

**SIF IMOBILIARE PLC**  
**REPORT AND CONSOLIDATED FINANCIAL**  
**STATEMENTS**  
Year ended 31 December 2019

# SIF IMOBILIARE PLC

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## REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2019

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# **SIF IMOBILIARE PLC**

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## **BOARD OF DIRECTORS AND OTHER OFFICERS**

<b>Board of Directors:</b>	Administrare Imobiliare SA Chrystalia Mina Androulla Siaxiate
<b>Company Secretary:</b>	Romanos Secretarial Limited 30 Karpenisiou Street CY-1077, Nicosia, Cyprus
<b>Independent Auditors:</b>	Evoserve Auditors Limited Certified Public Accountants and Registered Auditors Andrea Papakosta 7, 1037 P.O. Box 21550
<b>Registered office:</b>	30 Karpenisiou Street CY-1077, Nicosia, Cyprus
<b>Registration number:</b>	HE323682

# SIF IMOBILIARE PLC

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## MANAGEMENT REPORT

The Board of Directors presents its report and audited consolidated financial statements of SIF Imobiliare PLC ("the Company") and its subsidiaries (together the "Group") for the year ended 31 December 2019.

### **Principal activities and nature of operations of the Group**

The principal activities of the Group, which are unchanged from last year, is the ownership, exploitation, management and trading of real estate property located in Romania.

The consolidated results of the Group for the year ended 31 December 2019 include the subsidiary companies of the Company that are property owners, all incorporated in Romania, that is:

1. COMALIM SA
2. SIFI BH EST SA
3. SIFI CLUJ RETAIL SA
4. SIFI CJ LOGISTIC SA
5. SIFI CJ AGRO SA
6. SIFI CJ STORAGE SA
7. UNITEH SA
8. SIFI BH IND VEST SA
9. BISTRITA CLUJ SA
10. SIFI CJ OFFICE SA
11. CORA SA
12. SIFI BAIA MARE SA
13. SIFI SIGHET SA
14. SIFI B ONE SA
15. SIFI BH RETAIL SA
16. SIFI PROPERTIES SA

Out of 16 subsidiary companies mentioned above, 5 are currently listed on Bucharest Stock Exchange on Bucharest Stock Exchange's AeRO market: Comalim SA, SIFI Cluj Retail SA, SIFI CJ Logistic SA, SIFI CJ Storage SA and Unitech SA.

### **Review of current position, future developments and performance of the Group's business**

The Group's development to date, financial results and position as presented in the consolidated financial statements are considered satisfactory.

### **Results**

The Group's results for the year are set out on page 9.

### **Dividends**

The Board of Directors does not recommend the payment of a dividend and the net profit for the year is retained.

### **Share capital**

There were no changes in the share capital of the Company during the year under review.

### **Board of Directors**

The members of the Group's Board of Directors as at 31 December 2019 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2019.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

### **Events after the reporting period**

Any significant events that occurred after the end of the reporting period are described in note 27 to the consolidated financial statements.

# SIF IMOBILIARE PLC

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## MANAGEMENT REPORT

### **Independent Auditors**

The Independent Auditors, Evoserve Auditors Limited, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,



Administratore Immobiliare SA  
Director

Nicosia, 8 April 2020

## **Independent Auditor's Report**

### **To the Members of SIF Immobiliare PLC**

#### **Report on the Audit of the Consolidated Financial Statements**

##### **Opinion**

We have audited the consolidated financial statements of SIF Immobiliare PLC (the "Company") and its subsidiaries (together with the Company, the "Group"), which are presented in pages 9 to 29 which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

##### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Independent Auditor's Report (continued)

### To the Members of SIF Imobiliare PLC

Key audit matter	How our audit addressed the key audit matter
<i>Valuation of investment properties (refer to Note 14 to the Financial Statements)</i>	
<p>The Group holds investment properties at the total value of Euro 41,095,097 as at 31 December 2019 which represents approximately 51,15% of the total assets of the Group. The Group's investment properties are held to earn rentals and are located in Romania.</p> <p>The fair value of investment property is determined by using valuation techniques. The Management uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. Indicators of the assessment of the fair value of the investment properties include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability, which may indicate that the carrying amount of an asset is not recoverable. In addition, management obtains valuation reports for the investment properties held from external independent valuers.</p> <p>The investment properties are stated at its fair value at the reporting date and we consider the valuation of the investment properties as a key audit matter due to their significance on the consolidated statement of financial position and because the determination of the fair values involves significant judgment and estimation.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>- Obtained and inspected the valuation reports prepared by the external property valuer engaged by the Group</li> <li>- Evaluated the independent external valuer competence, capabilities and objectivity</li> <li>- Evaluated the valuation methodology used by the external property valuer based on our knowledge of other property valuers for similar types of properties</li> </ul> <p>Based on the results of our audit procedures we have obtained reasonable assurance in regard to the valuation of the investment properties.</p>

#### Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the management report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

## **Independent Auditor's Report (continued)**

### **To the Members of SIF Immobiliare PLC**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of the Board of Directors for the Consolidated Financial Statements**

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the Board of Directors, we determine those matters were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal Requirements**

Pursuant to the additional requirements of the Auditors Laws of 2017, we report the following:

- In our opinion, the management report, has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the consolidated financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the management report.

**Other Matter**

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Laws of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

The engagement partner on the audit resulting in this independent auditor's report is Constantinos Montis.

*C. Montis*

Constantinos Montis, BSc ACA  
Certified Public Accountant and Registered Auditor  
for and on behalf of  
**Evoserve Auditors Limited**  
**Certified Public Accountants and Registered Auditors**

Nicosia, 8 April 2020

## SIF IMOBILIARE PLC

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2019

	Note	2019 €	2018 €
<b>Revenue</b>			
Fair value gain on investment property	6	6,284,759	7,517,090
General and administration expenses	7	544,338	6,664,217
		<u>(8,162,892)</u>	<u>(4,911,628)</u>
<b>Gross (loss)/profit</b>		<b>(1,333,795)</b>	9,269,679
Other operating income	8	6,449,942	995,137
Other expenses	9	-	(447,148)
<b>Operating profit</b>		<b>5,116,147</b>	9,817,668
Finance income	11	636,153	765,921
Finance costs	11	(1,135,159)	(547,164)
<b>Profit before tax</b>		<b>4,617,141</b>	10,036,425
Tax	12	(1,335,429)	(541,320)
<b>Net profit for the year</b>		<b>3,281,712</b>	9,495,105
<b>Other comprehensive income</b>			
Other comprehensive income for the year		<u>(13,042,844)</u>	7,628,043
<b>Other comprehensive income for the year</b>		<b>(13,042,844)</b>	7,628,043
<b>Total comprehensive income for the year</b>		<b>(9,761,132)</b>	17,123,148
Net profit for the year attributable to:			
Equity holders of the parent		3,096,976	8,413,305
Non-controlling interests		<u>184,736</u>	<u>1,081,799</u>
		<b>3,281,712</b>	9,495,104
Equity holders of the parent		<u>(8,926,106)</u>	15,172,256
Non-controlling interests		<u>(835,026)</u>	<u>1,950,892</u>
		<b>(9,761,132)</b>	17,123,148

The notes on pages 14 to 29 form an integral part of these consolidated financial statements.

# SIF IMOBILIARE PLC

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION 31 December 2019

ASSETS	Note	2019 €	2018 €
<b>Non-current assets</b>			
Property, plant and equipment	13	371,974	17,865,788
Investment properties	14	41,095,097	55,768,223
Intangible assets		<u>5,486</u>	<u>24,853</u>
		<u>41,472,557</u>	<u>73,658,864</u>
<b>Current assets</b>			
Inventories	16	63,741	75,115
Trade and other receivables	17	18,509,911	4,228,215
Loans receivable	15	2,383,613	-
Financial assets at fair value through profit or loss	18	4,725,927	2,160,611
Cash and cash equivalents	19	<u>13,189,342</u>	<u>19,732,815</u>
		<u>38,872,534</u>	<u>26,196,756</u>
<b>Total assets</b>		<u>80,345,091</u>	<u>99,855,620</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	20	4,499,974	4,499,974
Share premium		31,037,928	31,037,928
Other reserves		3,213,329	5,743,630
Retained earnings		<u>28,854,882</u>	<u>34,007,938</u>
		67,606,113	75,289,470
Non-controlling interests		<u>1,653,765</u>	<u>4,854,410</u>
<b>Total equity</b>		<u>69,259,878</u>	<u>80,143,880</u>
<b>Non-current liabilities</b>			
Borrowings	21	4,316,550	11,218,716
Deferred tax liabilities	22	<u>4,919,960</u>	<u>5,481,474</u>
		<u>9,236,510</u>	<u>16,700,190</u>
<b>Current liabilities</b>			
Trade and other payables	23	1,561,224	2,431,031
Borrowings	21	<u>287,479</u>	<u>580,519</u>
		<u>1,848,703</u>	<u>3,011,550</u>
<b>Total liabilities</b>		<u>11,085,213</u>	<u>19,711,740</u>
<b>Total equity and liabilities</b>		<u>80,345,091</u>	<u>99,855,620</u>

On 8 April 2020 the Board of Directors of SIF Imobiliare Plc authorised these consolidated financial statements for issue.

