

**SIMPLIFIED INTERIM INDIVIDUAL  
FINANCIAL STATEMENTS  
as of 30 September 2021**

prepared in accordance with Norm no. 39/2015 for the approval of Accounting Regulations compliant with International Standards of Financial Reporting,

applicable to authorized entities, settled and supervised by the Financial

Supervision Authority from the Sector of Financial Instruments and Investments

**UNAUDITED**



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## Simplified Interim Individual Statement of Profit or Loss and of Other Elements of the Comprehensive Income *as of 30 September 2021*

<i>In RON</i>	<i>Note</i>	<b>30 September 2021</b>	<b>30 September 2020</b>
<b>Incomes</b>			
Gross incomes from dividends	6	57,273,099	45,655,862
Incomes from interests	7	197,752	207,772
Other operational incomes	8	91,809	84,100
Net profit from differences of exchange rate		58,715	20,294
Profit from financial assets at fair value through the profit or loss account		932,408	(283,013)
<b>Expenses</b>			
Commissions, fees, administration and supervision fees	9	(2,213,106)	(1,898,265)
Incomes from restatement of provisions		4,902,721	
Other operational expenses	10	(11,629,034)	(7,240,269)
<b>Profit before taxation</b>		<b>49,614,364</b>	<b>36,546,481</b>
Profit tax	11	(2,437,268)	(1,557,926)
<b>Net profit of the reporting period</b>		<b>47,177,096</b>	<b>34,988,555</b>
<b>Other elements of the comprehensive income</b>			
Earnings related to the transfer of financial assets assessed at fair value through other elements of the comprehensive income, net of tax, recognized in the result carried forward		16,919,182	48,389,506
Reserve variation from the reassessment of the tangible assets, net of deferred tax			
Net variation of the fair value of financial assets assessed through other elements of the comprehensive income		296,035,405	(195,801,072)
Fair value reserve of the financial assets assessed through other elements of the comprehensive income delivered, transferred into the result carried forward, net of tax		(16,731,201)	(47,133,906)
<b>Total other elements of the comprehensive income</b>		<b>296,223,386</b>	<b>(194,545,472)</b>
<b>Total comprehensive income for the period</b>		<b>343,400,482</b>	<b>(159,556,917)</b>
<b>Result per share</b>			
Basic	22	0.0944	0.0670
Diluted		0.0944	0.0670

The simplified interim financial statements were approved by the Board of Directors in the meeting of 11 November 2021 and were signed on their behalf by:

Sorin – Iulian Cioacă  
President/General Manager

Mihai Trifu  
Vice-president/Deputy General Manager

Vlăduțoiaia Valentina  
Economic Manager

## Simplified Interim Individual Statement of the Financial Position as of 30 September 2021

<i>In RON</i>	<i>Note</i>	<b>30 September 2021</b>	<b>31<sup>st</sup> December 2020</b>
<b>Assets</b>			
Cash and cash equivalents	12	4,949,756	4,279,513
Deposits placed in banks	13	6,097,495	26,602,893
Bonds at the amortized cost	14 a)	6,807,661	-
Financial assets assessed at fair value through other elements of the comprehensive income	14 b)	2,384,735,405	2,014,682,452
Financial assets assessed at fair value through the profit or loss account	14 c)	4,531,351	3,598,943
Credits and receivables	15	19,199,056	191,867
Tangible assets		10,707,453	10,880,906
Real estate investments		675,090	675,090
Other assets	16	173,492	171,393
<b>Total assets</b>		<b>2,437,876,759</b>	<b>2,061,083,057</b>
<b>Liabilities</b>			
Payable dividends	17	68,051,652	61,222,189
Payable taxes and fees	18	3,083,782	805,811
Deferred tax payables	19	169,317,929	116,202,339
Other payables	20	6,743,451	10,655,357
<b>Total payables</b>		<b>247,196,814</b>	<b>188,885,696</b>
<b>Equity</b>			
Registered capital	21	50,000,000	52,214,914
Legal reserves		11,603,314	11,603,314
Differences from fair value changes of financial assets assessed at fair value through other elements of the comprehensive income		858,516,343	579,141,262
Other reserves		599,904,581	632,424,325
Reserves from revaluation of tangible assets		6,941,167	7,169,734
Losses related to buyback of shares		-	(59,747,655)
Own shares		-	(2,214,914)
Retained earnings except for the retained earnings originated in the adoption for the first time of IAS 29		616,537,444	599,375,361
Current profit		47,177,096	52,231,020
<b>Total equity</b>		<b>2,190,679,945</b>	<b>1,872,197,361</b>
<b>Total payables and equity</b>		<b>2,437,876,759</b>	<b>2,061,083,057</b>

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Mihai Trifu  
Vice-president/Deputy General Manager

Vlăduțoiaia Valentina  
Economic Manager

**Simplified Interim Individual Statement of Equity Changes**  
*as of 30 September 2021*

*In RON*

	Registered capital	Own shares	Losses from buyback of shares	Reserves from the reassessment of tangible assets	Legal reserves	Other reserves	Differences from changes in the fair value of financial assets assessed through other elements of the comprehensive income	Other elements of equity	Cumulated profit	TOTAL
<b>BALANCE AS OF 1 JANUARY 2021</b>	52,214,914	(2,214,914)	(59,747,655)	7,169,734	11,603,314	632,424,325	582,017,291	(2,876,029)	651,606,381	1,872,197,361
<b>COMPREHENSIVE INCOME</b>										
<b>Profit of the financial exercise</b>	-	-	-	-	-	-	-	-	47,177,096	47,177,096
<b>Other elements of the comprehensive income</b>										
1. Reserve variation from the reassessment of the tangible assets, net of deferred tax	-	-	-	(228,567)	-	-	-	-	228,567	-
2. Net variation of the differences from the change in the fair value of financial assets assessed through other elements of the comprehensive income	-	-	-	-	-	-	296,035,405	-	-	296,035,405
3. Fair value reserve of the financial assets assessed at the fair value through other elements of the comprehensive income delivered, transferred into the result carried forward, net of tax	-	-	-	-	-	-	(16,731,201)	-	16,919,182	187,981
<b>TOTAL COMPREHENSIVE INCOME for the period</b>	-	-	-	(228,567)	-	-	279,304,204	-	64,324,845	343,400,482
Deferred tax for the retained earnings that are a taxed unachieved reassessment surplus	-	-	-	-	-	-	-	-	14,334	14,334
Other reserves – own financial sources	-	-	-	-	-	27,231,020	-	-	(27,231,020)	-
Other reserves – shares buyback	-	-	-	-	-	-	-	-	-	-
Shares buyback – cancellation of redeemed own shares	-	2,214,914	-	-	-	-	-	-	-	2,214,914
Reduction of registered capital – cancellation of redeemed own shares	(2,214,914)	-	-	-	-	-	-	-	-	(2,214,914)
Coverage of losses from buyback of shares	-	-	59,747,655	-	-	(59,750,764)	-	70,877	-	67,768
<b>Shareholders transactions directly recognized in equity</b>										
1. Prescribed dividends according to the law – transfer to the profit or loss account from other reserves	-	-	-	-	-	-	-	-	-	-
2. Payable dividends for 2020	-	-	-	-	-	-	-	-	(25,000,000)	(25,000,000)
<b>TOTAL TRANSACTIONS WITH SHAREHOLDERS DIRECTLY RECOGNIZED IN EQUITY</b>	-	-	-	-	-	-	-	-	(25,000,000)	(25,000,000)
<b>BALANCE AS OF 30 September 2021</b>	50,000,000	-	-	6,941,167	11,603,314	599,904,581	861,321,495	(2,805,152)	663,714,540	2,190,679,945

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Sorin – Iulian Cioacă  
president/Deputy general manager

Mihai Trifu President/General Manager

Vlăduțoiaia Valentina  
Economic

Vice-  
Manager

**Simplified Interim Individual Statement of Equity Changes**  
*as of 30 September 2021*

<i>In RON</i>	Registered capital	Own shares	Losses from buyback of shares	Reserves from the reassessment of tangible assets	Legal reserves	Other reserves	Differences from changes in the fair value of financial assets assessed through other elements of the comprehensive income	Other elements of equity	Cumulated profit	TOTAL
<b>BALANCE AS OF 01 January 2020</b>	<b>58,016,571</b>	<b>(1,962,259)</b>	<b>(47,946,784)</b>	<b>7,498,432</b>	<b>11,603,314</b>	<b>712,024,674</b>	<b>770,012,609</b>	<b>(3,061,683)</b>	<b>674,773,910</b>	<b>2,180,958,784</b>
<b>COMPREHENSIVE INCOME</b>										
<b>Profit of the financial exercise</b>	-	-	-	-	-	-	-	-	<b>34,988,555</b>	<b>34,988,555</b>
<b>Other elements of the comprehensive income</b>										
1. Reserve variation from the reassessment of the tangible assets, net of deferred tax	-	-	-	(252,508.)	-	-	-	-	252,508	-
2. Net variation of the differences from the change in the fair value of financial assets assessed through other elements of the comprehensive income	-	-	-	-	-	-	(195,801,072)	-	-	(195,801,072)
3. Fair value reserve of the financial assets assessed at the fair value through other elements of the comprehensive income delivered, transferred into the result carried forward, net of tax	-	-	-	-	-	-	(47,133,906)	-	48,389,506	1,255,600
<b>TOTAL COMPREHENSIVE INCOME for the period</b>	-	-	-	<b>(252,508)</b>	-	-	<b>(242,934,978)</b>	-	<b>83,630,569</b>	<b>(159,556,917)</b>
Deferred tax for the retained earnings that are a taxed unachieved reassessment surplus	-	-	-	-	-	-	-	-	18,581	18,581
Other reserves – own financial sources	-	-	-	-	-	-	-	-	-	-
Other reserves – shares buyback	-	-	-	-	-	71,917,360	-	-	(71,917,360)	-
Shares buyback – cancellation of redeemed own shares	-	(6,054,312)	(163,316,864)	-	-	-	-	-	-	(169,371,176)
Reduction of registered capital – cancellation of redeemed own shares	(5,801,657)	5,801,657	-	-	-	-	-	185,654	-	185,654
Coverage of losses from buyback of shares	-	-	151,517,709	-	-	(151,517,709)	-	-	-	-
<b>Shareholders transactions directly recognized in equity</b>										
1. Prescribed dividends according to the law – transfer to the profit or loss account from other reserves	-	-	-	-	-	-	-	-	-	-
2. Payable dividends for 2019	-	-	-	-	-	-	-	-	(52,214,914)	(52,214,914)
<b>TOTAL TRANSACTIONS WITH SHAREHOLDERS DIRECTLY RECOGNIZED IN EQUITY</b>	-	-	-	-	-	-	-	-	<b>(52,214,914)</b>	<b>(52,214,914)</b>
<b>BALANCE AS OF 30 September 2020</b>	<b>52,214,914</b>	<b>(2,214,914)</b>	<b>(59,745,939)</b>	<b>7,245,924</b>	<b>11,603,314</b>	<b>632,424,325</b>	<b>527,077,631</b>	<b>(2,876,029)</b>	<b>634,290,786</b>	<b>1,800,020,012</b>

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Vlăduțoia Valentina  
Economic Manager

