

SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.

SIMPLIFIED INTERIM FINANCIAL STATEMENTS

AS OF SEPTEMBER 30th 2017

drawn up in accordance with Norm no. 39/2015 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards applicable to the entities authorized, regulated and supervised by the Financial Supervision Authority of the Financial Instruments and Investments Sector

UNAUDITED

SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.
SIMPLIFIED INTERIM FINANCIAL STATEMENTS
AS OF SEPTEMBER 30th 2017

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SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.

**Simplified interim statement of profit or loss and of other items of the overall result as
as of September 30th 2017**

| <i>In RON</i> | Note | 30 September 2017 | 30 September 2016 |
|--|-------------|------------------------------|------------------------------|
| Incomes | | | |
| Income from dividends | 5 | 55,704,319 | 44,106,676 |
| Income from interest | | 53,641 | 44,666 |
| Other operating income | 6 | 1,381,632 | 42,792,020 |
| Net gain from exchange rate differences | | (387,808) | (199,745) |
| Net gain from the sale of assets | 7 | 3,363,434 | 29,509,014 |
| Costs | | | |
| Fees and charges for administration and supervision | 8 | (1,558,222) | (1,441,873) |
| Other operating costs | 9 | (5,521,260) | (6,475,760) |
| Profit before taxing | | 53,035,736 | 108,334,998 |
| Profit tax | 10 | (2,710,748) | (12,444,070) |
| Net profit for the financial year | | 50,324,988 | 95,890,928 |
| Other items of the overall result | | | |
| Net change in the reserve from the change in the fair value of the available-for-sale financial assets | | 79,695,484 | (66,246,494) |
| The reserve related to the difference from the change in the fair value of the available-for-sale financial assets transferred in profit or loss, net of tax | | (2,989,863) | (24,667,859) |
| Total overall result for the period | | 127,030,609 | 4,976,575 |
| The result per share | 21 | | |
| Basic | | 0.0867 | 0.1653 |

The simplified interim financial statements have been approved by the Board of Directors on 13 November 2017 and they were signed in its name, by:

Assoc. Prof. PhD E. Tudor CIUREZU

Chairman/General Manager

ec. Elena Sichigea

Financial Manager

The notes from page 6 to page 22 are an integral part of these individual financial statements.

SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.

Simplified interim statement of the financial position drawn up as of September 30th 2017

| <i>In RON</i> | Note | 30 September 2017 | 31 December 2016 |
|---|------|----------------------|----------------------|
| Assets | | | |
| Cash and cash equivalents | 11 | 15,675,530 | 3,509,197 |
| Deposits placed with banks | 12 | 32,338,393 | 24,466,476 |
| Financial assets available for sale | 13 | 1,693,491,132 | 1,578,803,318 |
| Credits and receivables | 14 | 1,890,687 | 13,427,910 |
| Fixed tangible assets | | 10,972,135 | 11,373,395 |
| Real estate investments | 15 | 483,071 | 483,071 |
| Other assets | 16 | 401,484 | 347,473 |
| Total assets | | 1,755,252,432 | 1,632,410,840 |
| Liabilities | | | |
| Dividends to pay | | 108,395,605 | 56,991,969 |
| Fees and charges | 17 | 154,521 | 5,246,637 |
| Deferred tax liabilities | 18 | 136,658,631 | 122,077,335 |
| Other liabilities | 19 | 5,966,144 | 18,899,845 |
| Total liabilities | | 251,174,901 | 203,215,786 |
| Stockholders' equity | | | |
| Social capital | 20 | 58,016,571 | 58,016,571 |
| Effect of IAS 29 on Social Capital | 20 | - | 631,852,524 |
| Reserves constituted following the application of Law 133/1996 | 20 | 144,636,073 | 1,951,415,434 |
| Retained earnings as a result of applying IAS 29 to equity and reserves | 20 | - | (2,438,631,885) |
| Legal reserves | 20 | 11,603,314 | 11,603,314 |
| Reserves from revaluation of available-for-sale financial assets | 20 | 703,133,035 | 626,427,414 |
| Other reserves | | 521,517,906 | 472,461,444 |
| Reserves from revaluation of tangible assets | | 7,246,852 | 7,755,548 |
| The result carried forward except for the result carried forward arising from the adoption of IAS 29 for the first time | | 7,598,792 | 7,023,313 |
| Current profit | | 50,324,988 | 101,271,377 |
| Total stockholders' equity | | 1,504,077,531 | 1,429,195,054 |
| Total liabilities and stockholders' equity | | 1,755,252,432 | 1,632,410,840 |

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SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.

Simplified interim statement of the changes in stockholders' equity drawn up as of September 30th 2017

- RON -

| | Inflated social capital | Reserves from the revaluation of fixed tangible assets | Legal reserves | Other reserves | Reserves from the revaluation of the available-for-sale financial assets | Other stockholders' equity items | The result carried forward as a result of applying IAS 29 to the social capital and reserves | Accumulated Profit | TOTAL |
|---|-------------------------|--|----------------|-----------------|--|----------------------------------|--|--------------------|---------------|
| BALANCE ON JANUARY 1st 2017 | 689,869,095 | 7,755,548 | 11,603,314 | 2,423,876,878 | 629,489,094 | (3,061,680) | (2,438,631,885) | 108,294,690 | 1,429,195,054 |
| OVERALL RESULT | - | - | - | - | - | - | - | - | - |
| Profit for the financial year | - | - | - | - | - | - | - | 50,324,988 | 50,324,988 |
| Other items of the overall result | - | - | - | - | - | - | - | 508,696 | - |
| 1. Change in the reserve from the revaluation of fixed tangible assets, net of deferred tax | - | (508,696) | - | - | - | - | - | 365,140 | - |
| 2. Net change in the reserve from the change in the fair value of the available-for-sale financial assets | - | - | - | - | 79,695,484 | - | - | - | 79,695,484 |
| 3. The reserve related to the difference from the change in the fair value of the available-for-sale financial assets transferred in profit or loss, net of tax | - | - | - | - | (2,989,863) | - | - | - | (2,989,863) |
| TOTAL OVERALL RESULT for the period | - | (508,696) | - | - | 76,705,621 | - | - | 50,833,684 | 127,030,609 |
| Deferred tax related to the result carried forward revaluation surplus unachieved taxed | - | - | - | - | - | - | - | 66,782 | 66,782 |
| Other reserves – own sources of funding | - | - | - | 49,056,462 | - | - | - | (49,056,462) | - |
| Result coverage carried over from the hyperinflation update | (631,852,524) | - | - | (1,806,779,361) | - | - | 2,438,631,885 | - | - |
| Transactions with shareholders directly recognized in equity | - | - | - | - | - | - | - | - | - |
| 1. Dividends prescribed by law – transfer to the profit or loss account from other reserves | - | - | - | - | - | - | - | - | - |
| 2. Dividends to pay for year 2016 | - | - | - | - | - | - | - | (52,214,914) | (52,214,914) |
| TOTAL TRANSACTIONS WITH SHAREHOLDERS DIRECTLY RECOGNIZED IN EQUITY | - | - | - | - | - | - | - | - | - |
| BALANCE ON SEPTEMBER 30th 2017 | 58,016,571 | 7,246,852 | 11,603,314 | 666,153,979 | 706,194,715 | (3,061,680) | 0 | 57,923,780 | 1,504,077,531 |