  
.....  
Administrare Imobiliare SA  
Director

  
.....  
Chrystalla Mina  
Director

The notes on pages 14 to 29 form an integral part of these consolidated financial statements.

# SIF IMOBILIARE PLC

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31. December 2019

	Attributable to equity holders of the Company							Total €	Non- controlling interests €	Total €
	Share capital €	Share premium €	Translation reserve €	Other reserves €	Retained earnings €	Total €	Non- controlling interests €			
<b>Balance at 1 January 2018</b>	4,499,974	31,037,928	(505,202)	(4,160,691)	28,127,054	58,999,063	4,021,670	63,020,733		
<b>Comprehensive income</b>										
Net profit for the year	-	-	-	-	8,413,305	8,413,305	1,081,799	9,495,104		
Other comprehensive income for the year	-	-	455	10,409,068	(2,532,421)	7,877,102	(249,059)	(7,628,043)		
<b>Balance at 31 December 2018/ 1 January 2019</b>	<b>4,499,974</b>	<b>31,037,928</b>	<b>(504,747)</b>	<b>6,248,377</b>	<b>34,007,938</b>	<b>75,289,470</b>	<b>4,854,410</b>	<b>80,143,880</b>		
<b>Comprehensive income</b>										
Net profit for the year	-	-	-	-	3,096,976	3,096,976	184,736	3,281,712		
Other comprehensive income for the year	-	-	(3,592)	(2,526,709)	(8,250,032)	(10,780,333)	(2,262,511)	(13,042,844)		
Elimination of subsidiary	-	-	-	-	-	-	(1,122,870)	(1,122,870)		
<b>Balance at 31 December 2019</b>	<b>4,499,974</b>	<b>31,037,928</b>	<b>(508,339)</b>	<b>3,721,668</b>	<b>28,854,882</b>	<b>67,606,113</b>	<b>1,653,765</b>	<b>69,259,878</b>		

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 17% will be payable on such deemed dividends to the extent that the ultimate shareholders are both Cyprus tax resident and Cyprus domiciled. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

The notes on pages 14 to 29 form an integral part of these consolidated financial statements.

# SIF IMOBILIARE PLC

## CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2019

	Note	2019 €	2018 €
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit before tax</b>		<b>4,617,141</b>	10,036,425
Adjustments for:			
Depreciation of property, plant and equipment	13	66,237	189,830
Exchange difference		15,082	427,206
Profit from the sale of investments in subsidiaries	8	(1,122,204)	-
Profit from the sale of investment properties	8	(5,228,909)	(995,137)
Fair value (gains)/losses on financial assets at fair value through profit or loss	8,9	(98,829)	447,148
Fair value profit on investment property	14	(554,338)	(6,664,217)
Impairment charge		(262,780)	(210,052)
Interest income	11	(636,153)	(423,273)
Interest expense	11	1,120,078	547,164
Other non monetary items		(26,626)	(43,300)
		<b>(2,111,301)</b>	3,311,799
<b>Changes in working capital:</b>			
Decrease in inventories		11,374	23,711
Increase in trade and other receivables		(14,281,696)	(149,291)
(Increase)/decrease in financial assets at fair value through profit or loss		(2,565,316)	470,131
(Decrease)/increase in trade and other payables		(869,807)	694,555
<b>Cash (used in)/generated from operations</b>		<b>(19,816,746)</b>	4,350,905
Interest received		99,195	33,297
Dividends received		-	47,971
Interest paid		(311,181)	(68,239)
Tax paid		(1,100,535)	(345,402)
<b>Net cash (used in)/generated from operating activities</b>		<b>(21,129,267)</b>	4,018,532
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for purchase of intangible assets		(4,853)	(2,492)
Payment for purchase of property, plant and equipment	13	(79,227)	(214,309)
Payment for purchase of investment property	14	(143,630)	(4,226,839)
Payment for purchase of financial assets at fair value through profit and loss	18	(1,804,071)	-
Loans granted		(10,582,843)	-
Loans repayments received		9,710,160	4,266,815
Payment for purchase of other investments		(1,803,436)	-
Proceeds from disposal of property, plant and equipment		205,410	153,795
Proceeds from sale of investment properties	14	5,178,304	4,161,475
Proceeds from sale of investments in subsidiary undertakings		1,133,058	-
Interest received		636,153	11,068
Exchange differences - investment properties	14	(1,130,225)	-
<b>Net cash generated from investing activities</b>		<b>1,314,800</b>	4,149,513

The notes on pages 14 to 29 form an integral part of these consolidated financial statements.