## Simplified Interim Individual Statement of Cash Flows

### as of 30 September 2021

*In RON*

Name of the element	Reporting period	
	30 September 2021	30 September 2020
A	1	2
<b>Cash flows from operating activities</b>		
Cash collection from customers, other cash collection	278,863	2,757,235
Cash collection from sales of financial investments (securities)	52,129,201	102,095,002
Payments for the purchase of shares	(68,568,679)	(5,842,999)
Payments for the purchase of bonds	(6,800,000)	-
Payments to suppliers and employees, other payments	(9,406,050)	(9,234,072)
Payments to the state budget, social security budget and local budget	(4,568,897)	(2,679,254)
Received interests	204,225	250,663
Received dividends	35,906,619	44,097,934
Paid interests	-	(121,516)
Paid profit tax	(101,480)	(6,459,346)
<b>Net cash from operating activities</b>	<b>(926,198)</b>	<b>124,863,647</b>
<b>Cash flows from investment activities</b>		
Payments for the purchase of tangible assets	(268,526)	(6,700)
Cash collection from sales of tangible assets	-	-
<b>Net cash from investment activities</b>	<b>(268,526)</b>	<b>(6,700)</b>
<b>Cash flows from financing activities:</b>		
Cash collection from the issue of shares	-	-
Cash collection from short-term loans	-	29,000,000
Repayment of short-term loans	-	(29,000,000)
Cash collection from long-term loans	-	-
Payment of debts for financial leasing	-	-
Down payments for shares buyback	-	(137,675,609)
Paid dividends	(17,644,156)	(35,539,905)
Down payments to the Central Deposit for dividend payment	-	(52,385)
Paid tax on dividends	(982,145)	(1,707,799)
<b>Net cash from financing activities</b>	<b>(18,626,301)</b>	<b>(174,975,698)</b>
<b>Net increase of cash and cash equivalents</b>	<b>(19,821,025)</b>	<b>(50,118,751)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>30,863,875</b>	<b>63,254,884</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>11,042,850</b>	<b>13,136,133</b>

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## **1. The Reporting Entity**

Societatea de Investiții Financiare Oltenia S.A. (“the Company” or “S.I.F. Oltenia S.A.”) was founded on 1 November 1996 in Craiova – Romania, being the successor of V Oltenia Private Property Fund, reorganized and transformed according to the provisions of Law no. 133/1996, a law for the transformation of the Private Property Funds into financial investment companies.

According to the applicable legal provisions, the company is classified as a closed-ended Alternative Investment Fund (AIF) for retail investors, diversified and self-managed. S.I.F. Oltenia S.A. is authorized by the Financial Supervisory Authority as an Alternative Investment Fund Manager (AIFM) by Authorization no. 45/15.02.2018 and as an Alternative Investment Fund for Retail Investors (A.I.F.R.I.) from 08.06.2021, according to Authorization no. 94/08.06.2021. The Company operates in compliance with the provisions of Law no. 74/2015 regarding alternative investment fund managers, Law no. 24/2017 on issuers of financial instruments and market transactions, republished and as subsequently amended and supplemented and Law no. 31/1990 on companies, as subsequently amended and supplemented, Law 243/2019 regarding alternative investment funds, FSA Regulation no. 5/2018 on financial instrument issuers and market operations, FSA Regulation no. 7/2020 on the authorization and operation of alternative investment funds and Norm no. 39/2015 for the approval of Accounting Regulations in accordance with International Financial Reporting Standards, applicable to entities authorised, regulated and supervised by the F.S.A. in the Financial Instruments and Investments Sector.

The Company is self-administered and has its registered office in Craiova, 1 Tufanele street, zip code 200767, Dolj county.

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

The shares of the Company are listed with the Bucharest Stock Exchange in the Premium category (SIF 5 market symbol).

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

The depositing activity provided by the legislation is provided by Raiffeisen Bank S.A.

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

In accordance with the articles of association, the Company can perform the following main activities:

- a) portfolio management;
- b) risk management.

The company, as an A.I.F.M., can also carry out other activities such as:

- administration of the entity;
  - a) legal and fund accounting services;
  - b) requests for information from customers;
  - c) control of compliance with applicable legislation;
  - d) income distribution;

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***Selected Explanatory Notes to the Simplified Interim Individual Financial Statements***  
*as of 30 September 2021*

- e) issues and redemptions of equity securities;
- f) record keeping.

- activities relating to the assets of the AIF, namely services necessary for the performance of the A.I.F.M.'s management tasks, infrastructure management, real estate management, advice to entities on capital structure, industrial strategy and related matters, advice and services on mergers and acquisitions of entities, as well as other services related to the management of the AIF and other assets in which it has invested.

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

The main characteristics of the shares issued by the company are: ordinary, nominative, of equal value, issued in a dematerialized form, fully paid when subscribed, registered to the account and granting equal rights to their holders, except for the limitations in the legal provisions and regulations.

The individual financial statements drawn up as of 30 September 2021 are not audited.

## **2. Bases of Elaboration**

### **a) The Compliance Statement**

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

The simplified interim individual financial statements were approved by the Board of Directors in the meeting of 11 November 2021.

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

The simplified interim individual financial statements drawn up as of 30 September 2021 were drawn up according to the requirements of IAS 34 "Interim Financial Reporting" and should be read together with the individual financial statements for 2020 prepared in accordance with Norm no. 39/2015 for the approval of Accounting Regulations compliant with the International Financial Reporting Standards, applicable to the entities authorized, regulated and supervised by the Financial Supervision Authority in the Financial Instruments and Investments Sector.

These financial statements were drawn up based on the continuity principle, implying that the Company will pursue its activity in the foreseeable future.

According to the provisions of Regulation (EU) No 1606/2002 of the European Parliament and of the Council of the European Union of 19 July 2002, as well as Law no. 24/2017, republished, on financial instrument issuers and market operations, the Company must draw up and submit annual consolidated financial statements to the FSA, according to the International Financial Reporting Standards ("IFRS"), within 4 months from the end of the financial exercise. The consolidated financial statements of S.I.F. Oltenia S.A. as of 31 December 2020 were approved in the Ordinary General Shareholder Meeting of S.I.F. Oltenia S.A. on 28 April 2021. They can be consulted electronically on the company's website; [www.sifolt.ro](http://www.sifolt.ro).

Based on the provisions of Law 24/2017, republished, and Regulation no. 5/2018 regarding

*Selected Explanatory Notes to the Simplified Interim Individual Financial Statements  
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issuers of financial instruments and market operations, the Company prepares half-yearly consolidated accounting reporting in accordance with IFRS.

The half-yearly consolidated accounting reporting was drawn up, approved by the Board of Directors and published on 24.09.2021 and can be consulted on the company's website: [www.sifolt.ro](http://www.sifolt.ro).

The Company's accounting records are kept in lei (RON).

**b) Presentation of financial statements**

The presentation adopted by the Company is based on the liquidity within the statement of the financial position, and the presentation of the income and expenses was made in relation to their nature in the statement of the overall result. The Company considers that these presentation methods provide information that is reliable and more relevant than those that would have been presented based on other methods permitted by IAS 1 "Presentation of financial statements" and IFRS 12 "Disclosure of interests in other entities".

**c) The functional and presentation currency**

The management of the Company considers that the functional currency, as defined by IAS 21 "The effects of the exchange rate change", is the Romanian leu (RON). The simplified interim individual financial statements are presented in RON, rounded to the nearest RON, the currency that the Company's management has chosen as the presentation currency.

**d) Assessment bases**

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

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

**e) Use of estimates and judgments**

The preparation of individual financial statements in compliance with IFRS implies the management's use of estimates, judgments and assumptions that affect the enforcement of accounting policies, as well as the reported value of assets, payables, incomes and expenses. The estimates and assumptions associated with these judgments are based on historical experience as well as on other factors considered reasonable in the context of these estimates. The results of these estimates form the basis of judgments regarding the accounting values of assets and liabilities that cannot be obtained from other sources of information. The obtained results may be different from the values of the estimates.

The company periodically reviews estimates and assumptions underlying accounting records. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period when the estimate is revised and future periods, if the revision of the estimate affects both the current and future periods.

**3. Significant accounting policies – excerpt**

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

The accounting policies enforced in these simplified interim individual financial statements comply with those in the individual financial statements of the Company for the financial exercise ended on 31 December 2020 and were consistently enforced for all the periods presented in these simplified interim financial statements.

During 2021, the Company drew up interim financial reports in compliance with the

*Selected Explanatory Notes to the Simplified Interim Individual Financial Statements  
as of 30 September 2021*

requirements of IAS 34 “Interim Financial Reporting”.

The interim simplified individual financial statements are prepared based on the assumption that the Company will continue its activity in the foreseeable future. In order to assess the applicability of this hypothesis, the management analyses the forecasts regarding future cash inflows.

**Financial assets and liabilities**

Financial instruments, in accordance with IFRS 9 “Financial Instruments”, include the following:

- Investments in equity instruments (e.g. shares);
- Investments in debt instruments (e.g. securities, bonds, loans);
- Trade receivables and other receivables;
- Cash and cash equivalents;
- Derivative financial instruments;
- Participations in subsidiaries, associates and joint ventures - according to the provisions of IFRS 10, IAS 27, IAS 28.

- **Classification**

The Company classifies the financial instruments held in accordance with IFRS 9 “Financial Instruments” in financial assets and financial liabilities.

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

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

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

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

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

*Financial assets assessed at fair value through other elements of the comprehensive income*

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

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

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

- a) the financial asset is held within a business model whose objective is achieved by collecting the contractual cash flows as well as selling the financial assets and
- b) the contractual terms of the financial asset give rise, at certain dates, to cash flows that are exclusively payments of the principal and of the interest related to the value of the principal due.

The Company may make an irrevocable choice upon initial recognition in the case of certain investments in equity instruments that are not held for trading purposes to present further changes in fair value in other comprehensive income (under points 5.7.5 and 5.7.6 of IFRS 9 - Financial Instruments).

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

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

*Selected Explanatory Notes to the Simplified Interim Individual Financial Statements  
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profit or loss.

The remaining financial assets and liabilities are presented at the amortized cost, reassessed value or historical cost.

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

Financial assets assessed at fair value through other comprehensive income elements are assessed at fair value through other comprehensive income elements.

Fair value changes are recognized in other comprehensive income until the investment is derecognized, when the cumulative gain or loss is reclassified from other comprehensive income to retained earnings for the period.

Dividends received from entities in which the Company owns shares are recognized in profit or loss at their gross value only when:

- a) the Company's right to receive the dividend payment is established;
- b) the economic benefits associated with the dividend are likely to be generated for the Company, and
- c) the value of the dividend can be reliably measured.

*Financial assets measured at the amortized cost*

A financial asset must be measured at the amortized cost if both of the following conditions are met and it is not designated as appraised at the fair value through profit or loss:

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

The financial assets measured at amortized cost are debt instruments.

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

Financial assets which are not classified as appraised at the amortized cost or at fair value through other elements of the comprehensive income are appraised at fair value through profit or loss.

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

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

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

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

Additionally, upon initial recognition, the Company may irrevocably appoint that a financial asset, which would otherwise meet the requirements to be appraised at the amortized cost or at fair value through other elements of the comprehensive income, should be appraised at fair value through profit or loss, if this discards or significantly reduces an accounting incongruity that would appear if otherwise proceeded.