The simplified interim financial statements have been approved by the Board of Directors on 13 November 2017 and they were signed in its name, by:

Assoc. Prof. PhD E. Tudor CIUREZU

ec. Elena Sichigea

Chairman/General Manager

Financial Manager

The notes from page 6 to page 22 are an integral part of these individual financial statements.

SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.

Simplified interim individual statement of the changes in stockholders' equity drawn up as of September 30th 2016

| | RON - | | | | | | | | |
|---|-------------------------|--|----------------|----------------|--|----------------------------------|--|--------------------|---------------|
| | Inflated social capital | Reserves from the revaluation of fixed tangible assets | Legal reserves | Other reserves | Reserves from the revaluation of the available-for-sale financial assets | Other stockholders' equity items | The result carried forward as a result of applying IAS 29 to the social capital and reserves | Accumulated Profit | TOTAL |
| BALANCE ON JANUARY 1st 2016 | 689,869,095 | 8,077,015 | 11,603,314 | 2,394,042,974 | 689,343,001 | (3,061,680) | (2,438,631,885) | 111,937,948 | 1,463,179,782 |
| OVERALL RESULT | - | - | - | - | - | - | - | - | - |
| Profit for the financial year | - | - | - | - | - | - | - | 95,890,928 | 95,890,928 |
| Other items of the overall result | - | - | - | - | - | - | - | - | - |
| 1. Change in the reserve from the revaluation of fixed tangible assets, net of deferred tax | - | 240,377 | - | - | - | - | - | 240,377 | - |
| 2. Net change in the reserve from the change in the fair value of the available-for-sale financial assets | - | - | - | - | (66,246,494) | - | - | - | (66,246,494) |
| 3. The reserve related to the difference from the change in the fair value of the available-for-sale financial assets transferred in profit or loss, net of tax | - | - | - | - | (24,667,859) | - | - | - | (24,667,859) |
| TOTAL OVERALL RESULT for the period | - | (240,377) | - | - | (90,914,353) | - | - | 96,131,305 | 4,976,575 |
| Deferred tax related to the result carried forward revaluation surplus unachieved taxed | - | - | - | - | - | - | - | 14,364 | 14,364 |
| Other reserves – own sources of funding | - | - | - | 29,833,904 | - | - | - | (29,833,904) | - |
| Transactions with shareholders directly recognized in equity | - | - | - | - | - | - | - | - | - |
| 1. Dividends prescribed by law – transfer to the profit or loss account from other reserves | - | - | - | - | - | - | - | - | - |
| 2. Dividends to pay for year 2015 | - | - | - | - | - | - | - | (75,421,543) | (75,421,543) |
| TOTAL TRANSACTIONS WITH SHAREHOLDERS DIRECTLY RECOGNIZED IN EQUITY | - | - | - | - | - | - | - | (75,421,543) | (75,421,543) |
| BALANCE ON SEPTEMBER 30TH 2016 | 689,869,095 | 7,836,638 | 11,603,314 | 2,423,876,878 | 598,428,648 | (3,061,680) | (2,438,631,885) | 102,828,170 | 1,392,749,178 |

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Assoc. Prof. PhD E. Tudor CIUREZU
Chairman/General Manager

ec. Elena Sichigea
Financial Manager

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SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.**Simplified interim individual statement of the cash flows
drawn up on September 30th 2017**

- RON -

| Item Name | Reporting Period | |
|---|--------------------|---------------------|
| | 30.09.2017 | 30.09.2016 |
| A | 1 | 2 |
| Cash flows from operating activities | | |
| Returns from customers, other returns | 503,789 | 635,013 |
| Returns from sales of financial investments (shareholdings) | 14,079,338 | 43,740,067 |
| Payments for the purchase of shares | (35,016,626) | (12,816,936) |
| Payments to suppliers and employees, other payments | (5,140,117) | (5,871,400) |
| Payments to the state budget, social security budget and local budget | (2,065,007) | (2,261,940) |
| Interest received | 42,036 | 41,468 |
| Dividends received | 53,315,249 | 42,091,421 |
| Interest paid | - | - |
| Profit tax paid | (4,594,343) | (2,731,354) |
| Returns from earthquake insurance | - | - |
| Net cash from operating activities | 21,124,319 | 62,826,339 |
| Cash flows from investment activities | | |
| Payments for the acquisition of fixed tangible assets | (266,097) | (43,258) |
| Returns from the sale of fixed tangible assets | 586,888 | - |
| Net cash from investment activities | 320,791 | (43,258) |
| Cash flows from financing activities | | |
| Returns from the issue of shares | - | - |
| Returns from long-term loans | - | - |
| Payment of liabilities related to the financial leasing | - | - |
| Dividends paid | (811,279) | (984,234) |
| Amounts advanced to the Central Depository for dividend payments | - | (54,354,500) |
| Dividend tax paid | (607,170) | (1,905,174) |
| Net cash from financing activities | (1,418,449) | (57,243,908) |
| Net increase in treasury and cash equivalents | 20,026,661 | 5,539,173 |
| Cash and cash equivalents at the beginning of the reporting period | 27,973,366 | 6,575,101 |
| Cash and cash equivalents at the end of the reporting period | 48,000,027 | 12,114,274 |

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Chairman/General Manager

ec. Elena Sichigea
Financial Manager

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SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.

