

TOPIC 6 ON THE OGM AGENDA

Informative material on SIF Banat-Crişana's decision for not bringing civil action in the criminal proceedings of criminal file no. 2218/D/P/2018.

The criminal case file no. 2218/D/P/2018, referred to in the request for amending the Agenda of the OGM convened for June 20 (21), 2019 is a criminal case file disjoined from the initial criminal case file no. 83/D/P/2014. In this criminal file, SIF Banat-Crişana had the capacity of injured party, which is obtained, according to the criminal law, without any manifestation of will by the injured party.

Within the criminal file no. 83/D/P/2014, DIICOT (The Directorate for Investigating Organized Crime and Terrorism) communicated to SIF Banat-Crişana a letter informing the Company on its procedural right to bring civil action in this case file, requesting to communicate to the criminal prosecution body if the company is to bring civil action in the aforementioned case file.

As communicated to the criminal investigative body, considering that the persons in the executive management of SIF Banat-Crişana at that time had nothing to do with the investment decisions DIICOT was referring to, the Company decided to contract the services of an independent auditor, the Big Four - "PricewaterhouseCoopers" & "SCA David și Baias" - to carry out a specific analysis of all the relevant issues in the case, related to the conclusion by the Company of the transaction concerning Azuga Turism SA.

The project was coordinated by a team of attorneys from "SCA David și Baias", on the legal facets of the transaction, and on the financial issues by the financial advisers at PricewaterhouseCoopers. The forensic team of the independent auditor analysed the transactions with Azuga Turism shares for 11 months and had access to all requested documents. The independent auditor made a detailed analysis of both the acquisition of the stake and the subscription by SIF Banat-Crişana of newly issued shares in the share capital increase of Azuga Turism SA.

Regarding the acquisition of 96.8% of the share capital of Azuga Turism SA by SIF Banat-Crişana, were analysed the values estimated in the evaluation of Azuga Tourism by SIF Banat-Crişana and by the experts appointed in the criminal case appointed by the criminal bodies, respectively by the parties to this file. The auditor's report stated that, given that the two key elements (expected EBITDA and investment level considered for a new installation with a certain date of construction) are not presented and justified by the valuation carried out by the expert appointed in the criminal case, cannot conclude that the transaction, based on the estimated value in the investment study carried out by SIF Banat-Crişana, would have led to injury.

Regarding the participation of SIF Banat-Crişana in the share capital increase of Azuga Turism SA, the auditor's report concluded that the subscription of the shares was made at nominal value under favourable conditions, the price per share being much lower than the market / investment values estimated by the valuation experts.

In the absence of identifying an injury in SIF Banat-Crişana's patrimony as a consequence of the acquisition of Azuga Turism shares, according to the conclusions of the external auditor and the extensive discussions held at the meeting on February 27, 2017, SIF Banat-Crişana's Board of Directors decided that SIF Banat-Crişana would not bring civil action in the criminal case file no. 83/D/P/2014, as the conditions required by the criminal procedural law to bring civil action were not met.

Bogdan-Alexandru DRĂGOI

Chairman of the Board of Directors