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

*Financial debt*

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

- **Initial recognition**

Financial assets and liabilities are recognized at the date when the Company becomes a contractual party under the terms of the relevant instrument. When the Company first recognizes a financial asset, it must classify it in accordance with 4.1.1 - 4.1.5 (at the amortized cost, at fair value through profit or loss or at fair value through other comprehensive income elements) in IFRS 9 and assess it in accordance with points 5.1.1 - 5.1.3. (a financial asset or financial liability is assessed at its fair value plus or minus, in the case of a financial asset or a financial liability that is not at fair value through profit or loss, the transaction costs that are directly attributable to the acquisition or issue of the asset or debt).

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

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

- **Assessment**

After initial recognition, the Company must assess financial assets according to points 4.1.1 - 4.1.5 at:

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

After the initial recognition, the Company must assess the financial assets, in accordance with IFRS 9. Thus, the Company will classify all financial liabilities at amortized cost, except:

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

*Assessment at the amortized cost*

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments, plus or less accumulated amortization using the effective interest method for each difference between the initial value and the value at maturity, and less any reduction (direct or through the use of an adjustment account) for impairment or inability to recover.

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

*Assessment at fair value*

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

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

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

The category of shares listed on an active market includes all those shares admitted to trading on the Stock Exchange or on the alternative market and which present frequent transactions. The market price used to determine fair value shall be the close-out price of the market on the last trading day before the measurement date.

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

- Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities;
- Level 2: entries other than the listed prices included in Level 1 which are observable for assets or liabilities, either directly (e.g. prices) or indirectly (e.g. price derivatives);
- Level 3: assessment techniques based largely on unobservable elements. This category includes all instruments for which the evaluation technique includes elements that are not based on observable data and for which unobservable input parameters can have a significant effect on the evaluation of the instrument.

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

- for listed and traded securities in the reporting period, the market value was determined by considering the quotation of the last trading day (closing quotation on the main capital market for those listed on the regulated market - BVB, respectively the reference price for the alternative system - AERO for level 1, and for level 2, quotations are taken for shares traded in the last 30 trading days);
- for listed securities that have no transactions in the last 30 days of the reporting period, as well as for unlisted securities, the market value is determined at the book value per share as it results from the last approved yearly financial statement of the entity;
- for securities issued by credit institutions not admitted to trading, the assessment is made at the book value per share calculated based on the value of the equity capital contained in the monthly reports transmitted to the NBR;
- for securities not admitted to trading on a regulated market or within an alternative trading

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system in Romania issued by issuers holding more than 33% of the share capital, they are assessed exclusively in accordance with International Assessment Standards on the basis of a assessment report updated at least yearly;

- for the securities related to companies in the insolvency or reorganization procedure, the assessment is made at zero value.

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

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

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

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

- ***Derecognition***

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

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

The Company derecognises a financial liability when the contractual obligations have been concluded or when the contractual obligations are cancelled or expire.

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

- ***Reclassifications***

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

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

In the event of a reclassification, the Company proceeds as follows:

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

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

- when reclassifying an asset from the category of amortized cost to the fair value through

other elements of the comprehensive income, fair value is determined at the reclassification date. The difference between the amortized cost and the fair value is recognized in other comprehensive income elements without adjusting the effective interest rate or expected credit losses;

- when reclassifying an asset from the fair value category through other comprehensive income into the amortized cost, the reclassification is made at the fair value of the asset at the reclassification date. Amounts previously recognized in other comprehensive income are eliminated in relation to the fair value of the asset without affecting the profit or loss account. The effective interest rate and expected credit losses are not adjusted as a result of the reclassification;
- when reclassifying an asset from the category of fair value through profit or loss to the category of fair value through other comprehensive income elements, the asset continues to be measured at fair value;
- when reclassifying an asset from the category of fair value through other elements of the global result to that of fair value through profit or loss, the financial asset continues to be measured at fair value. Amounts previously recognized in other comprehensive income are reclassified from equity to the profit or loss account as a reclassification adjustment (in accordance with IAS 1).

- ***Gains and losses***

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

- a) Gains or losses generated by financial assets or financial liabilities classified as fair value through profit or loss are recognized in profit or loss;
- b) Gains or losses generated by a financial asset assessed at fair value through other elements of the comprehensive income are recognized against other elements of the global result.

When the asset (in the case of equity instruments) is derecognised, the previously recognized accumulated losses or gains on other comprehensive income are transferred to the carried forward result.

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

#### ***Other financial assets and liabilities***

Other financial assets and liabilities are assessed at the amortized cost, using the actual interest method.

#### **4. The management of material risks**

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

Through the risk management system, the Company provides significance to the management of risks, policies and procedures regarding the management of risks that are significant and relevant for the investment strategy.

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

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The risk management activity, a major component of the Company's activity, deals with both general and specific risks, as set out in national and international legal regulations.

The Company's organizational chart includes the Risk Management Bureau, which is hierarchically and functionally independent from the other departments of the Company.

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

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

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

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

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

The risk profile was established both at a global and at an individual level, for each risk category, considering the Company's nature, dimension and complex activities.

The global risk profile undertaken by the Company is average and corresponds to an average risk appetite.

Investments in the Company's shares involve not only specific benefits, but also the risk that objectives are not achieved, as well as losses to investors, since revenues from investments generally are proportional to risk. In its current activities, the Company may face both the specific risks resulting from its current operation, as well as indirect risks resulting from the performance of operations and services in cooperation with other financial entities.

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

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

**a) Market risk**

Market risk is the current or future risk of adverse outcome on profits, caused by fluctuations in the market prices of equity securities - in terms of activities belonging to the trading portfolio - as well as interest rate and exchange rate fluctuations for the entire activity of the Company. The company monitors market risk with the objective of optimizing profitability in relation to the associated risk in accordance with approved policies and procedures. From the Company's point of view, the relevant market risks are: price risk (position risk), currency exchange risk, interest rate risk.

The company is exposed to the following market risks:

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- **Price (position) risk**

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

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

On 30 September 2021 and 31 December 2020 the Company has the following asset structure subject to price risk:

<i>In RON</i>	<b>No. comp</b>	<b>Market value 30 September 2021</b>	<b>No. comp.</b>	<b>Market value 31 December 2020</b>
Capital investments				
Listed companies	26	2,222,259,905	27	1,860,757,632
Unlisted companies	14	162,475,500	15	153,924,820
Fund units	4	4,531,351	4	3,598,943
<b>Total capital investments</b>	<b>44</b>	<b>2,389,266,756</b>	<b>46</b>	<b>2,018,281,395</b>

The market value of the portfolio of listed shares (on BVB - regulated market, BVB-AERO - alternative trading system), as of 30 September 2021, represents 93.01% (31 December 2020: 92.20%) of the total value of the managed portfolio.

A number of 7 issuers are found in the managed portfolio, of the 19 that constitute the BET index of the Bucharest Stock Exchange.

The market value of the share packages held with the 7 issuers represents 75.43 % of the market value of the shares held in the listed companies.

The company also monitors the concentration of risk across activity sectors, as follows:

<b>Portfolio structure</b>	<b>Market value of the package 30 September 2021</b>		<b>Market value of the package 31 December 2020</b>	
	<i>(RON)</i>	<i>%</i>	<i>(RON)</i>	<i>%</i>
<b>Economic sectors with a share in the value portfolio:</b>				
finance, banking	1,242,230,461	51.99	999,521,426	49.52
oil resources, methane gas and related services	336,198,305	14.07	271,929,174	13.47
lease and sublease of real estate	251,140,937	10.51	264,098,427	13.09
energy and gas transport	127,961,592	5.36	138,279,298	6.85
financial intermediation	101,452,532	4.25	60,405,803	2.99
pharmaceutical industry	99,847,091	4.18	62,142,974	3.08
tourism, public food catering, leisure	97,629,850	4.09	99,109,564	4.91
food industry	57,767,830	2.42	57,307,582	2.84
machine building industry, processing	40,925,815	1.71	28,546,260	1.41
electronic, electrotechnical industry	27,484,114	1.15	26,211,928	1.30
grain storage and trade	1,660,826	0.07	1,660,826	0.08

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metallurgical industry	-	-	5,098,546	0.25
Other	436,052	0.02	370,644	0.02
<b>TOTAL SECURITIES</b>	<b>2,384,735,405</b>	<b>0.81</b>	<b>2,014,682,452</b>	<b>99.82</b>
<b>FUND UNITS</b>	<b>4,531,351</b>	<b>0.19</b>	<b>3,598,943</b>	<b>0.18</b>
<b>GENERAL TOTAL</b>	<b>2,389,266,756</b>	<b>100.00</b>	<b>2,018,281,395</b>	<b>100.00</b>

Based on the analysis of the data presented above, as of 30 September 2021 the Company mainly held shares that are active in the field of finance, banking with a share of 51.99 % of the total portfolio, increasing compared to 31 December 2020, when in the same sector of activity registered a weight of 49.52% (an increase determined by the evolution of prices on the capital market).

- ***Exchange rate risk***

The exchange rate risk is the risk that the value of a financial instrument will be adversely affected by a fluctuation in the foreign exchange market. This risk concerns all positions held by the Company in foreign currency deposits, financial instruments denominated in foreign currency, regardless of the holding period or the level of liquidity recorded by the respective positions. During the reporting period, the Company did not use derivative financial instruments to protect itself against interest rate fluctuations. The exchange rate risk due to price fluctuations is insignificant.

As of 30 September 2021, the availability in foreign currency was 2,153,752 lei, representing 19.50 % of the total available cash.

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

The available cash in foreign currency represents, as of 30 September 2021, 0.09% (31 December 2020: 0.10%) of the total financial assets, so the exchange rate risk is insignificant.

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

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

*In RON*

	<b>Accounting value</b>	<b>RON</b>	<b>EUR (RON equivalent)</b>	<b>USD (RON equivalent)</b>
<b>30 September 2021</b>	-	-	-	-
<b>Financial assets</b>	-	-	-	-
Cash and cash equivalents	4,949,756	3,252,939	1,696,538	279
Deposits placed in banks	6,097,495	5,640,560	-	456,935
Bonds at the amortized cost	6,807,661	6,807,661	-	-
Financial assets assessed at fair value through other elements of the comprehensive income	2,384,735,405	2,384,735,405	-	-
Financial assets assessed at fair value through the profit or loss account	4,531,351	4,531,351	-	-
Credits and receivables	19,199,056	19,199,056	-	-
Other financial assets	173,492	173,492	-	-
<b>Total financial assets</b>	<b>2,426,494,216</b>	<b>2,424,340,464</b>	<b>1,696,538</b>	<b>457,214</b>
<b>Financial debt</b>	-	-	-	-
Payable dividends	68,051,652	68,051,652	-	-
Other financial liabilities	6,743,451	6,743,451	-	-
<b>Total financial liabilities</b>	<b>74,795,103</b>	<b>74,795,103</b>	-	-

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<i>In RON</i>	Accounting value	RON	EUR (RON equivalent)	USD (RON equivalent)
<b>31 December 2020</b>				
<b>Financial assets</b>				
Cash and cash equivalents	4,279,513	2,608,579	1,670,741	193
Deposits placed in banks	26,602,893	26,178,355	-	424,538
Financial assets assessed at fair value through other elements of the comprehensive income	2,014,682,452	2,014,682,452	-	-
Financial assets assessed at fair value through the profit or loss account	3,598,943	3,598,943	-	-
Credits and receivables	191,867	191,867	-	-
Other financial assets	171,393	171,393	-	-
<b>Total financial assets</b>	<b>2,049,527,061</b>	<b>2,047,431,589</b>	<b>1,670,741</b>	<b>424,731</b>
<b>Financial debt</b>				
Payable dividends	61,222,189	61,222,189	-	-
Other financial liabilities	10,655,357	10,655,357	-	-
<b>Total financial liabilities</b>	<b>71,877,546</b>	<b>71,877,546</b>	-	-

- *The interest rate risk*

The interest rate risk is the current or future risk that profits and capitals may change as a result of adverse changes in market interest rates. The factors that define this type of market risk are a wide range of interest rates corresponding to a variation of markets, currencies and maturities for which the Company holds positions.

