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Current Report according to: Law 24/2017, ASF Regulation 5/2018,
BSE Market Operator Code
Report date: August 13, 2018
Regulated market on which the issued securities are traded:
Bucharest Stock Exchange, Premium Category

**To: BUCHAREST STOCK EXCHANGE
FINANCIAL SUPERVISION AUTHORITY
Financial Instruments and Investments Sector**

Important Event: *Availability of H1 2018 Board Report and Financial Statements*

1. Summary of the H1 2018 Board Report

The H1 2018 results registered by SIF Moldova and the objectives of the coming period, are in line with the “2018 Activity Program” and the multiannual strategies approved by the General Meetings of Shareholders.

Portfolio Structure

The listed shares portfolio (CORE) holds the main weight of 72.1% of total assets under management, while the weight of unlisted shares is 9.2%, based on the investment policy reorientation. The financial and energy sectors were maintained, with 40.4% namely 18.1% reported to total assets value, as the main structure in the portfolio. The restructuring process for the SELL portfolio has been continued, with the reduction of 8 holdings compared to the H1 2017, through full sale, in parallel with the increase of exposure per issuer, especially in the CORE portfolio, with positive effects on the performance of the entire portfolio.

Financial Performance

The net result registered on June 30, 2018 is 72 million lei, comprised of the net profit (54 million lei) and the net gain from assets sale, reflected in reported result (18 million lei) – in compliance with the accounting approach imposed by the implementation of IFRS 9. The net profit foreseen in the Budget for 2018 has been achieved up to 104%.

Securities investments were of 103 million lei, representing 86% of the 2018 target.

The total value of assets under management reached 2,016 million lei, an increase of 10% in comparison to H1 2017. The net asset value per share (NAV per share) of 1.84 lei in H1 2018, registered an increase of 10% in comparison to H1 2017, while the price of SIF2 share has reached a value of 1.38 lei, an increase of 44% in comparison to H1 2017. These evolutions have led to the reduction of SIF2/NAV price discount from 42% in H1 2017 to 25 % in H1 2018.

Investment process – is run on the coordinates of the strategy defined for the assets portfolios, namely:

- ✓ *Increase* for the Majority Holdings portfolio – “private equity” type approach within existent majority holdings (real estate, agriculture, other sectors);
- ✓ *Recalibration* for the CORE portfolio – listed portfolio that provides liquidity to SIF Moldova assets which represents the main income generator;
- ✓ *Restructure* for the SELL portfolio – continuing to sell from the historical portfolio.

We underline the significant evolutions in the development of the main projects initiated and run through the subsidiaries of SIF Moldova Group:

- ✓ *“Baba Novac Residence” real estate project* developed by Tesatoriile Reunite SA Bucuresti – the building of the residential complex comprised of 6 blocks with 363 apartments and 436 parking spaces (above and underground) is running according to the schedule. The selling rate is above that initially forecasted, so that on June 30, 2018 a percentage of 70% of the total number of apartments were contracted or had promises signed.
- ✓ *“Blueberry Farm” project developed by Agroitens SA* – the project for the expansion of cultivated areas to 58 ha is under implementation
- ✓ *“Veranda Mall” project (indirect holding through Professional Imo Partners SA and Nord SA)* – There is a new stage in the development of the project by expanding the shopping center with about 6,300 sqm by building a multiplex cinema and increasing the gallery's surface.
- ✓ *“Atria Resort” Real estate project* – a new project, developed through the company Straulesti Lac Alfa SA. The projects target the building of 1,400 apartments, in stages, on a land area of about 9 ha, located in the north-western area of Bucharest municipality. The architecture of the apartments, the relaxation areas, the proximity to Colosseum Retail Park, public transport and easy access to Piata Victoriei and the northern area of the capital, together with the omnipresence and proximity of Colentina river are the strongpoints of this project, that aims to be the “showcase” of a new long-term urban life. The total investment of SIF Moldova, in stages, will be of € 8.3 million, of which € 6.3 million were invested to date. The financing of the project is provided with both own capital and bank loan, the estimated value of the project is over € 100 million.
- ✓ *“Hotel Sport” project* – there are huge delays in the running of the project because of the trials between Cluj-Napoca Town Hall and Cluj Prefecture regarding the procedure for the modification of the general urban plan, and the re-classification of some land lot. We are analyzing an exit possibility.

2. H1 2018 Board Report availability

In compliance with the 2018 financial communication calendar, we hereby inform the investors that starting with August 13, 2018, at 18:30 hours, it will be made available:

- ✓ *“H1 2018 SIF Moldova Board Report”* drafted in compliance with the Law 24/2017, Regulation 5/2018 and Norm 39/2015;
- ✓ *“Special purpose financial information for the six-month period ended June 30, 2018, unaudited”*

([www.sifm.ro/Regular reports/2018](http://www.sifm.ro/Regular%20reports/2018)).

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CEO

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