

TOPIC 9 ON THE OGM AGENDA

Presentation by the Board of Directors of SIF Banat-Crișana of a complete report to the shareholders of the company regarding the sale transactions of companies / shares / fixed assets sold by the companies in which SIF Banat-Crișana S.A. holds the majority stake (SIF Hoteluri SA, SIF Imobiliare PLC and Administrare Imobiliare SA) executed during 2017 - 30.04.2019 (acquisition cost + possible share capital increases, + credits in the balance; sale value, profit / loss, methods of payment of the price).

SIF Hoteluri SA and SIF Imobiliare PLC are issuers listed on the Bucharest Stock Exchange on the regulated market and on the alternative system AeRO, on which they fulfil their reporting and transparency obligations regulated by the capital market legislation.

Therefore, both SIF Hoteluri (market symbol CAOR) and SIF Imobiliare Plc (market symbol SIFI) have informed (periodically and continuously) the shareholders and investors about the activity carried out through the published reports (e.g. current reports, annual reports, half-yearly reports and quarterly reports - for SIF Hoteluri SA), with the content and within the terms provided by the capital market legislation.

Regulated information to be presented to shareholders and investors was made public by both SIF Hoteluri SA and SIF Imobiliare PLC since the time of their listing.

Taking into consideration the requests from the group of shareholders on *“Sale transactions of companies / stakes / fixed assets carried out by the companies in which SIF Banat-Crișana holds the majority shareholding in the period 2017-30.04.2019”*, they are presented in the following table:

	Sale transactions during 2017 - 30.04.2019 by:			Observations
	Companies	Stakes	Fixed assets	
SIF Hoteluri SA	-	-	RON 14,938	Value resulting from the sale of two fully depreciated automobiles. Sale price is the total profit.
SIF Imobiliare Plc	EUR 15,603,026	-	-	Sale of stake of 50% held in SIFI TM Agro + receivables held against it - transaction presented in this material.
Administrare Imobiliare SA	-	-	RON 29,013	Amount resulting from the sale of a partially depreciated fixed asset. Recorded loss of RON 5,513

SIF IMOBILIARE PLC

SIF Banat-Crișana, as a majority shareholder, showed transparency regarding the ongoing activity, informing shareholders continuously in the periodical / current reports and activity programs regarding the investment objectives and the portfolio management.

The Operational Program for 2013, approved by the General Meeting of Shareholders held on April 24, 2013, aimed to establish centralized management structures for companies in which SIF Banat-Crișana held majority stakes, depending on the nature of their activities, in order to increase the efficiency of their activity, the implementation of unitary management techniques,

the adoption of measures to rationalize resource use and cost optimization, the coordination of major investment processes, the increase in attractiveness and sales value, and their shares to be listed on the Bucharest Stock Exchange.

In this context, the activity program for 2013 included the objective of setting up a holding company (SIF Imobiliare) in order to obtain optimal structures for increasing the value of the managed assets, the profitability and the return on the capital invested in these companies (<http://www.sif1.ro/wp-content/en/periodical-reports/2012/2013-operation-plan.pdf>).

In the 2013 Annual Report, the Investment Activity section presents the establishment of SIF Imobiliare Plc, including the motivation to set up the holding in Cyprus. (<http://www.sif1.ro/wp-content/en/gms/2014/2013-BoD-Report.pdf>)

During 2014 - 2018 SIF Banat-Crişana presented to the shareholders, in the annual reports, the activity of SIF Imobiliare Plc - a company included in the "Top 10 companies" in the portfolio managed by SIF Banat-Crişana.

A synthesis is presented below:

SIF Imobiliare PLC ("SIFI") was established by the incorporation of 18 real estate companies from its own portfolio on 18.07.2013 in Nicosia, Cyprus, under the name of SIF Imobiliare Limited, having the registration number HE323682. Company Headquarters - Karpenisiou, 30, 1077 Nicosia, Cyprus. The value of the 18 companies was of 22,537,928 euros (1,000,000 euros capital and 21,537,928 euro share premium), calculated according to the provisions of CNVM Measures no. 23/2012 in force at that time.