Selected explanatory notes to simplified interim financial statements

as of September 30th 2017

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

1. The Reporting Entity

Societatea de Investiții Financiare Oltenia S.A. (hereinafter referred to as "the Company") was established on 01.11.1996 in Craiova - Romania, under the provisions of Law No. 133/1996, a law for the transformation of the Private Property Funds into financial investment companies. The Company was established by transforming the V Oltenia Private Property Fund.

The Company is a collective investment institution operating under Law no. 31/1990 on the trading companies and Law no. 297/2004 on the capital market, with subsequent amendments and completions.

The Company is self-administered.

The Company has its registered office in Craiova, 1 Tufănele Street, postal code 200767, Dolj County, telephone 0251419335, fax 0251419340.

The Company is registered with:

- the Trade Register Office attached to Dolj Law Court, Registration Number J16/1210/1993, Taxpayer Identification Number 4175676, fiscal attribute RO;

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

The Company's shareholders and shares records are kept by the Depozitarul Central S.A. București.

The depositing activity provided by legislation and C.N.V.M. / A.S.F. regulations is provided by Raiffeisen Bank S.A. - Bucharest Branch as from 22.01.2014, until such date, the depositing activity having been held by ING Bank NV Amsterdam - Bucharest Branch.

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

- to administer and manage the shares in the trading companies for which there were issued own shares, corresponding to the Ownership Certificates and the Nominal Privatization Coupons subscribed by citizens according to the provisions of Art. 4 Paragraph 6 of Law no. 55/1995;
- to manage its own securities portfolio and to invest in securities in accordance with the regulations in force;
- other similar and related activities, in accordance with the regulations in force, as well as the management of its own assets.

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

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

The simplified interim financial statements drawn up on 30 September 2017 are not audited.

SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.

Selected explanatory notes to simplified interim financial statements

as of September 30th 2017

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

2. Basis of drawing up

a) Declaration of Conformity

According to the Norm no. 39/2015 issued by the Financial Supervisory Authority of the Financial Instruments and Investment Sector, entities authorized, regulated and supervised by the ASF of the Financial Instruments and Investments Sector, shall apply the international financial reporting standards adopted by the Union from the financial statements for the financial year 2015 ("IFRS") as official accounting regulations.

December 31, 2015 is the date of transition to IFRS as accounting basis, the date on which by restatement were made and recorded in accounting the operations determined by the transition from NSC Regulation no. 4/2011 to IFRS Accounting Regulations. Between 2011 and 2014, the Company prepared financial statements based on IFRS (restatement of statutory financial statements) that were audited and published.

The simplified interim financial statements prepared on 30 September 2017 were prepared in accordance with the requirements of IAS 34 "Interim Financial Statements" and should be read in conjunction with the separate financial statements for the year 2016 prepared in accordance with Standard no. 39/2015 for the approval of accounting regulations in accordance with International Financial Reporting Standards applicable to entities authorized, regulated and supervised by the Financial Supervision Authority of the Financial Instruments and Investments Sector

In accordance with the provisions of Regulation no. No 1606/2002 of the European Parliament and of the Council of the European Union of 19 July 2002 and of CNVM Decision no. 1176 / 15.09.2010, financial investment companies are required to prepare and submit to ASF consolidated annual financial statements in accordance with IFRS within 8 months of the close of the financial year. The consolidated financial statements of the S.I.F. Oltenia S.A. on 31.12.2016 were drafted, approved and made public on 06.09.2017. These can be consulted on the Company's website: www.sifolt.ro.

The Company's accounting records are denominated in RON.

b) Presentation of financial statements

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

c) Functional and Presentation Currency

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

SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.

Selected explanatory notes to simplified interim financial statements

as of September 30th 2017

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

2. Basis of drawing up (continued)

d) Basis of Evaluation

The simplified interim financial statements are prepared based on the fair value convention for derived financial instruments, financial assets and liabilities at fair value through the profit or loss account, and the available-for-sale financial assets, except for those for which fair value cannot be determined in a credible way.

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

e) Using Estimates and Judgments

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

The estimates and assumptions associated with these judgments are based on historical experience as well as on other factors considered to be reasonable in the context of these estimates.

The result of such estimates forms the basis of the judgments relating to the carrying amounts of assets and liabilities that cannot be obtained from other sources of information. The results obtained may differ from the estimates amounts.

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

f) Changes in Accounting Policies

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

3. Significant Accounting Policies

The accounting policies applied to these simplified interim financial statements are consistent with those from the financial statements as at 31 December 2016 and have been consistently applied for all the periods presented in these simplified interim financial statements.

According to the 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 Financial Supervision Authority of the Financial Instruments and Investment Sector, starting with the annual financial statements for the financial year 2015, the Company applies the International Reporting Standards Financials adopted by the European Union as official accounting regulations.

To this end, in 2016, the Company prepared interim financial reports in accordance with the requirements of IAS 34 "Interim Financial Statements".

SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.

