



SIF MUNTEANIA

SOCIEDATE DE INVESTITII FINANCIARE
ADMINISTRATA DE S.A.I. MUNTEANIA INVEST SA

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Financial Statements as at December 31, 2019

Preliminary and unaudited

SOCIETATEA DE INVESTITII FINANCIARE Autorizata prin Decizia CNVM 1513/15.07.1999, Inscrisa in Registrul A.S.F. cu nr. PJR09SIIR/400005/15.06.2006

Inregistrata in Registrul de Evidenta a Operatorilor de Date cu Caracter Personal cu nr. 26531

Capital social: 80.703.651,5 LEI, Inregistrata la ORC: J40/27499/1992, CUI: 3168735, Cont bancar: RO59BRDE450SV00951424500 B.R.D. - G.S.G.

Administrata de SAI MUNTEANIA INVEST SA, Autorizata prin Decizia C.N.V.M. nr. D 6924 / 17.07.1997, Reautorizata prin Decizia C.N.V.M. nr. 110 / 13.01.2004,

Inscrisa in Registrul A.S.F. cu nr. PJR05SIIR/400006/13.01.2004, Inscrisa la Registrul A.S.F. ca AFIA cu nr. PJR07.1AFIAI/400005/21.12.2017

SIF Muntenia S.A. (The "Company") presents the preliminary and unaudited financial statements as at December 31, 2019, prepared in accordance with FSA Rule no.39 / December 28, 2015 for the approval of the accounting regulations compliant with the International Financial Reporting Standards, applicable to the entities authorized, regulated and supervised by the Financial Supervisory Authority of the Financial, Sector of Instruments and Investments Sector with subsequent amendments and completions.

Total assets held by the Company as of December 31, 2019, amounting to 1,680,216,426 lei, increased by 24.9% compared to those recorded at the end of 2018, as a result of the increase in the fair value of some financial assets in the portfolio. As of December 31, 2019, financial assets hold the largest share of total assets, in proportion of over 96%, comprising mainly financial assets valued at fair value through profit or loss and financial assets at fair value through other comprehensive income.

Total liabilities held by the Company as of December 31, 2019, amounting to 106,190,192 lei, increased by 17.3% compared to those recorded at the end of 2018, mainly due to the increase in the deferred income tax related to the financial assets measured at fair value through other comprehensive income.

The **shareholders' equity** held by the Company as of December 31, 2019, amounting to 1,574,026,234 lei, increased by 25.4% compared to those recorded at the end of 2018 as a result of the increase of reserves from the revaluation of the financial assets at fair value through other comprehensive income and the increase in net profit.

Dividend income in the financial year ended December 31, 2019 was 52,419,044 lei, approximately 8% lower than in the previous year.

The gain from the revaluation of financial assets at fair value through profit or loss in the financial year ended December 31, 2019, amounting to 95,886,891 lei, was higher compared to the previous year due to the favorable evolution of the fair value of the financial assets recognized at fair value through profit or loss.

Administration expenses in the financial year ended December 31, 2019, amounting to 26,141,496 lei were higher compared to the previous year as a result of the registration of the performance commission due to the administrator according to the administration contract.

The **net profit** for the period was 111,913,700 lei, up from the previous year, mainly as a result of the favorable change in the fair value of the financial assets recognized at fair value through profit or loss.

Other items of the global result were 202,471,710 lei and include the changes in 2019 of the fair values related to the financial assets at the fair value through other comprehensive income, which are increasing compared to the previous year.

The unaudited preliminary financial statements may undergo changes depending on the events subsequent to the end of the financial year 2019 and the recommendations of the financial auditor.