The companies that were included in the capital of SIF Imobiliare PLC by the majority shareholder, SIF Banat-Crişana, are: Agrorent SA Arad, Comalim SA Arad (MALI), Administrare Imobiliare SA Bucharest, Legume Fructe SA Oradea (LEOR), Vest Metal SA Oradea, Arta Culinară SA Cluj Napoca (ARCU), Bistrita SA Cluj-Napoca, Comat Cluj SA Cluj-Napoca (CACU), Comcereal Cluj SA Turda (COCL), Complex Laboratoare SA Cluj-Napoca, Napotex SA Cluj-Napoca (NTEX) Agmonia SA Oţelu-Roşu, Central SA Petroşani, Cora SA Hunedoara, M.C.B. SA Baia Mare, Soiza SA Sighetu Marmăţiei, Unitech SA Timişoara (UNIT) and Urban SA Lugoj.

The decision to set up the company in Cyprus was based on the non-existence of a law governing the holding business in Romania and a study conducted specifically for this project by a renowned consultant on the selection of a favourable jurisdiction for the holding.

In order to meet the requirements for listing on the BSE - the Alternative Trading System, the company was transformed into the Public Limited Company in early September 2013. By the current report no. 3649 / 10.09.2013 (<http://www.sif1.ro/wp-content/en/current-reports/2013/09-10-2013-sif-imobiliare-plc.pdf>), SIF Banat-Crişana announces the investors about the establishment of SIF Imobiliare Plc and the availability of the presentation document (<http://www.sif1.ro/wp-content/rapoarte-curente/2013/prezentare-sif-imobiliare-update.pdf>).

By means of a communiqué dated December 20, 2013, SIF Banat-Crişana informs the investors on the admission to trading of the shares of SIF Imobiliare Plc at the Bucharest Stock Exchange - section CAN-ATS (<http://www.sif1.ro/wp-content/en/current-reports/2013/12-20-2013-sifi.pdf>)

Progress of share capital

The initial share capital (full in-kind contribution) of SIF Imobiliare was of EUR 1,000,000 (subscribed and paid-up capital), divided into 1,000,000 ordinary shares, the difference of 21,537,928 euro representing issue premiums.

On 28.08.2013, the shareholders of SIF Imobiliare decided to increase the share capital by issuing 500,000 ordinary shares, issue price 20 euro of which 1 euro nominal value and 19 euro

premium. As a result of this increase, the new share capital amounts to EUR 1,500,000, the issue premiums amounting to 31,037,928 euros.

At the same General Meeting on 28.08.2013, the shareholders approve the trading of the company's shares on the ATS system of the Bucharest Stock Exchange. Starting 23.12.2013, the company is traded under the SIFI symbol, with the ISIN code: CY0104062217.

To support various investment projects in the field of agriculture, on February 10, 2016, the Extraordinary General Meeting of Shareholders of SIF Imobiliare Plc approves the increase of the share capital with the amount of EUR 3,000,000. At the end of the subscription period, it was ascertained that a number of 2,999,974 shares, respectively a share capital of EUR 2,999,974, were subscribed by SIF Banat-Crișana ¹.

Following this operation, the share capital of SIF Imobiliare PLC amounts to 4,999,974 euros divided into 4,999,974 shares with a nominal value of 1 euro. The stake held by SIF Banat-Crișana consists of 4,999,961 shares, representing 99.9997% of the share capital of SIFI, the remaining 13 shares being held by both natural persons and legal entities.

In the half-yearly report as at June 30, 2016, SIF Banat-Crișana informed the investors on the participation in the share capital increase of SIF Imobiliare PLC. (<http://www.sif1.ro/wp-content/en/periodical-reports/2016/H1-2016/H1-2016-report.pdf>).