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

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

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

A factor of increase of the interest rate risk is represented by investments in bonds. In the third quarter of 2021, S.I.F. Oltenia S.A. diversified its portfolio through the purchase of guaranteed bonds issued by Mercur S.A., but the share of such instruments in the company's total assets is only 0.28%.

Hence, it can be concluded that the interest rate risk is not significant.

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

<i>In RON</i>	Accounting value	Less than 3 months	More than 12 months	No interest
<b>30 September 2021</b>				
<b>Financial assets</b>				
Cash and cash equivalents	4,949,756	-	-	4,949,756
Deposits placed in banks	6,097,495	6,097,495	-	-
Bonds at the amortized cost	6,807,661	-	6,807,661	-
Financial assets assessed at fair value through other elements of the comprehensive income	2,384,735,405	-	-	2,384,735,405

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Financial assets assessed at fair value through the profit or loss account	4,531,351	-	-	4,531,351
Credits and receivables	19,199,056	-	-	19,199,056
Other financial assets	173,492	-	-	173,492
<b>Total financial assets</b>	<b>2,426,494,216</b>	<b>6,097,495</b>	<b>6,807,661</b>	<b>2,413,589,060</b>
<b>Financial debt</b>				
Payable dividends	68,051,652	-	-	68,051,652
Other financial liabilities	6,743,451	-	-	6,743,451
<b>Total financial liabilities</b>	<b>74,795,103</b>	<b>-</b>	<b>-</b>	<b>74,795,103</b>

*In RON*

	<b>Accounting value</b>	<b>Less than 3 months</b>	<b>Between 3 and 12 months</b>	<b>No interest</b>
<b>31 December 2020</b>				
<b>Financial assets</b>				
Cash and cash equivalents	4,279,513	-	-	4,279,513
Deposits placed in banks	26,602,893	26,602,893	-	-
Financial assets assessed at fair value through other elements of the comprehensive income	2,014,682,452	-	-	2,014,682,452
Financial assets assessed at fair value through the profit or loss account	3,598,943	-	-	3,598,943
Credits and receivables	191,867	-	-	191,867
Other financial assets	171,393	-	-	171,393
<b>Total financial assets</b>	<b>2,049,527,061</b>	<b>26,602,893</b>	<b>-</b>	<b>2,022,924,168</b>
<b>Financial debt</b>				
Payable dividends	61,222,189	-	-	61,222,189
Other financial liabilities	10,655,357	-	-	10,655,357
<b>Total financial liabilities</b>	<b>71,877,546</b>	<b>-</b>	<b>-</b>	<b>71,877,546</b>

**b) The credit risk**

The credit risk is the company's risk of having losses or not achieving the estimated profits pursuant to the insolvency of its debtors or pursuant to the counterparty's failure of meeting its financial obligations.

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

The main elements of credit risk that are identified and can significantly influence the activity of the Company are:

- the risk of non-collection of dividends from portfolio companies;
- the risk of non-collection of the contract value in the case of the activity of the sale of shares in closed-ended companies under a sales contract;
- the risk that, in the event of the liquidation of a portfolio undertaking, the value obtained will be less than the value of the initial investment, or nothing will be recovered;
- settlement risk in the case of transactions in shares issued by listed companies;

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- concentration risk.

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

In the case of the Company, the credit risk is largely determined by the exposures on asset items of the type of “shares”, which represent 98.01% of the managed assets, assessed according to the legal provisions.

Through the specificities of its portfolio, the sector with high exposure is the “finance and banking” sector, with an exposure of more than 20% in total assets, which holds 51.99% of the total share portfolio as of 30 September 2021. Exposure to the sector is monitored, with the liquid nature of investments being a positive aspect of these holdings, with the main issuers being Banca Transilvania and BRD – Groupe Societe Generale.

S.I.F. Oltenia S.A. is exposed to credit risk through investments in bonds and by holding current accounts and bank deposits, as well as other receivables.

As of 30.09.2021, the company held bonds issued by Mercur S.A., with a very low share (0.2792%) in the total assets; such bonds are guaranteed and are not admitted to trading.

As for the company’s cash, it is held in several banks, so as to avoid the concentration risk. Bank deposits are held with the most important bank institution in the system, with a BB+ rating according to Fitch.

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

### **c) Liquidity risk**

The liquidity risk is the risk that the profit may be affected as a consequence of the operations related to financial instruments which are not liquid (which could generate difficulties in the purchase or sale of such financial instruments in a reasonable time, with minimum loss), as well as the one generated by the possibility that the Company may not be able to meet its financial obligations in the long run.

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

The company constantly monitors the liquidity profile of the asset portfolio, analysing the impact of each asset on the liquidity, as well as the significant, contingent or other kind of liabilities or commitments, that the company may have regarding its underlying obligations.

The liquidity risk for payment obligations is very low, as the company’s current debt is covered by holdings in current accounts and/or short-term deposits.

The liquidity risk is mainly related to the shares held in the “closed” type companies existing in the managed portfolio. Thus, the sale of shareholdings - in the event of negative aspects in their economic and financial situation or in the pursuit of obtaining liquidity - cannot be made fast enough, with the risk of not being able to obtain a price higher or at least equal to the one for which these shareholdings are valued in the calculation of the net asset, according to the FSA regulations.

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

We consider this risk to be average. The structure of assets and liabilities in terms of liquidity is analysed in the following table:

<i>In RON</i>	<b>Accounting value</b>	<b>Less than 3 months</b>	<b>More than 12 months</b>	<b>No preset maturity</b>
<b>30 September 2021</b>				
<b>Financial assets</b>	-	-	-	-
Cash and cash equivalents	4,949,756	-	-	4,949,756
Deposits placed in banks	6,097,495	6,097,495	-	-
Bonds at the amortized cost	6,807,661	-	6,807,661	-
Financial assets assessed at fair value through other elements of the comprehensive income	2,384,735,405	-	-	2,384,735,405
Financial assets assessed at fair value through the profit or loss account	4,531,351	-	-	4,531,351
Credits and receivables	19,199,056	-	-	19,199,056
Other financial assets	173,492	-	-	173,492
<b>Total financial assets</b>	<b>2,426,494,216</b>	<b>6,097,495</b>	<b>6,807,661</b>	<b>2,413,589,060</b>
<b>Financial debt</b>	-	-	-	-
Payable dividends	68,051,652	68,051,652	-	-
Other financial liabilities	6,743,451	6,743,451	-	-
<b>Total financial liabilities</b>	<b>74,795,103</b>	<b>74,795,103</b>	-	-
<i>In RON</i>	<b>Accounting value</b>	<b>Less than 3 months</b>	<b>Between 3 and 12 months</b>	<b>No preset maturity</b>
<b>31 December 2020</b>				
<b>Financial assets</b>	-	-	-	-
Cash and cash equivalents	4,279,513	-	-	4,279,513
Deposits placed in banks	26,602,893	26,602,893	-	-
Financial assets assessed at fair value through other elements of the comprehensive income	2,014,682,452	-	-	2,014,682,452
Financial assets assessed at fair value through the profit or loss account	3,598,943	-	-	3,598,943
Credits and receivables	191,867	-	-	191,867
Other financial assets	171,393	-	-	171,393
<b>Total financial assets</b>	<b>2,049,527,061</b>	<b>26,602,893</b>	-	<b>2,022,924,168</b>
<b>Financial debt</b>	-	-	-	-
Payable dividends	61,222,189	61,222,189	-	-
Other financial liabilities	10,655,357	10,655,357	-	-
<b>Total financial liabilities</b>	<b>71,877,546</b>	<b>71,877,546</b>	-	-

#### **d) Operational risk**

Operational risk refers to losses resulting from acts (or negligence) in the conduct of business activities. Operational risk is also assimilated to legal risk, i.e. the risk of having losses due to the improper enforcement or failure to enforce legal or contractual provisions.

Legal risk includes:

- IT risk - a subcategory of operational risk that refers to the risk caused by inadequate strategies and IT policies, of information technology and information processing, regarding its management capacity, integrity, controllability and continuity or the improper use of information technology.
- Strategic risk - the current or future risk that profits and capitals are negatively affected, generated by changes in the business environment or by unfavourable business decisions, by the improper implementation of decisions or by the failure to react to changes in the business environment. Strategic risk is uncontrollable and unquantifiable, with the management of society adopting a prudent policy with the aim of minimizing exposure to this risk. The main benchmarks in pursuing the strategic risk are: the pursuit of efficiency indicators according to the undertaken strategic objectives. In order to avoid the strategic risk, the market evolution is pursued compared to the provisions undertaken in the budget of revenues and expenditures. We estimate that, at the company's level, the strategic risk is low and the business policy adopted by the company's management is cautious.
- Reputation risk - the current or future risk that the profits and capitals are affected, resulting from the unfavourable perception of the company's image by shareholders, investors or the supervisory authority. The company's objective is to satisfy the interests of shareholders and investors and to perform a fair activity, according to the regulations of the capital market.
- The risk related to outsourced activities - the financial, reputational and operational impact that the improper performance of the outsourced activity by the service provider may have on the company, including the risk that the company may not be able to pursue the performance of financial activities and/or comply with the provisions of the relevant legislation, as a consequence of the failure or difficulties encountered by the legal person employed by the company to perform certain activities, based on a contract. It shall be managed by the compartments managing the entered contracts.
- Model risk – the potential loss the Company may incur, as a consequence of decisions that could be mainly based on the output of internal models, due to errors in the development, implementation or use of such models. To be managed at the level of each department.
- The risk of conflicts of interest - any situation when the company's interests diverge from the personal interests of employees, directors, managers or their close relatives.

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

The person responsible for risk management shall be responsible for implementing and developing measures for the management of operational risk.

S.I.F. Oltenia S.A. uses self-assessment as a tool to analyse and manage operational risk.

The person in charge with managing risks updated the risk register on 30 September 2021, as operational risk events were carefully monitored and timely remedied, so as not to affect the company's activity.

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In 2020, the Company carried out the internal evaluation of the operational risks generated by the Information Systems according to the FSA Norm no. 4/2018 regarding the management of the operational risks generated by the information systems used by the authorized / approved / registered entities, regulated and / or supervised by the FSA. From the point of view of FSA Norm No. 4/2018, the Company falls into the "average" risk category. According to art. 49 letter

a) of the FSA Norm no. 4/2018, the result of the internal assessment of the Company's operational risks must be sent to FSA by 31 March 2021, for the year 2020. It was sent to FSA on 25 March 2021.

According to art. 21 of the FSA Norm no. 4/2018, the Company has the obligation to audit the important information systems used, every 3 years, by means of an external IT audit or with certified internal resources, so that the period subject to the audit will be 3 consecutive calendar years, starting with the first January following the end of the period subject to the previous IT audit, according to the classification in the medium risk category. In 2020, the external audit of the relevant IT systems of the Company was carried out by CertSIGN S.A. The next audit on the relevant IT systems of the Company is to be carried out in 2023.