Selected explanatory notes to simplified interim financial statements

as of September 30th 2017

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

4. Financial Assets and Liabilities

Accounting Classifications and Fair Values

The carrying amounts and fair values of financial assets and liabilities are presented on 30.09.2017, as follows:

| <i>În RON</i> | Available for sale | Amortized Cost | Net carrying amount | Fair value |
|-------------------------------------|----------------------|--------------------|----------------------|----------------------|
| Cash and cash equivalents | - | 15,675,530 | 15,675,530 | 15,675,530 |
| Deposits placed with banks | - | 32,338,393 | 32,338,393 | 32,338,393 |
| Available-for-sale financial assets | 1,693,491,132 | - | 1,693,491,132 | 1,693,491,132 |
| Investments held up to due date | - | - | - | - |
| Other financial assets | - | 2,292,171 | 2,292,171 | 2,292,171 |
| Total financial assets | 1,693,491,132 | 50,306,094 | 1,743,797,226 | 1,743,797,226 |
| Dividends to pay | - | 108,395,605 | 108,395,605 | 108,395,605 |
| Other financial liabilities | - | 5,966,144 | 5,966,144 | 5,966,144 |
| Total financial liabilities | - | 114,361,749 | 114,361,749 | 114,361,749 |

The carrying amounts and fair values of financial assets and liabilities are presented on 31.12.2016, as follows:

| <i>In RON</i> | Available for sale | Amortized Cost | Net carrying amount | Fair value |
|-------------------------------------|----------------------|-------------------|----------------------|----------------------|
| Cash and cash equivalents | - | 3,509,197 | 3,509,197 | 3,509,197 |
| Deposits placed with banks | - | 24,466,476 | 24,466,476 | 24,466,476 |
| Available-for-sale financial assets | 1,578,803,318 | - | 1,578,803,318 | 1,578,803,318 |
| Investments held up to due date | - | - | - | - |
| Other financial assets | - | 13,775,383 | 13,775,383 | 13,775,383 |
| Total financial assets | 1,578,803,318 | 41,751,056 | 1,620,554,374 | 1,620,554,374 |
| Dividends to pay | - | 56,991,969 | 56,991,969 | 56,991,969 |
| Other financial liabilities | - | 18,899,845 | 18,899,845 | 18,899,845 |
| Total financial liabilities | - | 75,891,814 | 75,891,814 | 75,891,814 |

SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.

Selected explanatory notes to simplified interim financial statements

as of September 30th 2017

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

5. Income from dividends

The income from dividends is registered at gross amount. Dividend taxing rates for the period ended on 30.09.2017 are of 5% and zero (30.09.2016: 5% and zero).

The income from dividends, mainly, by contributors, is as follows:

| <i>În RON</i> | 30 septembrie 2017 | 30 septembrie 2016 |
|--|-------------------------------|-------------------------------|
| BRD-GROUPE SOCIETE GENERALE S.A. Bucuresti | 11,203,197 | 5,673,819 |
| OMV PETROM S.A. Bucuresti | 10,582,504 | |
| S.N.T.G.N. TRANSGAZ S.A. Medias | 8,518,836 | 4,993,904 |
| C.N.T.E.E. TRANSELECTICA S.A. | 6,346,251 | 9,974,878 |
| S.N.G.N. ROMGAZ S.A. | 5,927,605 | 4,189,668 |
| ANTIBIOTICE S.A. | 3,690,653 | 1,891,190 |
| BANCA TRANSILVANIA S.A. | 2,458,861 | 13,473,250 |
| B.T. ASSET MANAGEMENT S.A. | 1,999,969 | |
| UNIVERS S.A. Rm.Valcea | 1,862,435 | 886,449 |
| SANTIERUL NAVAL ORSOVA S.A. | 581,463 | |
| TURISM FELIX S.A. Băile Felix | 488,211 | 538,715 |
| FLAROS S.A. Bucuresti | 475,799 | |
| BURSA DE VALORI BUCURESTI S.A. | 353,120 | 333,328 |
| IAMU BLAJ S.A. | 320,329 | 313,169 |
| MERCUR S.A. Craiova | 284,192 | |
| EXIMBANK S.A. Bucuresti | 164,693 | 1,281,822 |
| TURISM S.A. Pucioasa | 101,060 | 85,901 |
| PROVITAS S.A. Bucuresti | 82,577 | |
| ELBA S.A. Timisoara | 80,212 | 106,113 |
| S.E. ELECTRICA S.A. Bucuresti | 70,248 | 210,905 |
| DEPOZITARUL CENTRAL S.A. Bucuresti | 59,271 | 48,542 |
| CONTACTOARE S.A. Buzau | 27,295 | 38,212 |
| RELEE S.A. Medias | 24,696 | 47,884 |
| S.I.F. MOLDOVA S.A. Bacau | 842 | 18,927 |
| TOTAL | 55,704,319 | 44,106,676 |

SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.

Selected explanatory notes to simplified interim financial statements

as of September 30th 2017

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

6. Other operating income

| <i>In RON</i> | September 30th 2017 | September 30th 2016 |
|--|---|---|
| Financial income from adjustments for impairment of financial assets | 196,796 | - |
| Income from provisions for depreciation of current assets | 1845 | 1,640 |
| Other operating income | 1,164,995 | 42,265,476 |
| Other financial income | 17,996 | 19,337 |
| Other income from provisions | - | 505,567 |
| Total | 1,381,632 | 42,792,020 |

7. Net gain from the sale of assets

| <i>In RON</i> | September 30th 2017 | September 30th 2016 |
|--|---|---|
| Income from the sale of the available-for-sale financial assets | 15,344,014 | 43,886,567 |
| The carrying amount of the ceded available-for-sale financial assets | 11,980,580 | 14,377,553 |
| Net gain from the sale of financial assets | 3,363,434 | 29,509,014 |

8. Fees and charges for administration and supervision

| <i>In RON</i> | September 30th 2017 | September 30th 2016 |
|---|---|---|
| Costs on fees due to SSIF for share transactions | 7,452 | 109,915 |
| Costs on fees due for shareholder register services | 107,345 | 108,900 |
| Costs on fees with the depositary company | 227,902 | 184,959 |
| BVB costs | 24,990 | 25,200 |
| Costs on taxes due to capital market entities (ASF) | 1,095,022 | 923,717 |
| Costs on the audit fee | - | 10,121 |
| Other costs on fees and taxes | 95,511 | 79,061 |
| Total | 1,558,222 | 1,441,873 |

9. Other operating costs

| <i>In RON</i> | September 30th 2017 | September 30th 2016 |
|---|---|---|
| Costs on fees and taxes | 169,973 | 306,789 |
| Costs on salaries and other staff costs | 4,132,477 | 5,227,771 |
| Costs on amortization, provisions and value adjustments | 325,428 | 365,838 |
| Costs on external benefits | 893,382 | 575,362 |
| Total | 5,521,260 | 6,475,760 |

SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.*Selected explanatory notes to simplified interim financial statements**as of September 30th 2017**(all the amounts are expressed in RON, unless otherwise stated)***9. Other operating costs (continued)****Costs on salaries and assimilated costs**

| <i>In RON</i> | September 30 th 2017 | September 30 th 2016 |
|--|------------------------------------|------------------------------------|
| Costs on salaries | 3,296,262 | 3,790,965 |
| Costs on insurance and social protection | 836,215 | 899,491 |
| Other costs on salaries according to court decisions | - | 537,315 |
| Total | 4,132,477 | 5,227,771 |

| | September 30 th 2017 | September 30 th 2016 |
|------------------------------------|------------------------------------|------------------------------------|
| Staff with mandate contract | 2 | 2 |
| Employees with higher education | 33 | 32 |
| Employees with secondary education | 12 | 13 |
| Employees with general education | 4 | 5 |
| Total | 51 | 52 |

Within other operating costs there are included staff costs, costs on other fees and taxes, costs on amortization, provisions and value adjustments, external service costs.

In the period ended on 30.09.2017 the average number of employees was of 48 (30.09.2016: 50), and the number of employees registered on 30.09.2017 was of 49 (30.09.2016: 50).

The indemnities granted during the period ended on 30.09.2017 to the administrative bodies, executive bodies and key staff, representing salary rights amounted to 1,179,143 RON (30.09.2016: 1,624,387 RON).

The company makes payments to institutions of the Romanian State for the pensions of its employees.

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

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as of September 30th 2017

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10. Profit tax

**Reconciliation of profit before taxing
with the profit tax cost in the profit or loss account**

| <i>In RON</i> | September 30th 2017 | September 30th 2016 |
|---|---|---|
| Current income tax | 322,478 | 10,428,815 |
| Dividends tax | 2,388,270 | 2,015,255 |
| Cost on the deferred profit tax | - | - |
| Total profit tax recognized in the fiscal year result | 2,710,748 | 12,444,070 |
| Profit before taxing | 53,035,736 | 108,334,998 |
| Tax according to statutory quota of 16% | 8,485,718 | 17,333,600 |
| The effect on profit tax of: | | |
| Non-deductible costs | 1,242,795 | 407,416 |
| Non-taxable incomes | (9,403,535) | (7,309,901) |
| Dividend taxation rate | 2,388,270 | 2,015,255 |
| Amounts representing sponsorship under the law | (2,500) | (2,300) |
| Records and resumption of temporary differences | - | - |
| Profit tax | 2,710,748 | 12,444,070 |

11. Cash and cash equivalents

| <i>In RON</i> | September 30th 2017 | December 31st 2016 |
|--|---|--|
| Cash at the cash desk | 5,137 | 8,510 |
| Current accounts at banks | 15,635,850 | 3,483,254 |
| Cash equivalents | 34,543 | 17,433 |
| Total cash and cash equivalents | 15,675,530 | 3,509,197 |

12. Deposits placed with banks

| <i>In RON</i> | September 30th 2017 | December 31st 2016 |
|---|---|--|
| Bank deposits at sight | 32,324,497 | 24,464,169 |
| Attached receivables | 13,896 | 2,307 |
| Total deposits placed with banks | 32,338,393 | 24,466,476 |

13. Financial assets

• Available-for-sale financial assets

| <i>In RON</i> | September 30th 2017 | December 31st 2016 |
|-----------------------------|---|--|
| Shares valued at fair value | 1,683,979,259 | 1,569,695,067 |
| Shares valued at cost | 6,721,546 | 6,721,546 |
| Units at fair value | 2,790,327 | 2,386,705 |
| Total | 1,693,491,132 | 1,578,803,318 |

SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.

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as of September 30th 2017

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13. Financial assets (continued)

The movement of the available-for-sale financial assets in the reporting periods ended on 30.09.2017 and 31.12.2016 is presented in the following table:

| <i>In RON</i> | Shares valued at fair value | Shares valued at cost | Units | Total |
|------------------------------|--|----------------------------------|------------------|----------------------|
| 1 January 2016 | 1,647,958,291 | 18,419,537 | 2,301,191 | 1,668,679,019 |
| Reclassifications 2016 | 9,627,292 | (9,627,292) | - | - |
| Net change during the period | (6,542,036) | (2,321,878) | - | (8,863,914) |
| Impairment losses | (11,020,326) | - | (247,407) | (11,267,733) |
| Change in fair value | (70,328,154) | 251,179 | 332,921 | (69,744,054) |
| 31 December 2016 | 1,569,695,067 | 6,721,546 | 2,386,705 | 1,578,803,318 |
| Net change during the period | 22,266,058 | - | - | 22,266,058 |
| Impairment losses | 26,049 | - | - | 26,049 |
| Change in fair value | 91,992,085 | - | 403,622 | 92,395,707 |
| 30 September 2017 | 1,683,979,259 | 6,721,546 | 2,790,327 | 1,693,491,132 |

On 30.09.2017 and 31.12.2016, in the category of shares valued at the fair value, there are mainly included the value of the shares held at the following issuers: OMV PETROM SA Bucharest, BRD - Groupe Societe Generale, BANCA TRANSILVANIA SA Cluj Napoca, CNTEE TRANSELECTRICA SA Bucharest, SNTGN TRANSGAZ SA Mediaș, ARGUS SA Constanța, ANTIBIOTICE SA Iași, S.N.G.N. ROMGAZ S.A. Mediaș.