Business activity

The main activity of SIF Imobiliare Plc is: financial services in the field of real estate, such as investments, investment management, investment advice; the purchase of controlling stakes or other holdings in the capital of legal persons and providing financial, managerial and administrative advice, services and assistance to legal entities.

Activity carried out by SIF Imobiliare Plc²

SIF Imobiliare PLC aims at maximizing the performance of the portfolio to increase the value of the managed assets and to ensure higher returns on the invested capital. Thus, the Company aims to efficiently manage a portfolio of assets - in the industrial, retail and agricultural segment, to increase the value for shareholders and obtain high returns on the invested capital.

SIF Imobiliare Plc, for each of its shareholdings, seeks to capitalize on aggregate return, generated by dividend gains and capital gains.

In the year 2014, as part of its activity, SIF Imobiliare Plc participated in the creation of three new trading companies: two companies with the object of renting commercial premises - SIFI B One SA (99.9 %) and SIFI BH Retail SA (99.9%) and one in the agricultural sector - SIFI Tm Agro (50%).

An analysis of business opportunities has been carried out, to improve the overall performance of the SIFI portfolio, to rationalize and review business processes in the companies within the group, to increase their efficiency, increase profit margins, reduce costs and improve service quality.

In 2015 the activity of SIF Imobiliare Plc companies was optimized, by reorganizing the management and the activities, by implementing at the level of the companies an integrated group planning system, in order to ensure the transparency of the data and optimize the decision making process for the improvement of the yield and business efficiency.

A cost-optimization process has been designed and initiated at the group level in order to ensure the centralization of transactions for the approval of the acquisition and payment requirements respectively.

¹ Current report issued by SIFI on 20.04.2016 regarding the closing of the subscription period for the share capital increase

² Source: Standalone/Consolidated Annual Reports of SIF Banat-Crișana from 2014-2018.

Also, a unitary financial reporting system, customer reports, debt monitoring reports, budget reports, etc. have been implemented, and the development of a system of calculating profit rates and return on capital, which will help to substantiate some models of profitability and investment risk analysis, their efficiency, cost-benefit analysis, distribution of performance indicators - profitability and profitability, sensitivity, scenarios, stress-testing, etc. Some guidelines have been initiated at SIFI Group level, containing business concepts and processes, legal and economic methods, capable of providing basic principles on the management of real estate owned by the affiliated entities.

In 2016, SIF Imobiliare Plc increased its share capital by 2.99 million euros through the shareholders' cash contribution for the development of the activity with investments in the agricultural field. Also that year, SIF Imobiliare Plc participated in the establishment of a new trading company that entered its portfolio: SIFI Properties (99.9%) having as object real estate development (promotion) (CAEN code 4110).

In the same year, the portfolio restructuring process continued with the start of two merger projects, namely SIFI B One (absorber), to merge with SIFI CS Retail SA, Urban SA and Agrorent SA as absorbed companies and the second project Cora SA (absorbent) Fusion Project with Central SA (absorbed).

In 2017, the two merger projects mentioned above were completed.

In 2018, business opportunity analysis continued to improve the performance of SIF Imobiliare Plc's global portfolio as well as rationalize and revise affiliate operational processes in order to increase their efficiency and achieve a quantitative leap on performance measures, such as return on investment, cost savings and improved service quality.

As regards the transactions with the SIFI securities at the price of 220 lei / share, that the shareholders group mention:

Observing the transactions on the BVB/BSE with SIFI shares - repeatedly performed at intervals of several months, with a very small number of shares (1 or 3 shares) and very high price variations that lead to overvaluation of SIF Imobiliare PLC in the SIF Banat-Crişana assets, it is obvious that these transactions have the ability to give false signals to the market, and there is the risk of misleading both the investors in the shares of SIFI and the investors in the shares issued by SIF Banat-Crişana.