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

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

#### **e) Capital adequacy**

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

The Company's equity consists of the share capital, the reserves created, the current result and the deferred result. As of 30 September 2021, the Company's equity is 2,190,679,945 RON (31 December 2020: 1,872,197,361 RON).

## **5. Financial assets and liabilities**

### **Accounting classifications and fair values**

The accounting values and fair values of financial assets and liabilities are presented as of 30 September 2021, as follows:

<i>In RON</i>	<b>The fair value through other elements of the comprehensive income</b>	<b>The fair value through the profit or loss account</b>	<b>Amortized cost</b>	<b>Net book value</b>	<b>Fair value</b>
Cash and cash equivalents	-	-	4,949,756	4,949,756	4,949,756
Deposits placed in banks	-	-	6,097,495	6,097,495	6,097,495
Bonds at the amortized cost	-	-	6,807,661	6,807,661	6,807,661

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Financial assets assessed at fair value through other elements of the comprehensive income	2,384,735,405	-	-	2,384,735,405	2,384,735,405
Financial assets assessed at fair value through the profit or loss account	-	4,531,351	-	4,531,351	4,531,351
Other financial assets	-	-	19,372,548	19,372,548	19,372,548
<b>Total financial assets</b>	<b>2,384,735,405</b>	<b>4,531,351</b>	<b>37,227,460</b>	<b>2,426,494,216</b>	<b>2,426,494,216</b>
Payable dividends	-	-	68,051,652	68,051,652	68,051,652
Other financial liabilities	-	-	6,743,451	6,743,451	6,743,451
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>74,795,103</b>	<b>74,795,103</b>	<b>74,795,103</b>

The accounting values and fair values of financial assets and liabilities are presented as of 31 December 2020, as follows:

<i>In RON</i>	The fair value through other elements of the comprehensive income	The fair value through the profit or loss account	Amortized cost	Net book value	Fair value
Cash and cash equivalents	-	-	4,279,513	4,279,513	4,279,513
Deposits placed in banks	-	-	26,602,893	26,602,893	26,602,893
Financial assets assessed at fair value through other elements of the comprehensive income	2,014,682,452	-	-	2,014,682,452	2,014,682,452
Financial assets assessed at fair value through the profit or loss account	-	3,598,943	-	3,598,943	3,598,943
Other financial assets	-	-	363,260	363,260	363,260
<b>Total financial assets</b>	<b>2,014,682,452</b>	<b>3,598,943</b>	<b>31,245,666</b>	<b>2,049,527,061</b>	<b>2,049,527,061</b>
Payable dividends	-	-	61,222,189	61,222,189	61,222,189
Other financial liabilities	-	-	10,655,357	10,655,357	10,655,357
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>71,877,546</b>	<b>71,877,546</b>	<b>71,877,546</b>

## 6. Dividend income

Dividend income is recorded at gross value. The tax rates for dividends for the reporting period were 5% and zero (30 September 2020: 5% and zero).

Dividend income according to the main counterparties is presented as follows:

<i>In RON</i>	30 September 2021	30 September 2020
BANCA TRANSILVANIA	19,892,934	-
OMV PETROM S.A. București	17,795,820	22,094,291
S.N.G.N. ROMGAZ S.A. Medias	4,029,655	3,624,439
ȘANTIERUL NAVAL ORȘOVA S.A.	3,200,337	768,081
C.N.T.E.E. TRANSELECTICA S.A. București	2,359,273	1,301,668
BRD-GROUPE SOCIETE GENERALE S.A. București	2,146,055	-

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S.N.T.G.N. TRANSGAZ S.A. Mediaș	1,980,552	3,764,021
UNIVERS S.A. Rm.Vâlcea	1,345,419	2,153,257
VOLTALIM S.A. Craiova	1,307,459	1,619,330
FLAROS S.A. București	986,712	1,874,753
IAMU S.A. Blaj	793,372	793,372
ANTIBIOTICE S.A. Iași	578,231	3,820,609
BURSA DE VALORI BUCUREȘTI S.A.	409,494	315,496
PROVITAS S.A. București	316,251	182,723
ELBA S.A. Timisoara	98,982	-
DEPOZITARUL CENTRAL S.A. București	32,553	58,601
TURISM FELIX S.A. Băile Felix	-	1,451,900
ELECTROMAGNETICA S.A. București	-	706,871
MERCUR S.A. Craiova	-	881,000
COMPLEX HOTELIER DÂMBOVIȚA S.A. Târgoviște	-	245,450
<b>TOTAL</b>	<b>57,273,099</b>	<b>45,655,862</b>

## 7. Incomes from interests

<i>In RON</i>	<b>30 September 2021</b>	<b>30 September 2020</b>
Incomes from interests for bank deposits	190,091	207,771
Incomes from interests for current bank accounts	-	1
Interest - bonds revenues	7,661	-
<b>Total</b>	<b>197,752</b>	<b>207,772</b>

## 8. Other operational incomes

<i>In RON</i>	<b>30 September 2021</b>	<b>30 September 2020</b>
Incomes from provisions for the depreciation of current assets	35,565	3,694
Other operating revenues	39,144	63,360
Other financial revenues	17,100	17,046
<b>Total</b>	<b>91,809</b>	<b>84,100</b>

## 9. Commissions, fees and administration and supervision fees

<i>In RON</i>	<b>30 September 2021</b>	<b>30 September 2020</b>
Expenses on commissions due to SSIF for share transactions	146,145	262,052
Expenses on commissions payable for shareholder register services	135,282	107,100
Expenses on commissions with the depository company	354,583	313,029
BVB expenses	43,964	661
Expenditure on taxes due to entities in the capital market (FSA)	1,309,164	1,126,831
Audit fee expenses	-	24,516
Other expenses related to commissions, fees and contributions	223,968	64,076
<b>Total</b>	<b>2,213,106</b>	<b>1,898,265</b>

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Audit fee expenses in the amount of 24,516 RON, recorded as at 30 September 2020, represent the audit fee for the external audit on IT systems performed by CertSIGN S.A.

The increase in expenditure on commissions, fees and dues is due to increased expenditure on lawyers' fees. During 2021, in view of the large number of pending litigations, their high complexity and significant impact on the stability and proper functioning of the company's business, as well as the fact that the contested Decisions concern decisions essential for the continuity of the company's business, a legal assistance contract was concluded with a law firm with relevant experience in the corporate field.

## **10. Other operational expenses**

<i>In RON</i>	<b>30 September 2021</b>	<b>30 September 2020</b>
Tax and tax expenses	141,686	161,052
Expenses with salaries and other expenses with staff	10,275,392	5,769,524
Expenses with depreciation, provisions and value adjustments	451,735	424,155
Expenditure on external benefits	760,221	764,022
Interest expenses	-	121,516
<b>Total</b>	<b>11,629,034</b>	<b>7,240,269</b>

Staff expenses increased compared to the same period of the previous year mainly due to the recording of bonuses (incentives) related to 2019 in the amount of 4,794,837 RON, and the insurance contribution for work due in the amount of 107,884 RON, which were granted in April 2021.

## **Salaries and similar expenses**

<i>In RON</i>	<b>30 September 2021</b>	<b>30 September 2020</b>
Salaries	9,938,144	5,627,695
Expenditure on insurance and social protection	337,248	141,829
<b>Total</b>	<b>10,275,392</b>	<b>5,769,524</b>

The remuneration of company staff as of 30 September 2021 is as follows:

<b>Total amount of compensations for the 30 September 2021 reporting period, of which</b>	<b>Amount (RON)</b>	<b>Number of beneficiaries</b>
a) Fixed compensations paid by AFIA to its staff	5,143,307	44
b) Variable compensations paid by AFIA to its staff, except for performance commissions	4,794,837	53
c) Variable compensations representing performance commissions	-	
<b>TOTAL</b>	<b>9,938,144</b>	

Variable compensations paid by A.F.I.A. to its staff represents bonuses (incentives) relating to 2019 which have been expensed through the establishment of a provision at the end of 2019. In April 2021 - the date on which they were granted - the provision made for the bonuses (incentives) paid was reversed, without affecting the result for the current period.

<b>Total amount of compensations for the 30 September 2021 reporting period, of which:</b>	<b>Amount</b>
a) Compensations paid to the members of the Board of Directors	1,173,032

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b) Compensations paid to the actual (upper) management	3,704,170
c) Compensations paid to staff with controlling attributions (compliance, risk management, internal audit, etc.)	493,797
d) Compensations paid to the identified staff whose actions have a major impact on the risk profile of F.I.A.	971,022
<b>TOTAL</b>	<b>6,342,021</b>

Remuneration paid to the members of the Board of Directors and effective (senior) management includes awards (incentives) for 2019 in the amount of 443,325 RON and 2,337,004 RON respectively, granted as a result of Decision No. 4 of the Ordinary General Meeting of S.I.F. OLTENIA S.A. from 24.02.2021. Both the remuneration paid to staff with control duties and the remuneration paid to identified staff whose actions have a significant impact on the risk profile of the A.I.F. include amounts paid in the form of incentives for 2019.

The remuneration of company staff as of 30 September 2020 is as follows:

<b>Total amount of compensations for the 30 September 2020 reporting period, of which</b>	<b>Amount (RON)</b>	<b>Number of beneficiaries</b>
a) Fixed remunerations paid by AFIA to its staff	5,627,695	48
b) Variable remunerations paid by AFIA to its staff, except for performance commissions	-	-
c) Variable remunerations representing performance commissions	-	-
<b>TOTAL</b>	<b>5,627,695</b>	<b>-</b>

<b>Total amount of compensations for the 30 September 2020 reporting period, of which:</b>	<b>Amount (RON)</b>
a) Remunerations paid to the members of the Board of Directors	1,122,900
b) Remunerations paid to the actual (upper) management	1,385,506
c) Remunerations paid to staff with controlling attributions (compliance, risk management, internal audit, etc.)	251,631
d) Compensations paid to the identified staff whose actions have a major impact on the risk profile of F.I.A.	859,118
<b>TOTAL</b>	<b>3,619,155</b>

	<b>30 September 2021</b>	<b>30 September 2020</b>
Staff with mandate contract	2	2
Employees with higher education	26	28
Employees with upper secondary education	11	13
Employees with general education	3	3
<b>Total</b>	<b>42</b>	<b>46</b>

The evolution of the number of employees by categories during the reporting period is as follows:

	<b>No. of employees 31 December 2020</b>	<b>Incoming employees in 2021</b>	<b>Outgoing employees in 2021</b>	<b>No. of employees 30 September 2021</b>
Employees with higher education	25	8	7	26
Employees with upper secondary education	13	-	2	11
Employees with general education	3	-	-	3
<b>Total</b>	<b>41</b>	<b>8</b>	<b>9</b>	<b>40</b>

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As of 30 September 2021, the average number of employees was 37 (31 December 2020: 43), and the actual number of employees registered at the end of the reporting period was 40 (31 December 2020: 41).