• The hierarchy of fair values

For the calculation of fair value, the Company uses the following hierarchy of methods:

- Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities.
- Level 2: entries other than the quoted prices included in Level 1 that are observable for assets or liabilities, either directly (e.g., prices) or indirectly (e.g., derived from prices).
- Level 3: evaluation techniques largely based on unobservable items. This category includes all instruments for which the evaluation technique includes elements that are not based on observable data and for which the unobservable input parameters can have a significant effect on the instrument evaluation. This category includes instruments that are valued based on the quoted prices for similar instruments but for which there must be done adjustments largely based on unobservable data or estimates to reflect the difference between the two instruments.

| <i>In RON</i> | September 30th 2017 | December 31st 2016 |
|---------------|---|--|
| Level 1 | 916,811,426 | 798,866,813 |
| Level 2 | 118,199,684 | 232,554,156 |
| Level 3 | 658,480,022 | 547,382,349 |
| Total | 1,693,491,132 | 1,578,803,318 |

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as of September 30th 2017

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13. Financial assets (continued)

The fair value evaluation of the equity shares held on 30.09.2017 was carried out as follows:

- for the securities quoted and traded during the period ended on 30.09.2017, the market value was determined by taking into account the quotation from the last trading day (the quotation for closing on the main capital market for level 1, and for level 2 there were taken into account the quotations for the shares traded during the last 30 trading days);
- for the securities quoted that did not have any transactions in the last 30 trading days of 2017, and for the unquoted securities, the market value was determined according to the issuers' own capital;
- for the securities related to the trading companies under insolvency or reorganization, the evaluation is done at zero value;
- for the shareholdings at OPCVM, the value taken into account was the last unit value of the net asset, calculated and published.

14. Credits and receivables

| <i>In RON</i> | September 30th 2017 | December 31st 2016 |
|--|---|--|
| Commercial receivables | 538,259 | 1,194,644 |
| Debtors | 1,498,317 | 12,381,045 |
| Receivables related to the state budget and social security budget | 805,842 | 805,849 |
| Other receivables | 1,536 | 1,484 |
| Adjustments for impairment of receivables | (953,267) | (955,112) |
| TOTAL | 1,890,687 | 13,427,910 |

15. Real estate investments

| <i>In RON</i> | September 30th 2017 | December 31st 2016 |
|---|---|--|
| Balance at the beginning of the reporting period | 483,071 | 438,571 |
| Sales of real estate investment | - | - |
| Acquisition of real estate investments | - | - |
| Real estate investments evaluation | - | 44500 |
| Balance at the end of the reporting period | 483,071 | 483,071 |

The last revaluation of the real estate investments held was done on 31.12.2016. The revaluation differences were recorded in the profit or loss account. The revaluation was carried out by the authorized ANEVAR evaluator.

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13. Financial assets (continued)

The movement of the available-for-sale financial assets in the reporting periods ended on 30.09.2017 and 31.12.2016 is presented in the following table:

| <i>In RON</i> | Shares valued at fair value | Shares valued at cost | Units | Total |
|---------------------------------|--------------------------------|--------------------------|------------------|----------------------|
| 1 January 2016 | 1,647,958,291 | 18,419,537 | 2,301,191 | 1,668,679,019 |
| Reclassifications 2016 | 9,627,292 | (9,627,292) | - | - |
| Net change during the period | (6,542,036) | (2,321,878) | - | (8,863,914) |
| Impairment losses | (11,020,326) | - | (247,407) | (11,267,733) |
| Change in fair value | (70,328,154) | 251,179 | 332,921 | (69,744,054) |
| 31 December 2016 | 1,569,695,067 | 6,721,546 | 2,386,705 | 1,578,803,318 |
| Net change during the period | 22,266,058 | - | - | 22,266,058 |
| Impairment losses | 26,049 | - | - | 26,049 |
| Change in fair value | 91,992,085 | - | 403,622 | 92,395,707 |
| 30 September 2017 | 1,683,979,259 | 6,721,546 | 2,790,327 | 1,693,491,132 |

On 30.09.2017 and 31.12.2016, in the category of shares valued at the fair value, there are mainly included the value of the shares held at the following issuers: OMV PETROM SA Bucharest, BRD - Groupe Societe Generale, BANCA TRANSILVANIA SA Cluj Napoca, CNTEE TRANSELECTRICA SA Bucharest, SNTGN TRANSGAZ SA Medias, ARGUS SA Constanța, ANTIBIOTICE SA Iași, S.N.G.N. ROMGAZ S.A. Medias.

• The hierarchy of fair values

For the calculation of fair value, the Company uses the following hierarchy of methods:

- Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities.
- Level 2: entries other than the quoted prices included in Level 1 that are observable for assets or liabilities, either directly (e.g., prices) or indirectly (e.g., derived from prices).
- Level 3: evaluation techniques largely based on unobservable items. This category includes all instruments for which the evaluation technique includes elements that are not based on observable data and for which the unobservable input parameters can have a significant effect on the instrument evaluation. This category includes instruments that are valued based on the quoted prices for similar instruments but for which there must be done adjustments largely based on unobservable data or estimates to reflect the difference between the two instruments.

| <i>In RON</i> | September 30 th 2017 | December 31 st 2016 |
|---------------|------------------------------------|-----------------------------------|
| Level 1 | 916,811,426 | 798,866,813 |
| Level 2 | 118,199,684 | 232,554,156 |
| Level 3 | 658,480,022 | 547,382,349 |
| Total | 1,693,491,132 | 1,578,803,318 |

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18. Deferred tax liabilities (continued)

| <i>In RON</i> | Assets | Liabilities | Net | Tax |
|---|--------------------|--------------------|--------------------|--------------------|
| 31 December 2016 | | | | |
| Fair value evaluation of the available-for-sale financial assets | 620,532,111 | - | 620,532,111 | 99,285,138 |
| Revaluation of fixed tangible assets | 9,232,795 | - | 9,232,795 | 1,477,247 |
| The result carried forward representing the untaxed revaluation reserves made | 1,772,247 | - | 1,772,247 | 283,560 |
| The result carried forward representing the untaxed revaluation reserves unmade | 3,755,326 | - | 3,755,326 | 600,855 |
| The result carried forward representing the untaxed revaluation reserves unmade - real estate investments | 359,751 | - | 359,751 | 57,560 |
| Differences in the change in the fair value of the available-for-sale financial assets - free of charge shares in the balance | 108,195,592 | - | 108,195,592 | 17,311,295 |
| Legal reserves | 11,603,314 | - | 11,603,314 | 1,856,530 |
| Other reserves – dividends prescribed according to AGOA decision from 23.04.2005 | 6,551,528 | - | 6,551,528 | 1,048,244 |
| Other reserves | 980,658 | - | 980,658 | 156,906 |
| TOTAL | 762,983,322 | - | 762,983,322 | 122,077,335 |