SIF Banat-Crişana informed the shareholders/investors on the large variations of the value of stake held SIF Imobiliare Plc in the net asset, including at the end of Annex 16 reported in the market (published on the BVB website and on SIF Banat-Crişana site) an explanatory note on the impact of the value changes and the the determinants of these variations at the respective moments:

- December 2017 (http://www.bvb.ro/infocont/infocont18/SIF1_20180115131407_anc16-12-17-eng.pdf)
- March 2018 (http://www.bvb.ro/infocont/infocont18/SIF1_20180413191025_anc16-03-2018-eng.pdf)
- September 2018 (http://www.bvb.ro/infocont/infocont18/SIF1_20181015103316_anc16-09-2018-eng.pdf)
- April 2019 (http://www.bvb.ro/infocont/infocont19/SIF1_20190515114700_anc16-04-2019-eng.pdf)

Note that during the period 2017 - April 2019, SIF Banat-Crişana or other persons affiliated with SIF Imobiliare Plc or SIF Banat-Crişana did not carry out transactions with SIF Imobiliare Plc shares (market symbol SIFI).

Even in the absence of a liquid market for SIFI shares, we consider that lately transactions in the market cannot be usually and reasonably considered to have a legitimate commercial justification, which is why **SIF Banat-Crişana by letter no. 1112 of May 28, 2019, requested**

the Financial Supervisory Authority to analyse the transactions with SIFI securities and in view of possible violations of Art. 120 of Law 24/2017 on Issuers and Market Operations and Art. 12 of EU Regulation 596/2014 on Market Abuse.

Sale of SIFI TM Agro

In February 2019, SIFI Plc reported in the market the sale of its stake in SIFI TM Agro and receivables against it at the price of EUR 15.6 million (http://www.bvb.ro/info/Raportari/SIFI/SIFI-RC_14022019_ro_en.pdf) the transaction being finalized and the value of the contract cashed-in in full at the end of April 2019 (http://www.bvb.ro/info/Raportari/SIFI/SIFI-RC_240319_ro_en.pdf).

Without questioning the professionalism of the group of shareholders, regarding the analysis of this transaction, we make the following points:

- There is a major difference between the total value of a company's assets and the value of the company (for shareholders), and these two notions cannot be confused as the group of shareholders is trying to imply. The value of a company's assets is the value of all the assets owned by a company that contribute to the company's business, and the value of the company (shareholders value) is the net asset value (calculated as the total value of the entity's assets less the total value of its liabilities).
- The exit from SIFI TM Agro's shareholding consisted in the sale of the stake held (18,000 shares) and not the 50% from the total value of the company's assets;
- SIFI TM Agro is a holding of SIF Imobiliare Plc (holding company).
- SIFI Tm Agro's equity valuation (shareholder value), both in 2017 and 2018, was performed by an authorised ANEVAR Valuer, on asset-based approach, calculating the Net Asset Value of the company;
- ANEVAR valuation standards provide in SEV 200 that the value of some holding companies can be obtained through a sum of assets and liabilities and it is called the net asset approach, this approach being used in the evaluation of SIFI TM Agro. This approach is also used when there is adequate market value information on company's assets;
- ANEVAR Guide GEV 600 stipulates that in applying the asset approach, the balance sheet prepared in accordance with the accounting policies adopted by the enterprise is adjusted to reflect all tangible, intangible and financial assets and all liabilities at their market value or another appropriate value;
- In the calculation of the net assets value of SIFI TM Agro, the valuations of fixed assets made by external ANEVAR valuers and the debts recorded in the accounting, plus the interest due, were used;
- According to SIFI TM Agro's financial statements as at 31.12.2018, the net asset value (total assets minus total liabilities) was of RON 48.32 million, or EUR 10.18 million, of which SIF Imobiliare Plc would have been entitled to 50% of this value, i.e. EUR 5.09 million, plus the amount of the granted loan and related interest (EUR 9.6 million), resulting in a value of EUR 14.69 million.
- The value received by SIF Imobiliare Plc as a result of the sale of SIFI TM Agro - of EUR 15.6 million - is higher than the calculations in the previous paragraph (by EUR 0.81 million), which contradicts the conclusion of the supporting material of the shareholders group which **mistakenly equals the value of the company with the value of its total assets.**