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

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

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

The status of the established provisions is as follows:

<i>In RON</i>	<b>Balance on 01 January 2021</b>	<b>Entries (established)</b>	<b>Exits (resumed)</b>	<b>Balance on 30 September 2021</b>
Provisions for litigations	-	-	-	-
Provisions for incentives and payable premiums	10,063,154	-	4,902,721	5,160,433
<b>Total</b>	<b>10,063,154</b>	<b>-</b>	<b>4,902,721</b>	<b>5,160,433</b>

## 11. Profit tax

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

<i>In RON</i>	<b>30 September 2021</b>	<b>30 September 2020</b>
<b>Current profit tax</b>	-	-
Dividend tax	2,437,268	1,557,926
Total profit tax recognized in the result of the exercise	2,437,268	1,557,926
<b>Profit before taxation</b>	<b>49,614,364</b>	<b>36,546,481</b>
Tax according to the statutory quota of 16%	7,938,298	5,847,437
<b>The effect on the profit tax of:</b>		
Non-deductible expenses	1,827,542	869,685
Non-taxable income	(9,953,822)	(7,305,529)
Fiscal losses from current activities	187,982	588,407
Dividend tax rate	2,437,268	1,557,926
Amounts representing sponsorship within legal limits	-	-
Records and resumes of temporary differences	-	-
<b>Profit tax</b>	<b>2,437,268</b>	<b>1,557,926</b>

At 30 September 2021, the non-deductible expenses on which the income tax effect has been calculated mainly include expenses related to non-taxable income as well as bonus (incentive) expenses related to 2019, granted in April 2021.

Non-taxable income on which the income tax effect has been calculated mainly includes dividend income as well as income from the reversal of provisions for bonuses (incentives) granted.

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## 12. Cash and cash equivalents

<i>In RON</i>	<b>30 September 2021</b>	<b>31<sup>st</sup> December 2020</b>
Cash in the cashier's office	3,793	7,999
Current accounts in banks	4,935,999	4,256,849
Cash equivalents	9,964	14,665
<b>Total cash and cash equivalents</b>	<b>4,949,756</b>	<b>4,279,513</b>

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

## 13. Deposits placed in banks

<i>In RON</i>	<b>30 September 2021</b>	<b>31<sup>st</sup> December 2020</b>
Sight deposits	6,093,094	26,584,362
Attached claims	4,401	18,531
<b>Total deposits in banks</b>	<b>6,097,495</b>	<b>26,602,893</b>

Bank deposits are permanently available to the Company and are not restricted or encumbered.

## 14. Financial assets

### 14 a) Bonds at the amortized cost

	<b>30 September 2021</b>	<b>31 December 2020</b>
Unlisted corporate bonds	6,800,000	-
Total coupon rate to collect	7,661	-
<b>Total bonds at the amortized cost</b>	<b>6,807,661</b>	<b>-</b>

As of 30 September 2021, the bonds at the amortized cost include the unlisted corporate bonds issued by Mercur S.A. Craiova. The bonds were purchased in the offer sent to less than 150 investors by Mercur S.A. Craiova during 09.09.2021-13.09.2021. A number of 680 bonds with the following features were purchased:

- Nominal value: 10,000 RON;
- Maturity: 15.09.2026;
- Interest rate: ROBOR 1M +1% /year;
- Payment of coupons: half-yearly;
- Guaranteed with a real estate mortgage.

### 14 b) *The financial assets assessed at fair value through other comprehensive income elements* are as follows:

<i>In RON</i>	<b>30 September 2021</b>	<b>31<sup>st</sup> December 2020</b>
Listed shares assessed at fair value	2,222,259,905	1,860,757,632
Unlisted shares assessed at fair value	162,475,500	153,924,820
Shares assessed at cost	-	-
<b>Total</b>	<b>2,384,735,405</b>	<b>2,014,682,452</b>

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**14 c) The financial assets measured at fair value through profit or loss (fund units)**

<i>In RON</i>	<b>30 September 2021</b>	<b>31<sup>st</sup> December 2020</b>
Open Investment Fund BT INDEX România	3,268,940	2,535,582
Open Investment Fund Napoca	289,233	231,592
Open Investment Fund Transilvania	414,719	388,376
Open Investment Fund Tehnoglobinvest	558,459	443,393
<b>Total</b>	<b>4,531,351</b>	<b>3,598,943</b>

The fair value measurement of the equity investments (equity instruments - shares) held as of 30 September 2021 was performed as follows:

<i>In RON</i>	<b>Shares assessed at fair value</b>	<b>Shares assessed at cost</b>	<b>Fund units</b>	<b>Total</b>
<b>01 January 2021</b>	<b>2,014,682,452</b>	-	<b>3,598,943</b>	<b>2,018,281,395</b>
Purchases	69,759,053	-	-	69,759,053
Sales (cost)	(32,211,104)	-	-	(32,211,104)
Changes in the fair value	332,505,004	-	932,408	333,437,412
<b>30 September 2021</b>	<b>2,384,735,405</b>	-	<b>4,531,351</b>	<b>2,389,266,756</b>

The share inflows during 2021 are in the amount of 69,759,053 RON and mainly represent the purchase of shares on the capital market in S.I.F. Banat-Crişana ( 34.8 mln RON), Antibiotice Iaşi (26.1 mln RON), Banca Transilvania (8.2 million RON), Bursa de Valori Bucuresti ( 0.7 mln RON).

The sales of shares during the reporting period are 32,211,104 RON and represent the cost of shares exiting the Company's portfolio, i.e. Banca Transilvania 25.2 mln RON, S.I.F. Transilvania (3.57 mln RON), OMV Petrom (2.1 mln RON), Altur S.A. Slatina (1.32 mln RON), Corint S.A. Târgovişte (0.03 mln RON).

The fair value measurement of the equity investments (equity instruments - shares) held as of 31 December 2020 was performed as follows:

<i>In RON</i>	<b>Shares assessed at fair value</b>	<b>Shares assessed at cost</b>	<b>Fund units</b>	<b>Total</b>
<b>01 January 2020</b>	<b>2,276,607,625</b>	-	<b>3,551,796</b>	<b>2,280,159,421</b>
Purchases	7,861,986	-	-	7,861,986
Sales (cost)	(45,983,210)	-	-	(45,983,210)
Changes in the fair value	(223,803,949)	-	47,147	(223,756,802)
<b>31 December 2020</b>	<b>2,014,682,452</b>	<b>0</b>	<b>3,598,943</b>	<b>2,018,281,395</b>

The entries of shares during 2020 amounting to 7,861,986 lei mainly include the acquisition of shares on the capital market in BRD Groupe Societe Generale (2.6 mln RON), Banca Transilvania (2.5 mln RON), Lactate Natura (2 mln RON), Antibiotice Iaşi (0.5 mln RON), etc.

The sales of shares during 2020 are 45,983,210 RON and represent the cost of shares exiting the Company's portfolio, i.e. Prodplast (11.5 mln RON), OMV Petrom (31.1 mln RON), Banca Transilvania (1.5 mln RON), S.I.F. Moldova (1.2 mln RON), BT Asset Management SAI (0.6 mln RON).

The net gain from the sale of financial assets measured at fair value through other elements of the comprehensive income was recorded in the result reported in accordance with the

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provisions of IFRS 9 and is presented as follows:

<i>In RON</i>	<b>30 September 2021</b>	<b>30 September 2020</b>
The value of sales of financial assets measured at fair value through other items of the overall result	52,129,201	102,095,002
Cost of financial assets sold at fair value through other elements of the comprehensive income	(32,211,104)	(45,983,210)
Tax on profit related to the sale of financial assets recorded in the retained earnings	(2,998,915)	(7,722,286)
<b>Net profit from the sale of financial assets reflected in the retained earnings</b>	<b>16,919,182</b>	<b>48,389,506</b>

The fair value on 30 September 2021 for the first 10 issuers present in the portfolio represents 82.24 % of the value of the total assets of the Company and is presented as follows:

<b>No.</b>	<b>Issuer</b>	<b>Fair value</b>	<b>Percentage in total assets</b>	<b>Percentage in net assets</b>
1	BANCA TRANSILVANIA S.A. Cluj-Napoca	667,928,864	27.3980	30.4896
2	BRD GROUPE SOCIETE GENERALE S.A. București	533,962,657	21.9028	24.3743
3	OMV PETROM S.A. București	257,856,406	10.5771	11.7706
4	ANTIBIOTICE S.A. Iași	99,847,091	4.0957	4.5578
5	S.I.F. BANAT – CRIȘANA Arad	87,251,881	3.5790	3.9829
6	MERCUR S.A. Craiova	85,133,633	3.4921	3.8862
7	SNGN ROMGAZ S.A. Mediaș	78,341,899	3.2135	3.5761
8	FLAROS S.A. București	66,603,060	2.7320	3.0403
9	SNTGN TRANSGAZ Mediaș	64,234,104	2.6348	2.9322
10	CNTEE TRANSELECTRICA București	63,727,488	2.6141	2.9090
	<b>TOTAL</b>	<b>2,004,887,083</b>	<b>82.2391</b>	<b>91.5189</b>

The fair value on 31 December 2020 for the first 10 issuers present in the portfolio represents 80.79% of the value of the total assets of the Company and is presented as follows:

<b>No.</b>	<b>Issuer</b>	<b>Fair value</b>	<b>Percentage in total assets</b>	<b>Percentage in net assets</b>
1	BANCA TRANSILVANIA S.A. Cluj-Napoca	533,877,316	25.9028	26.7144
2	BRD GROUPE SOCIETE GENERALE S.A. București	425,772,717	20.6577	21.3050
3	OMV PETROM S.A. București	208,670,342	10.1243	10.4415
4	MERCUR S.A. Craiova	97,336,253	4.7226	4.8706
5	FLAROS S.A. București	80,170,350	3.8897	4.0116
6	CNTEE TRANSELECTRICA București	69,422,285	3.3682	3.4738
7	SNTGN TRANSGAZ Mediaș	68,857,013	3.3408	3.4455
8	SNGN ROMGAZ S.A. Mediaș	63,258,832	3.0692	3.1654
9	ANTIBIOTICE S.A. Iași	62,142,974	3.0151	3.1095
10	ARGUS S.A. Constanța	55,656,101	2.7003	2.7849
	<b>TOTAL</b>	<b>1,665,164,183</b>	<b>80.7907</b>	<b>83.3222</b>

- ***The hierarchy of fair values***

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

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

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- Level 2: entries other than the listed prices included in Level 1 which are observable for assets or liabilities, either directly (e.g. prices) or indirectly (e.g. price derivatives);
- Level 3: assessment techniques based largely on unobservable elements. This category includes all instruments for which the evaluation technique includes elements that are not based on observable data and for which unobservable input parameters can have a significant effect on the evaluation of the instrument.

<i>In RON</i>	<b>30 September 2021</b>	<b>31<sup>st</sup> December 2020</b>
Level 1	2,016,718,934	1,703,660,784
Level 2	210,072,322	159,965,723
Level 3	162,475,500	154,654,888
<b>Total</b>	<b>2,389,266,756</b>	<b>2,018,281,395</b>

The fair value measurement of the equity investments (equity instruments - shares) held as of 30 September 2021 was performed as follows:

- for listed and traded securities in the reporting period, the market value was determined by considering the quotation of the last trading day (closing quotation on the main capital market for those listed on the regulated market - BVB, respectively the reference price for the alternative system - AERO for level 1, and for level 2, quotations are taken for shares traded in the last 30 trading days). For Mercur S.A. Craiova, the value of a share was determined according to international valuation standards, starting with September 2021.
- for listed securities that have no transactions in the last 30 days of the reporting period, as well as for unlisted securities, the market value is determined at the book value per share as it results from the last approved yearly financial statement of the entity;
- for securities issued by credit institutions not admitted to trading, the assessment is made at the book value per share calculated based on the value of the equity capital contained in the monthly reports transmitted to the NBR;
- for securities not admitted to trading on a regulated market or within an alternative trading system in Romania issued by issuers holding more than 33% of the share capital, they are assessed exclusively in accordance with International Assessment Standards on the basis of a assessment report updated at least yearly;
- for the securities related to companies in the insolvency or reorganization procedure, the assessment is made at zero value.