19. Other liabilities

| <i>In RON</i> | September 30th 2017 | December 31st 2016 |
|-------------------------------------|---|--|
| Staff liabilities | 682,723 | 988,527 |
| Commercial liabilities | 221,450 | 244,383 |
| Guarantees received | 1,494 | 1,494 |
| Various creditors | 12,477 | 15 |
| Provisions for risks and costs | 5,048,000 | 5,048,000 |
| Income recorded in advance - shares | - | 12,617,426 |
| Total other liabilities | 5,966,144 | 18,899,845 |

20. Capital and reserves

Social capital

The social capital structure is presented below:

| <i>In RON</i> | Number of shareholders | Number of shares | Amount (RON) | (%) |
|--------------------------------|-----------------------------------|-----------------------------|-------------------------|---------------|
| 30 September 2017 | | | | |
| Resident natural persons | 5,747,851 | 237,874,613 | 23,787,461 | 41.00 |
| Non-resident natural persons | 1,807 | 2,241,380 | 224,138 | 0.39 |
| Total natural persons | 5,749,658 | 240,115,993 | 24,011,599 | 41.39 |
| Resident legal persons | 225 | 232,527,387 | 23,252,739 | 40.08 |
| Non-resident legal persons | 46 | 107,522,334 | 10,752,233 | 18.53 |
| Total legal persons | 271 | 340,049,721 | 34,004,972 | 58.61 |
| Total 30 September 2017 | 5,749,929 | 580,165,714 | 58,016,571 | 100.00 |

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20. Capital and reserves (continued)

a) Social capital (continued)

| | Number of shareholders | Number of shares | Amount (RON) | (%) |
|-------------------------------|---------------------------|---------------------|-------------------|---------------|
| 31 December 2016 | | | | |
| Resident natural persons | 5,752,643 | 250,564,376 | 25,056,437 | 43.19 |
| Non-resident natural persons | 1,797 | 2,511,680 | 251,168 | 0.43 |
| Total natural persons | 5,754,440 | 253,076,056 | 25,307,605 | 43.62 |
| Resident legal persons | 247 | 217,404,868 | 21,740,487 | 37.47 |
| Non-resident legal persons | 52 | 109,684,790 | 10,968,479 | 18.91 |
| Total legal persons | 299 | 327,089,658 | 32,708,966 | 56.38 |
| Total 31 December 2016 | 5,754,739 | 580,165,714 | 58,016,571 | 100.00 |

The social capital according to the Articles of Incorporation of the Company is of 58,016,571 RON divided into 580,165,714 shares with the nominal value of 0.1 RON and it is the result of the direct subscriptions made to the Company's social capital and by the conversion into shares of the amounts due as dividend under Law no. 55/1995 and under Law no. 133/1996. On September 30th 2017, the number of shareholders was 5,749,929 (31 December 2016: 5,754,739).

The shares issued by the Company are traded on the Bucharest Stock Exchange since November 1999. The shares and shareholders records are held by the Central Depository S.A. Bucharest. All the shares are ordinary, they were subscribed and are paid in full on September 30th 2017 and December 31st 2016. All the shares have the same voting rights and have a nominal value of 0,1 RON / share. The number of shares authorized to be issued is equal to that of the issued shares.

The reconciliation of the determined social capital according to IFRS with the one according to the Articles of Incorporation is the following:

| <i>In RON</i> | September 30 th 2017 | December 31 st 2016 |
|---|------------------------------------|-----------------------------------|
| Statutory social capital | 58,016,571 | 58,016,571 |
| The effect of applying IAS 29 (hyperinflation) to capital | - | 631,852,524 |
| Social capital renegotiated | 58,016,571 | 689,869,095 |

b) Reserve constituted according to Law no. 133/1996

The reserve related to the initial portfolio was established following the application of Law no. 133/1996, as the difference between the value of the portfolio and the subscribed share capital of the Company. These reserves are treated as premium contribution. Reconciera of the reserve related to the initial portfolio according to the IFRS with that applied according to accounting regulations up to the date of application of ASF Regulation no. 39/2015 is presented below:

| <i>În RON</i> | September 30 th 2017 | December 31 st 2016 |
|---|------------------------------------|-----------------------------------|
| Reserves from the application of Law no. 133/1996 | 144,636,073 | 144,636,073 |
| The effect of applying IAS 29 on reserve constituted after applying Law no. 133/1996 (hyperinflation) | 0 | 1,806,779,361 |
| Reserves from the application of Law no. 133/1996 - restated | 144,636,073 | 1,951,415,434 |

The initial reserve was updated to hyperinflation, amounting to 1,806,779,361 lei.

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as of September 30th 2017

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

20. Capital and reserves (continued)

b) Reserve constituted according to Law no. 133/1996 (continued)

The effect of hyperinflation on the social capital amounting to 631,852,524 lei and on the reserve constituted according to the Law no. 133/1996 in the amount of 1,806,779,361 lei was recorded in the retained earnings from the first adoption of IAS 29 "Financial reporting in hyperinflationary economies", resulting in a loss from hyperinflation in the amount of 2,438,631,885 lei.

The loss from the update to hyperinflation under IAS 29, reflected in the financial statements of 2015 and 2016, was subject to approval at the OGAS on 04.04.2017 to be covered under the provisions of Art. 91 and art. 92 of Norma ASF nr. 39/2015, from other items of equity, namely those that have been hyperinflation listed above. According to the Decision no. 3 par. 2 of the AGOA of 04.04.2017, the loss from the hyperinflation update was covered according to the above proposal. The coverage in question does not change the level of equity and does not affect the Company's profit and loss account.

c) Legal reserves

Legal reserves are constituted as required by law in the amount of 5% of the profits recorded in accordance with accounting regulations applicable to the level of 20% of the share capital, according to the articles of association.

