Moldova SA as at December 31, 2018, declare the following:

- a) The individual financial statements have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union (“IFRS”) and the Financial Supervisory Authority (“FSA”) Norm no. 39/2015 for the approval of the Accounting Regulations in accordance with International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the FSA.
- b) Under the terms of the Norm 39/2015, the International Financial Reporting Standards, hereinafter referred to as IFRS, are the standards adopted in accordance with the procedure set out in the (EC) Regulation no. 1606/2002 of the European Parliament and of the Council of July 19, 2002 on the application of the international accounting standards, with subsequent amendments and completions.
- c) We are not aware, at the time of this statement, of other information, events, circumstances that significantly alter the above statements.

We firmly and confidently affirm that the Individual Financial Statements that comply with the above legal regulations provide **a fair and consistent view of the Company's assets, liabilities, financial position, profit and loss account and that the Board of Director's Report includes a proper analysis of the development and performance of the company, as well as a description of the main risks and uncertainties specific to the activity being carried out.**

Claudiu Doros
CEO

Decebal Dumitrescu
CFO