Financial Statements as at December 31, 2019 preliminary and unaudited

Statement of profit and loss and other items of comprehensive result for the period ended as at 31 December 2019

<i>In LEI</i>	<i>Note</i>	2019	2018
Income			
Dividend income	6	52,419,044	56,969,732
Interest income	7	1,864,804	890,357
Other operational income		696,588	667,435
Gain on investment			
Net gain from foreign exchange differences		241,751	16,448
Net gain/ (Net loss) from revaluation of financial assets at fair value through profit and loss	8	95,896,891	(22,162,265)
Expenses			
Net income from reversal of adjustments for impairment of assets	9	127,576	13,180,505
Administrative expenses			
Management fees	23	(26,141,496)	(17,400,000)
Expenses with remuneration of the Shareholders Representatives Council and with staff salaries	23	(500,152)	(891,801)
Other operational expenses	10	(4,158,099)	(4,121,009)
Interest rate expenses related to the lease contract liability	15 ii)	(44,029)	-
Profit before tax		120,402,878	27,149,402
Profit tax	11	(8,489,178)	(4,350,019)
Net profit for the period		111,913,700	22,799,383

**Statement of profit and loss and other items of comprehensive result
(continued)**

for the period ended as at 31 December 2019

Other elements of comprehensive result

Elements that can not be classified into profit or loss

Revaluation at fair value of financial assets through other comprehensive result, net of deferred tax	200,840,858	48,409,891
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Reserve related to financial assets through other comprehensive result transferred to retained result	1,630,852	(41,678,200)
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Other elements of comprehensive result

202,471,710	6,731,691
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Total comprehensive result for the period

314,385,410	29,531,074
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Result per share

Basic	20	0.140	0.028
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Diluted	20	0.140	0.028
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ADMINISTRATOR,
SAI MUNTENIA INVEST S.A.
Nicușor Marian BUICĂ
General Director

PREPARED,
SAI MUNTENIA INVEST S.A.
Irina MIHALCEA
Chief Accountant

Statement of financial position
for the period ended as at 31 December 2019

<i>In LEI</i>	<i>Note</i>	31 December 2019	31 December 2018
Assets			
Cash and current accounts	12	2,288,570	1,079,966
Deposits at banks	13	48,830,657	29,381,709
Financial assets at fair value through profit or loss	14 a)	817,525,382	710,614,051
Financial assets at fair value through other items of comprehensive income	14 b)	798,621,743	585,329,963
Financial assets measured at amortized cost	14 c)	11,247,685	10,171,781
Other assets	15	1,702,389	9,100,213
Total assets		1,680,216,426	1,345,677,683
Liabilities			
Dividends to be paid	16	43,547,004	66,635,384
Deferred income tax liabilities	17	48,821,284	19,427,363
Other liabilities	18	13,821,904	4,461,325
Total liabilities		106,190,192	90,524,072
Shareholders equity			
Share capital	19 a)	80,703,652	80,703,652
Hyperinflation effect- IAS 29	19 a)	803,294,017	803,294,017
Own shares	19 f)	(16,345,504)	-
Retained Result		503,040,623	355,279,975
Reserves from revaluation of financial assets at fair value through other items of comprehensive income	19 b)	203,333,446	15,875,967
Total equity		1,574,026,234	1,255,153,611
Total liabilities and equity		1,680,216,426	1,345,677,683

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Statement of changes in equity
for the period ended as at 31 December 2019

<i>In LEI</i>	Share capital	Own shares	Reserves from revaluation of financial assets at fair value through other elements of comprehensive income	Retained earnings	Total
Balance as at 31 December 2018	883,997,669	-	15,875,967	355,279,975	1,255,153,611
Comprehensive income					
<i>Profit for the period</i>	-	-	-	111,913,700	111,913,700
<i>Other elements of comprehensive income</i>					-
Revaluation at fair value of financial assets at fair value through other comprehensive income, net of deferred tax	-	-	200,840,858	-	200,840,858
Reserve relating to financial assets at fair value through other elements of comprehensive income transferred to retained earnings	-	-	1,630,852	(1,630,852)	-
Transfer of the reserve related to the financial assets at fair value through other elements of the global result, in the result carried over as a result of obtaining control in the subsidiary ICPE SA	-	-	(15,014,231)	15,014,231	-
Total comprehensive income of the period	-	-	187,457,479	125,297,079	312,754,558
Transactions with the shareholders, recognised directly in equity					
Prescribed dividends	-	-	-	22,463,569	22,463,569
Dividends to be paid	-	-	-	-	-
Own shares redeemed	-	(16,345,504)	-	-	(16,345,504)
Total transactions with the shareholders, recognised directly in equity	-	(16,345,504)	-	22,463,569	6,118,065
Balance as at 31 December 2019	883,997,669	(16,345,504)	203,333,446	503,040,623	1,574,026,234