## SIF IMOBILIARE PLC

### CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2019

	Note	2019 €	2018 €
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of share capital		-	8,508,609
Repayments of borrowings		(641,065)	(5,471,092)
Proceeds from borrowings		15,499,785	2,330,145
Unrealised exchange loss		(467,648)	-
Interest paid		(1,120,078)	(68,239)
Dividends paid		-	(47,971)
Bank guarantees		-	(377,254)
<b>Net cash generated from financing activities</b>		<b>13,270,994</b>	<b>4,874,198</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(6,543,473)</b>	<b>13,042,243</b>
Cash and cash equivalents at beginning of the year		19,732,815	6,690,572
<b>Cash and cash equivalents at end of the year</b>	19	<b>13,189,342</b>	<b>19,732,815</b>

The notes on pages 14 to 29 form an integral part of these consolidated financial statements.

# SIF IMOBILIARE PLC

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2019

### 1. Incorporation and principal activities

#### Country of incorporation

SIF Imobiliare PLC (the 'Company') and its subsidiaries (together, the 'Group') are engaged in the ownership, exploitation, management and trading of real estate property located in Romania.

The Company was incorporated in Cyprus on 18 July 2013 as a private limited liability company under the Cyprus Companies Law, Cap. 113. Its registered office is at 30 Karpenisiou Street, CY-1077 Nicosia, Cyprus.

#### Principal activities

The principal activities of the Group, which are unchanged from last year, is the ownership, exploitation, management and trading of real estate property located in Romania.

### 2. Basis of preparation

#### (a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113.

#### (b) Basis of measurement

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented in these consolidated financial statements unless otherwise stated.

The consolidated financial statements have been prepared under the historical cost convention, except in the case of land, buildings and equipment, investment property, available-for-sale financial assets, and financial assets and financial liabilities at fair value through profit or loss.

#### (c) Use of estimates and judgments

The preparation of financial statements in accordance with IFRS requires from management the exercise of judgment, to make estimates and assumptions that influence the application of accounting principles and the related amounts of assets and liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are deemed to be reasonable based on knowledge available at that time. Actual results may deviate from such estimates.

The estimates and underlying assumptions are revised on a continuous basis. Revisions in accounting estimates are recognised in the period during which the estimate is revised, if the estimate affects only that period, or in the period of the revision and future periods, if the revision affects the present as well as future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the consolidated financial statements are described below:

- **Fair value of investment property**

The fair value of investment property is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the investment property has been estimated based on the fair value of the particular investment properties held.

- **Fair value of financial assets**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date.



# SIF IMOBILIARE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2019

### Basis of preparation (continued)

#### (d) Functional and presentation currency

The consolidated financial statements are presented in Euro (€) which is the presentation currency of the Group.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

### 3. Significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented in these consolidated financial statements unless otherwise stated.

#### Basis of consolidation

The Group consolidated financial statements comprise the financial statements of the parent company SIF Imobiliare Plc and the financial statements of the following subsidiaries:

- 1 COMALIM SA
- 2 SIFI BH EST SA
- 3 SIFI CLUJ RETAIL SA
- 4 SIFI CJ LOGISTIC SA
- 5 SIFI CJ AGRO SA
- 6 SIFI CJ STORAGE SA
- 7 UNITEH SA
- 8 SIFI BH IND VEST SA
- 9 BISTRITA CLUJ SA
- 10 SIFI CJ OFFICE SA
- 11 CORA SA
- 12 SIFI BAIA MARE SA
- 13 SIFI SIGHET SA
- 14 SIFI B ONE SA
- 15 SIFI BH RETAIL SA
- 16 SIFI PROPERTIES SA

Subsidiaries are entities controlled by the Group. Control exists where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

#### Acquisition of entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as an acquisition at the date when the business combination has occurred. The assets and liabilities are recognised at the carrying amounts recognised previously in the Group controlling shareholder's financial statements. The difference between the carrying values of the Group's share of the identifiable net assets and the consideration paid is recorded, in equity as a reserve on acquisition from entities under common control.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2019

### 3. Significant accounting policies (continued)

#### Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

The financial statements of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date that control commences until the date control ceases. Intra-group balances, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing consolidated financial statements.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

#### Revenue recognition

Revenues earned by the Group are recognised on the following bases:

- **Rental income**  
Rental income is recognised on an accruals basis in accordance with the substance of the relevant agreements.
- **Rendering of services**  
Sales of services are recognised in the accounting period in which the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.
- **Sale of products**  
Sales of goods are recognised when significant risks and rewards of ownership of the goods have been transferred to the customer, which is usually when the Company has sold or delivered goods to the customer, the customer has accepted the goods and collectability of the related receivable is reasonably assured.