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

## **15. Credits and receivables**

<i>In RON</i>	<b>30 September 2021</b>	<b>31<sup>st</sup> December 2020</b>
Trade receivables	27,678	45,340
Borrowers	19,637,859	832,876
Claims in connection with the state budget and the social insurance budget	226,916	44,745
Other receivables	3,249	1,118
Accrual impairment adjustments	(696,646)	(732,212)
<b>TOTAL</b>	<b>19,199,056</b>	<b>191,867</b>

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Compared to the beginning of the financial exercise, dividends to be collected for 2020 with an ex date in September 2021, for an amount of 18,929,212 RON, mainly dividends to be collected from Banca Transilvania for a total amount of 18,898,287 RON, which were paid in October 2021, are registered under debtors as of 30 September 2021.

The decrease in adjustments for receivable depreciation is due to the reversal of the adjustment for receivable depreciation of 35,565 RON, pursuant to the collection of receivables from legal judgments, in litigations with the Authority for State Assets Administration.

## 16. Other assets

<i>In RON</i>	<b>30 September 2021</b>	<b>31 December 2020</b>
Intangible fixed assets	6,808	1,697
Other fixed receivables	36,111	55,009
Stocks	14,234	17,241
Advance expenses	116,339	97,446
<b>TOTAL</b>	<b>173,492</b>	<b>171,393</b>

## 17. Payable dividends

<i>In RON</i>	<b>30 September 2021</b>	<b>31 December 2020</b>
Payable dividends for 2013	644,647	644,649
Payable dividends for 2014	484,047	484,051
Payable dividends for 2015	593,552	593,557
Payable dividends for 2016	12,469,899	12,469,951
Payable dividends for 2017	9,831,712	9,911,883
Payable dividends for 2018	21,245,534	21,499,959
Payable dividends for 2019	14,910,481	15,618,139
Payable dividends for 2020	7,871,780	
<b>Total payable dividends</b>	<b>68,051,652</b>	<b>61,222,189</b>

Based on Decision no. 24 of the OGSM of S.I.F. Oltenia S.A. of 12 October 2020, accounting records stating that dividends which were not collected for more than three years from the date when they were due, whose actionable rights are terminated by prescription, i.e. the dividends for the 2016 financial exercise, recorded as unpaid at the end of 30.10.2020, were classified as revenues in the 2020 financial exercise.

The dividends for the 2016 financial exercise were not classified as revenues according to the OGSM Decision, since the litigation regarding the repealment of the OGSM Decision of S.I.F. Oltenia S.A. of 12 October 2020 was not settled by the courts until the reporting of the financial statements for 2020.

## 18. Payables on taxes and fees

<i>In RON</i>	<b>30 September 2021</b>	<b>31 December 2020</b>
Debts related to the Social Insurance Budget	222,628	203,662
Debts related to the State Budget	2,861,154	602,149
Other taxes and fees	-	-
<b>Total</b>	<b>3,083,782</b>	<b>805,811</b>

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As of 30 September 2021, the category “Debts related to the State Budget” includes the amount of 2,816,192 representing income tax to be paid for the third quarter of 2021, by October 2021.

## 19. Deferred tax liabilities

Deferred tax liabilities are determined by the following elements:

<i>In RON</i>	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>	<b>Tax</b>
<b>30 September 2021</b>				
Differences from changes in the fair value of financial assets measured at fair value through other comprehensive income elements	981,533,404		981,533,404	157,045,345
Reassessment of tangible assets	8,263,295		8,263,295	1,322,128
Retained earnings representing achieved and non-taxed revaluation reserves	2,168,662		2,168,662	346,987
Retained earnings representing unachieved and non-taxed revaluation reserves	4,530,387		4,530,387	724,862
Retained earnings representing unachieved and non-taxed revaluation reserves – real estate investments	359,751		359,751	57,561
Differences from changes in the fair value of financial assets measured at fair value through other comprehensive income elements free shares on balance	43,069,332		43,069,332	6,891,094
Legal reserves	10,000,000		10,000,000	1,600,000
Other reserves – dividends prescribed according to the OGSM decision of 23 <sup>rd</sup> April 2005	6,551,528		6,551,528	1,048,245
Other reserves	980,658		980,658	156,907
The difference in the change in the fair value of financial assets assessed through other elements of the comprehensive income - hyperinflation	779,998		779,998	124,800
<b>TOTAL</b>	<b>1,058,237,015</b>		<b>1,058,237,015</b>	<b>169,317,929</b>
<b>31 December 2020</b>				
Differences from changes in the fair value of financial assets measured at fair value through other comprehensive income elements	646,652,019	-	646,652,019	103,464,324
Reassessment of tangible assets	8,535,399	-	8,535,399	1,365,665
Retained earnings representing achieved and non-taxed revaluation reserves	2,168,662	-	2,168,662	346,987
Retained earnings representing unachieved and non-taxed revaluation reserves	4,347,867	-	4,347,867	695,659
Retained earnings representing unachieved and non-taxed revaluation reserves – real estate investments	359,751	-	359,751	57,561
Differences from changes in the fair value of financial assets measured at fair value through other comprehensive income elements free shares on balance	45,445,712	-	45,445,712	7,271,314
Legal reserves	10,442,982	-	10,442,982	1,670,877
Other reserves – dividends prescribed according to the OGSM decision of 23 <sup>rd</sup> April 2005	6,551,528	-	6,551,528	1,048,245
Other reserves	980,658	-	980,658	156,907

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The difference in the change in the fair value of financial assets assessed through other elements of the comprehensive income - hyperinflation	779,998	-	779,998	124,800
<b>TOTAL</b>	<b>726,264,576</b>	<b>-</b>	<b>726,264,576</b>	<b>116,202,339</b>

## **20. Other payables**

<i>In RON</i>	<b>30 September 2021</b>	<b>31 December 2020</b>
Staff-related payables	270,967	316,723
Trade payables	1,292,728	256,223
Various creditors	5,826	856
Accrued revenue	13,497	17,587
Provisions	5,160,433	10,063,154
Received guarantees	-	814
<b>Total other payables</b>	<b>6,743,451</b>	<b>10,655,357</b>

Trade payables as of 30 September 2021 are higher than those at the beginning of the financial exercise, mainly due to the amount of 1,190,374 RON representing purchase of securities on the capital market to be settled in Q+2, i.e. by October 2021, which were classified under providers.

Provisions as of 30 September 2021 were lower than at the beginning of the financial exercise, given the reversal of the provision established for the premiums (incentives) for 2019, granted in April 2021, and the payable insurance contribution for work, for a total amount of 4,902,721 RON.

## **21. Capital and reserves**

- ***Registered capital***

The registered capital, according to the Company's articles of association, has the value of 50,000,000 RON, is divided into 500,000,000 shares with a nominal value of 0.1 RON / share and is the result of the direct subscriptions made to the share capital of the Company and of the conversion into shares of amounts due as dividends based on Law no. 55/1995 and through the effect of Law no. 133/1996.

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

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

The Company's shares are: ordinary, nominative, of equal value, issued in a dematerialized form, fully paid when subscribed, registered to the account and granting equal rights to their holders, except for the limitations in the legal provisions and regulations.

The following events resulting in the decrease of registered capital occurred during 2020 and 2021:

- On 1 July 2020, FSA issued the Registration Certificate for financial securities no. AC-419-2/01 July 2020 for the registration of the decrease in the registered capital, as a consequence of the EGSM resolution of 18 November 2019. The registered capital was decreased by 19,622,585 shares with a nominal value of 0.1 RON, from 58,016,571.40 RON (divided into 580,165,714 shares) to the value of 56,054,312.90 RON (divided into 560,543,129 shares).

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- On 19 August 2020, FSA issued the Registration Certificate for financial securities no. AC-419-3/19 August 2020 for the registration of the decrease in the registered capital, as a consequence of the EGSM resolution no. 10 of 25 March 2020. The registered capital was decreased by 38,393,986 shares with a nominal value of 0.1 RON, from 56,054,312.90 RON (divided into 560,543,129 shares) to the value of 52,214,914.30 RON (divided into 522,149,143 shares).
- Based on the Resolution No. 8 of the Extraordinary General shareholders meeting of 25 March 2020, the Company purchased a number of 22,149,143 of its own shares representing 3.8177% of the share capital.

The acquisition of the shares was made within the public share purchase offer issued by the Company and approved by FSA, by Decision No. 863 / 15.07.2020.

On 24 June 2021, FSA issued the Registration Certificate for financial securities no. AC-419-4/24.06.2021 for the registration of the decrease in the registered capital, as a consequence of the EGSM resolution no. 6 of 29 October 2020. The registered capital was decreased by 22,149,143 shares with a nominal value of 0.1 RON, from 52,214,914.30 RON (divided into 522,149,143 shares) to the value of 50,000,000 RON (divided into 500,000,000 shares).

According to the articles of association, the registered capital is as follows:

<i>In RON</i>	<b>30 September 2021</b>	<b>31 December 2020</b>
Statutory registered capital	50,000,000	52,214,914

As of 30 September 2021, the number of shareholders is 5,732,845 (31 December 2020: 5,734,987) with the following structure:

	<b>No. of shareholders</b>	<b>No. of shares</b>	<b>Amount (RON)</b>	<b>(%)</b>
<b>30 September 2021</b>				
Resident natural entities	5,730,746	228,295,187	22,829,519	45.66
Non-resident natural entities	1,887	2,190,705	219,070	0.44
<b>Total natural entities</b>	<b>5,732,633</b>	<b>230,485,892</b>	<b>23,048,589</b>	<b>46.10</b>
Resident legal entities	183	206,216,873	20,621,687	41.24
Non-resident legal entities	29	63,297,235	6,329,724	12.66
<b>Total legal entities</b>	<b>212</b>	<b>269,514,108</b>	<b>26,951,411</b>	<b>53.90</b>
<b>Total 30 September 2021</b>	<b>5,732,845</b>	<b>500,000,000</b>	<b>50,000,000</b>	<b>100.00</b>
<b>31 December 2020</b>				
Resident natural entities	5,732,877	226,484,341	22,648,434	43.37
Non-resident natural entities	1,885	2,194,251	219,425	0.42
Total natural entities	5,734,762	228,678,592	22,867,859	43.79
Resident legal entities	189	225,290,250	22,529,025	43.15
Non-resident legal entities	36	68,180,301	6,818,030	13.06
Total legal entities	225	293,470,551	29,347,055	56.21
<b>Total 31 December 2020</b>	<b>5,734,987</b>	<b>522,149,143</b>	<b>52,214,914</b>	<b>100.00</b>

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- **Legal reserves**

The legal reserves are established according to the legal requirements, for 5% of the profit registered according to the accounting regulations applicable up to the level of 20% of the share capital according to the articles of association. The value of the legal reserve as of 30 September 2021 is 11,603,314 RON (31 December 2020: 11,603,314 RON). In the reporting period and in 2020, the Company has not set up legal reserves from the profit, as they reached a threshold of 20% of the registered capital, based on the articles of association.