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Statement of changes in equity (continued)

for the period ended as at 31 December 2019

<i>In LEI</i>	Share capital	Own shares	Reserves from revaluation of financial assets at fair value through other elements of comprehensive income	(Accumulated Loss) / Retained earnings	Total
Balance ast at 31 December 2017	883,997,669	-	371,561,473	(50,931,247)	1,204,627,895
Comprehensive income					
<i>Profit for the financial period</i>	-	-	-	22,799,383	22,799,383
<i>Other elements of comprehensive income</i>					
Revaluation at fair value of financial assets at fair value through other comprehensive income, net of deferred tax	-	-	48,409,891	-	48,409,891
Reserve relating to financial assets at fair value through other elements of comprehensive income transferred to retained earnings	-	-	(41,678,200)	41,678,200	-
Transfer of reserve related to financial assets available for sale in retained earnings as a result of the adoption of IFRS 9, net of deferred tax	-	-	(362,417,197)	369,737,806	7,320,609
Total comprehensive income for the period	-	-	(355,685,506)	434,215,389	78,529,883
Transactions with the shareholders, recognised directly in equity					
Prescribed dividends	-	-	-	-	-
Dividends to be paid	-	-	-	(28,004,167)	(28,004,167)
Total transactions with the shareholders, recognised directly in equity	-	-	-	(28,004,167)	(28,004,167)
Balance as at 31 December 2019	883,997,669	-	15,875,967	355,279,975	1,255,153,611

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Statement of cash-flows
for the period ended as at 31 December 2019

<i>In LEI</i>	<i>Note</i>	31 December 2019	31 December 2018
Operating activities			
Profit before tax		120,402,878	27,149,402
<i>Adjustments:</i>			
Net income from the reversal of adjustments for the impairment of assets	9	(143,566)	(1,951,875)
Net gain on revaluation of financial assets at fair value through profit or loss	8	(43,469,197)	(2,433,153)
Dividend income	6	(51,952,699)	(51,759,913)
Interest income	7	(1,310,590)	(602,780)
Net gain from foreign exchange differences		(241,751)	(16,448)
Interest expense related to the lease contract liability	10	44,029	-
Other adjustments		142,026	55,479
Changes in assets and liabilities related to operating activities			
Changes in financial assets at fair value through profit or loss		13,614,302	6,405,183
Changes in financial assets at fair value through other items of comprehensive income		20,884,404	(12,580,591)
Changes in financial assets measured at amortized cost		(1,000,000)	(5,300,000)
Changes of other assets		5,855,852	(4,238,330)
Changes of other debts		(6,107,596)	(3,179,574)
Net investments from deposits with maturity over 3 months and less than one year	13	947,000	3,010,000
Dividends received		48,352,811	48,820,233
Interest received		1,334,430	550,996
Profit tax paid		-	(8,438,961)
Net cash resulted from operating activities		107,352,333	(4,510,332)
Investment activities			
Payments for purchases of tangible and intangible assets		(177)	(7,163)
Receipts from the sale of tangible assets		133,725	1,200
Net cash used in investment activities		133,548	(5,963)
Financing activities			
Dividends paid, including dividend tax paid		(1,361,399)	(15,815,227)
Payments related to the leasing contract liability, including interest	15ii	(142,717)	-
Redemption of own shares		(16,345,504)	-
Net cash used in financing activities		(17,849,620)	(15,815,227)
Net increase/decrease in cash and cash equivalents		4,853,785	1,333,595
Effect of exchange rate changes on cash and cash equivalents		(5,643)	(6,058)
Cash and cash equivalents on 1st January		20,401,928	19,074,391
Cash and cash equivalent as at 31 December		25,250,070	20,401,928

Statement of cash flows (continued)

for the period ended as at 31 December 2019

At 31 December cash and cash equivalents comprise

<i>In LEI</i>	<i>Note</i>	31 December 2019	31 December 2018
Cash in the petty cash	12	1,118	575
Current accounts in banks	12	2,287,452	1,079,391
Bank deposits with less than three months initial maturity	13	22,961,500	19,321,962
Cash and cash equivalents		25,250,070	20,401,928

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