SIF Imobiliare Plc sold the stake held in SIFI TM Agro for the amount of EUR 15,603,026, totally collected on 23.04.2019 (http://www.bvb.ro/info/Raportari/SIFI/SIFI-RC_240319_en_en.pdf) representing:

- 1) the full value of the loans granted, with the related interest in the balance at the date of the transaction, in the amount of 9,603,026 euros;
- 2) the value of the 18,000 shares held by SIF Imobiliare Plc in SIFI TM Agro for the amount of EUR 6,000,000.

In conclusion:

SIF Imobiliare Plc has invested in SIFI TM Agro a contribution to the share capital of RON 45,000 (equivalent of EUR 10,854 at the date of contribution) and granted loans, totalling with the related interest in the balance at the transaction date, the amount of EUR 9,603,026, and has received from the transaction EUR 15,603,026, resulting in a gain of 5,989,146 euros, respectively 62.30%.

ADMINISTRARE IMOBILIARE SA

SIF Banat-Crişana presented the company Administrare Imobiliare SA, which is in the SIF Banat-Crişana' consolidation perimeter, in the consolidated half-yearly report 2018 (<http://www.sif1.ro/wp-content/en/periodical-reports/2018/H1-2018-c/Consolidated-Report-S1-2018.pdf>) and the annual consolidated report for 2018 (<http://www.sif1.ro/wp-content/en/periodical-reports/2018/A-2018/Consolidated-Report-2018.pdf>).

Administrare Imobiliare SA was established in 2007 under the name of "Dacia Meridian Expres" with a portfolio of assets with which SIF Banat-Crişana withdrew its contribution from various trading companies from the counties of Arad and Bihor, namely: Aris SA Arad (in 2007), Amet SA Arad (in 2012) and Argus SA Salonta (in 2010).

In 2013, the company changed its corporate name to Administrare Imobiliare SA and moved its headquarters to Bucharest and the company is incorporated into the holding SIF Imobiliare Plc, which holds a stake of 98.9% of Administrare Imobiliare SA ("AISA").

The main activity of AISA is the business and management consulting activity, providing investment management services to all SIFI group companies: investment management, investment opportunities consultancy, management consultancy services and administrative.

According to the Articles of Incorporation, besides the main object of activity, AISA may carry out other secondary activities as follows: 4110 Real estate development (promotion), 6810 Purchase and sale of own real estate, 6820 - Renting and sub-leasing of own or rented real estate.

In December 2018, due to the emergence of several investment opportunities in the real estate sector, there is a capital increase of AISA, with a cash contribution, for capitalizing the company and attracting financing sources to capitalize on opportunities in the real estate market. SIF Banat-Crişana is co-opted in the share capital of the company, the cash contribution being of RON 40.12 million. Following this operation, SIF Banat-Crişana becomes a shareholder with a stake of 97.4% in the share capital of AISA, while the stake of SIF Imobiliare Plc decreases to 2.6%³

The investment projects (amounting to RON 44.5 million) considered by AISA at the time of the share capital increase are in progress. Information on these projects have the protection specific to commercial secrets and will be made public as they will be executed.

³ Annual standalone / consolidated report 2018 of SIF Banat-Crişana

AISA, as a manager of companies in "SIFI" Group, provides investment-related services but is not an investment entity according to IFRS10, therefore AISA enters SIF Banat-Crișana's consolidation perimeter.

The equity valuation of AISA (shareholder value), the fair value recorded by SIF Banat-Crișana, is measured by applying the asset approach, calculating the Net Asset according to the methodology provided in the ANEVAR Evaluation Standards. The fair value of AISA assets is determined annually by an external evaluator (authorized by ANEVAR) as per the valuation standards.

Bogdan-Alexandru DRĂGOI

Chairman of the Board of Directors