Legal reserve value on 30.09.2017 is of 11,603,314 lei (31.12.2016: 11.603.314 lei).

In the financial year 2016 and on 30.09.2017 the Company has not established legal reserves from the profit, which reached 20% of the share capital.

Legal reserves can not be distributed to shareholders.

d) Reserves from revaluation of financial assets available for sale

The reserve includes the cumulative net change in fair values of financial assets available for sale, the date of their classification in this category until their derecognition or impairment. Deferred tax related to these reserves is recorded on equity and inferred reserves of measuring financial assets available for sale.

e) Dividends

At the GOMS dated 04.04.2017, two variants of distribution of the net profit for the financial year 2016 were approved for approval, none of the two proposed options being approved.

The GOMS of September 6, 2017 decided the distribution of the net profit for the financial year 2016 in the amount of 101,271,376.81 lei, as follows:

- dividends in the amount of 52,214,914.26 lei (51.56% of the net profit), respectively a gross dividend per share of 0.09 lei;

- reserve fund in the amount of 49,056,462.55 lei (48.44% of the net profit) for the redemption of a number of own shares. The Company will carry out a Redemption Scheme in accordance with the applicable legal framework, in order to reduce the share capital by canceling them. The Board of Directors of the company will convene, organize and conduct the EGMS for approval of the conditions for the realization of the share repurchase program.

Minimum price per share: 1.5 lei

Maximum price per share: 2.5 lei

Duration of the program: maximum 12 months from the date of publication of the decision in the Official Gazette of Romania Part IV.

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21. The result per share

| <i>In RON</i> | September 30th 2017 | September 30th 2016 |
|--|---|---|
| Profit attributable to ordinary shareholders | 50,324,988 | 95,890,928 |
| Weighted average number of ordinary shares | 580,165,714 | 580,165,714 |
| Result per basic share | 0.0867 | 0.1653 |

22. Guarantees received

The Company has no guarantees received.

23. Environmental quotas

The Company has not recorded any provision for future environmental costs. The management does not consider the costs associated with these items to be significant.

24. Transfer price

The Romanian tax legislation contains rules on transfer prices between affiliates since 2000.

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

The Company cannot quantify the result of such verification.

25. Affiliated parties

Parties are considered to be affiliated if one party has the ability to control the other party or to exercise significant influence over it in making financial or operating decisions.

The Company identified in the course of the business the following affiliated parties:

a) Branches

According to the legislation in force, the Company holds control in a number of 11 issuers on 30.09.2017 (31.12.2016: 11 issuers). All the branches of the Company are based in Romania. For these ones, the Company's holding percentage is not different from the percentage of the number of votes held.

The branches and the holding percentages are:

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Selected explanatory notes to simplified interim financial statements

as of September 30th 2017

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

25. Affiliated parties (continued)

a) Branches (continued)

| Company name | Percentage held by SIF on 30.09.2017 | Percentage held by SIF on 31.12.2016 |
|-------------------------------------|---|---|
| | - % - | - % - |
| ALIMENTARA S.A. SLATINA | 52.24 | 52.24 |
| TURISM PUCIOASA S.A. DAMBOVITA | 69.22 | 69.22 |
| PROVITAS S.A BUCURESTI | 70.28 | 70.28 |
| UNIVERS S.A. RM VALCEA | 73.75 | 73.75 |
| CONSTRUCTII FERROVIARE S.A. CRAIOVA | 77.50 | 77.50 |
| FLAROS S.A. BUCURESTI | 81.04 | 81.04 |
| ARGUS S.A. CONSTANTA | 86.20 | 86.20 |
| GEMINA TOUR S.A. RM VALCEA | 88.29 | 88.29 |
| MERCUR S.A. CRAIOVA | 97.86 | 93.37 |
| VOLTALIM S.A. CRAIOVA | 99.19 | 99.19 |
| COMPLEX HOTELIER DAMBOVITA S.A. | | |
| TARGOVISTE | 99.94 | 99.94 |

b) Associated entities

On 30.09.2017 the Company held equity shares of over 20% but not more than 50% of the social capital in a number of 8 issuers (31.12.2016: 8 issuers). All these companies are based in Romania. For them, the percentage of ownership by the company is not different from the percentage of the votes held.

The Company does not have any associated entities on 30.09.2017 and 31.12.2016.

c) Transactions with affiliated parties during the interim reporting period

During the interim reporting period, the Company has subscribed and paid on 09.01.2017 a number of 6,000,000 new shares worth 15,000,000 lei by exercising its preference right at Mercur SA Craiova.

d) Key management staff

Board of Directors:

September 31st 2017

Members of the Board of Directors: Tudor Ciurezu - President, Cristian Bușu - Vice President, Anina Radu, Radu Hanga, Ana Barbara Bobircă, Nicolae Stoian, Carmen Popa.

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

December 31st 2016

Members of the Board of Directors: Tudor Ciurezu - President, Anina Radu - Vice President, Cristian Busu, Victor Capitanu, Nicolae Stoian, Carmen Popa, Paul – George Prodan.

Superior management: Tudor Ciurezu - General Manager, Anina Radu - Deputy General Manager.

The Company does not have any contracted obligations regarding the payment of pensions to the former members of the Board of Directors and the Management Board and therefore it does not have accounted any commitments of such nature.

The Company has not granted any credits or advance money (except for travel advance money in the interest of service, legally justified) to the members of the Board of Directors and the Management Board and it has not any commitments of this kind.

The Company did not receive and did not grant any guarantees in favour of any affiliated party.

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26. Court actions

On 30.09.2017 there were 27 litigations in court. The company was active in 17 litigations, passive in 4 litigations, in 2 litigations it acted as intervener, 4 cases being in insolvency proceedings.

In most of the litigations in which the Company has the status of plaintiff, the subject of litigations is the annulment/declaration of nullity of some decisions of the general meetings of shareholders in the companies within the portfolio.

27. Events after the balance sheet date

Does not exist.

Assoc. Prof. PhD E. Tudor CIUREZU

Chairman/General Manager

ec. Elena Sichigea

Financial Manager