Legal reserves cannot be distributed to shareholders.

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

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

The reserves from the assessment of the financial assets assessed at fair value by other items of the comprehensive income are recorded at net value by the related deferred tax and are 858,516,343 RON as of 30 September 2021 (31 December 2020: 579,141,262 RON).

The deferred tax related to these reserves is recorded on the equity and deducted from the reserves of the financial assets assessed at fair value by other items of the comprehensive income.

- **Other reserves**

<i>In RON</i>	<b>30 September 2021</b>	<b>31 December 2020</b>
Reserves allocated from the net profit	447,736,323	480,256,067
Reserves established following the enforcement of Law no. 133/1996*	144,636,073	144,636,073
Reserves from prescribed dividends	6,551,528	6,551,528
Reserves from exchange rate differences and other reserves	980,657	980,657
<b>Total</b>	<b>599,904,581</b>	<b>632,424,325</b>

\* The reserve related to the initial portfolio was established following the application of Law No. 133/1996, as a difference between the value of the contributed portfolio and the value of the registered capital subscribed to the Company. These reserves are assimilated to a contribution premium.

- **Retained earnings**

<i>In RON</i>	<b>30 September 2021</b>	<b>31 December 2020</b>
Retained earnings from the enforcement of IFRS9 (including transaction earnings)	607,593,582	590,674,400
Earnings of the financial year	47,177,096	52,231,020
Other amounts recognized to the retained earnings (revaluation reserves)	8,943,862	8,700,961
<b>Total</b>	<b>663,714,540</b>	<b>651,606,381</b>

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## 22. Result per share

<i>In RON</i>	<b>30 September 2021</b>	<b>30 September 2020</b>
Profit attributable to ordinary shareholders	47,177,096	34,988,555
The weighted average number of ordinary shares	500,000,000	522,149,143
<b>The result per basic share</b>	<b>0.0944</b>	<b>0.0670</b>

## 23. Granted guarantees

The Company has no kind of granted guarantees.

## 24. Transactions and money with parties in special relations

During its activities, the Company identified the following parties in special relations:

- **Subsidiaries**

In accordance with the legislation in force, the Company holds control over a number of 12 issuers as of 30 September 2021 (31 December 2020: 12 issuers). All the Company's subsidiaries as of 30 September 2021 and 31 December 2020 are headquartered in Romania, and the holding percentage does not differ from the percentage of held votes.

<b>Company name</b>	<b>Percentage held as of 30 September 2021 - % -</b>	<b>Percentage held as of 31 December 2020 - % -</b>
COMPLEX HOTELIER DAMBOVITA S.A. Târgoviște	99.94	99.94
VOLTALIM S.A. Craiova	99.55	99.19
MERCUR S.A. Craiova	97.86	97.86
GEMINA TOUR S.A. Rm. Vâlcea	88.29	88.29
ARGUS S.A. Constanța	86.42	86.42
FLAROS S.A. București	81.07	81.07
CONSTRUCȚII FERROVIARE S.A. Craiova	77.50	77.50
UNIVERS S.A. Rm. Vâlcea	73.75	73.75
PROVITAS S.A. București	70.28	70.28
TURISM PUCIOASA S.A. Dâmbovița	69.22	69.22
LACTATE NATURA S.A. Târgoviște	55.07	55.07
ALIMENTARA S.A. Slatina	52.24	52.24

In September 2021, the Company purchased 680 unlisted corporate bonds with a nominal value of 10,000 RON/bond, issued by Mercur S.A. Craiova. The bonds were purchased in the offer sent to less than 150 investors by Mercur S.A. Craiova during 09.09.2021-13.09.2021.

- **Associated entities**

As of 30 September 2021, the company had holdings of more than 20% but not more than 50% of the share capital in a number of 7 issuers (31 December 2020: 6 issuers). All the issuers are headquartered in Romania, and the holding percentage does not differ from the percentage of held votes.

The holdings in these issuers were not qualified as associated entities, due to the fact that the Company does not exert significant influence in these companies.

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Company name	Percentage held as of 30 September	Percentage held as of 31 December
	2021 - % -	2020 - % -
SINTEROM S.A. Cluj-Napoca	31.87	31.87
ELECTRO TOTAL S.A. Botoșani*	29.86	29.86
TURISM FELIX S.A. Băile Felix	29.26	28.97
ȘANTIERUL NAVAL Orșova S.A.	28.02	28.02
TURISM LOTUS FELIX S.A. Băile Felix	27.46	27.46
ELECTROMAGNETICA S.A. București	26.14	26.14
ANTIBIOTICE S.A. Iași	26.19	19.05

\*Company under judicial liquidation

- **Key management staff**

### **30 September 2021**

On 15.09.2021, the company received the decision no. 1135/15.09.2021 from the Financial Supervisory Authority, which withdrew the approval of Mr Adrian Andrici as a member of the Board of Directors.

Hence, the members of the Board of Directors as of 30.09.2021 are as follows: Sorin – Iulian Cioacă - President, Mihai Trifu - Vicepresident, Codrin Matei, Mihai Zoescu.

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

### **31 December 2020**

Members of the Board of Directors: Sorin - Iulian Cioacă – President, Mihai Trifu, Adrian Andrici and Codrin Matei.

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

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

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

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

## **25. Commitments and contingent liabilities**

### **Legal actions**

As of 30 September 2021, 23 litigations are in progress with legal courts (compared to 41 as of 31 December 2020). The company was an active party in 15 lawsuits and a passive party in 3 lawsuits; it is a respondent in a case, appealed for guarantee in another case and under insolvency in 3 cases.

### **Environmental contingencies**

The Company did not record any provision for future environmental costs. The management does not consider the expenses associated with these elements to be significant.

### **Transfer pricing**

Romanian tax legislation includes rules on transfer prices between affiliated entities as of 2000.

*Selected Explanatory Notes to the Simplified Interim Individual Financial Statements  
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The current legislative framework defines the principle of “market value” for transactions between affiliated persons, as well as the methods for establishing transfer prices. As a result, it is expected that the tax authorities will initiate thorough checks of the transfer prices, to ensure that the fiscal result is not distorted by the effect of the prices charged in the relations with affiliated persons.

The Company cannot quantify the result of such a review.

## **26. Events after the reporting date**

- On 13.09.2021, the Board of Directors convened the General Shareholders Meeting of S.I.F.

Oltenia S.A. for 20.10.2021, with the following items on the agenda:

1. Electing the meeting’s secretarial team, including 2 members, i.e. Ms Cimpoeru Ana - Internal Auditor and Mr Nedelcu Ion Eugen, whose identification data are available at the company’s headquarters. Mr Nedelcu Ion Eugen will be elected the meeting secretary, who will draw up the meeting’s minutes. The proposed persons are shareholders of S.I.F. Oltenia S.A.

2. The appointment of notary public Virgil Claudiu Făurar, from the Notary Public Office - SPN Doina Făurar of Craiova, Dolj, for the supervision of the operations incurred by the meeting secretaries, according to art. 129 par. (3) of Law no. 31/1990 R, at the company's expense.

3. Electing the commission to count the votes expressed by the shareholders regarding the issues on the agenda of the Ordinary General Shareholder Meeting, including three members: Ms Negoită Costin Teodora, Ms. Bălan Viorica and Ms Țalea Mihaela, whose identification data are available at the company’s headquarters. The proposed persons are shareholders of S.I.F. Oltenia S.A.

4. The appointment of Deloitte Audit SRL as the external financial auditor of S.I.F. Oltenia S.A. for a period of 3 years to audit individual and consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) for the financial years 2022, 2023, 2024 and mandating the Board of Directors to enter the contract for financial audit services and to establish the conditions for carrying out the audit work, in compliance with all the legal provisions applicable to that activity.

5. The revocation of Decision no. 24 of the Ordinary General Shareholder Meeting of the company dated 12.10.2020, as communicated on 13.10.2020 on the company’s webpage on the Bucharest Stock Exchange by the current report no. 6152 / 13.10.2020.

6. Approval of the accounting records stating that dividends which were not collected for more than three years from the date when they were due, whose actionable rights are terminated by prescription, i.e. the dividends for the 2016 and 2017 financial exercises, recorded as unpaid as of 26.10.2021, shall be covered in 2021, in one of the two following options:

**Option I:** Approval of the accounting records stating that dividends which were not collected for more than three years from the date when they were due, whose actionable rights are terminated by prescription, i.e. the dividends for the 2016 and 2017 financial exercises, recorded as unpaid as of 26.10.2021, will be classified as “revenues” in the 2021 financial exercise.

**OR**

**Option II:** Approval of the accounting records stating that dividends which were not collected for more than three years from the date when they were due, whose actionable rights are terminated by prescription, i.e. the dividends for the 2016 and 2017 financial exercises, recorded as unpaid as of 26.10.2021, will be classified as “reserves” in the 2021 financial

exercise.

7. Approval of the date **09.11.2021 as the registration date (ex date 08.11.2021)** according to the legal provisions in force, for the determination of shareholders affected by the adopted decisions.

- On 20.10.2021, the OGSM of S.I.F. Oltenia S.A. took place upon the first call, at the Golden House Hotel of Craiova, where the items on the agenda were fully approved. As for item 6 on the agenda, where the shareholders had to choose between the two options subjected to the vote, they chose option II - “Approval of the accounting records stating that dividends which were not collected for more than three years from the date when they were due, whose actionable rights are terminated by prescription, i.e. the dividends for the 2016 and 2017 financial exercises, recorded as unpaid as of 26.10.2021, will be classified as “reserves” in the 2021 financial exercise”.

### **The impact of the COVID-19 pandemics on the Company’s activity**

The effects of the SARS-CoV-2 pandemics and the related uncertainties have had an impact on the company’s activity.

A range of actions to prevent the negative impact caused by the spread of SARS-Cov-2 have been taken on a global level, such as:

- adopting supporting measures both for the population and the business environment (for instance, limiting the liquidity crisis by implementing supporting mechanisms based on the award of governmental guarantees);
- relaxing the monetary policy by reducing monetary policy interest rates, buying financial assets and supplying liquidities.

On a local level, a range of actions supporting local economy were implemented, such as:

- reducing the monetary policy interest,
- supplying liquidity to the banks,
- purchasing government bonds in RON on the secondary market, etc.

In the following period, the capital market can be exposed to strong volatility as a consequence of political uncertainties on a both local and global level.

Political uncertainty and volatility of shares may have an impact on Romanian economy and, consequently, on the companies in the company’s portfolio.

The Company’s Board of Directors is aware that the evolution of SARS-Cov-2 could have an impact on the company’s future activities and carefully estimates the effect of the pandemic on the business environment and on the company’s future results. The company monitors the evolution of global and local events on a permanent basis and tries to find the best measures to ensure the continuity of the activity.

### **The impact on the operations and business continuity**

A range of actions were taken at the company’s level in order to limit the impact of COVID-19 on the activity of S.I.F. Oltenia S.A. Additional measures of hygiene and disinfection were implemented in order to protect employees and minimize risks, employees were tested on a regular basis, so as to ensure business continuity.

Information to shareholders and investors was provided on a normal basis and the company provided relevant information and events about the company via current reports, e-mail and updates of the company’s website.

Sorin – Iulian Cioacă  
President/General Manager

Mihai Trifu  
Vice-president/Deputy General Manager

Vlăduțoiaia Valentina  
Economic Manager