#### Finance income

Finance income includes interest income which is recognised based on an accrual basis.

#### Finance expenses

Interest expense and other borrowing costs are recognised to profit or loss using the effective interest method.

#### Foreign currency translation

- **Functional and presentation currency**  
Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

# SIF IMOBILIARE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2019

### 3. Significant accounting policies (continued)

Items included in the subsidiaries financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Romanian Lei (LEI), which is the subsidiaries' functional and presentation currency. The financial statements of the subsidiary companies have been translated in Euro (€), for consolidation purposes.

The financial statements of the Group are presented in Euro (€), which is the Group's presentation currency.

#### • Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

The assets and liabilities of the Company's foreign operations (including comparatives) are expressed in Euro using exchange rates prevailing on the reporting date. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Company's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed off.

#### Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Tax liabilities and assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date. Current tax includes any adjustments to tax payable in respect of previous periods.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Currently enacted tax rates are used in the determination of deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

#### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land and buildings are carried at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings. Revaluations are carried out with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. All other property, plant and equipment are stated at historical cost less depreciation.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to other comprehensive income. Decreases that offset previous increases of the same asset are charged against that reserve; all other decreases are charged to profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to profit or loss) and depreciation based on the asset's original cost is transferred from fair value reserves to retained earnings.

# SIF IMOBILIARE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year ended 31 December 2019

### 3. Significant accounting policies (continued)

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised in profit or loss on the straight-line method over the useful lives of each part of an item of property, plant and equipment. The annual depreciation rates used for the current and comparative periods are as follows:

Plant and machinery	%
Buildings	5 - 33.33
Furniture, fixtures and office equipment	2 - 5
Tangible assets	10
	6.67 - 33.33

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

#### Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at its fair value at the reporting date. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the continued use of the asset. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

#### Intangible assets

Costs that are directly associated with identifiable and unique computer software products controlled by the Group and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Subsequently computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses. Expenditure which enhances or extends the performance of computer software programs beyond their original specifications is recognised as a capital improvement and added to the original cost of the computer software. Costs associated with maintenance of computer software programs are recognised as an expense when incurred. Computer software costs are amortised using the straight-line method over their useful lives, not exceeding a period of three years. Amortisation commences when the computer software is available for use and is included within administrative expenses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

# SIF IMOBILIARE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2019

### 3. Significant accounting policies (continued)

#### Financial assets - Classification

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Group's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Group may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, classification will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

#### Financial assets - Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

#### Financial assets -Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

#### Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Group exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Group may write-off financial assets that are still subject to enforcement activity when the Group seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2019

### 3. Significant accounting policies (continued)

#### Financial assets - modification

The Group sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Group assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Group derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Group also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Group compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Group recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

#### Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash at bank. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

#### Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

#### Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. The cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs to completion and selling expenses.

# SIF IMOBILIARE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2019

### 3. Significant accounting policies (continued)

#### Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Trade receivables are also subject to the impairment requirements of IFRS 9. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See note 5, Credit risk section.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 180 days past due.

#### Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

#### Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

#### Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the reporting date.

### 4. New accounting pronouncements

At the date of approval of these consolidated financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the consolidated financial statements of the Group.

# SIF IMOBILIARE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2019

### 5. Financial risk management

#### Financial risk factors

The Group is exposed to market price risk, interest rate risk, credit risk, liquidity risk and currency risk arising from the financial instruments it holds. The risk management policies employed by the Group to manage these risks are discussed below:

#### 5.1 Market price risk

Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Group's financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss are susceptible to market price risk arising from uncertainties about future prices of the investments. The Group's market price risk is managed through diversification of the Investment portfolio.

#### 5.2 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. The Group is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

#### 5.3 Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and contract assets.

#### 5.4 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

#### 31 December 2019

	Carrying amounts
Bank loans	€ 4,604,029
Trade and other payables	1,561,224
	<u>6,165,253</u>

#### 31 December 2018

	Carrying amounts
Bank loans	€ 11,799,235
Trade and other payables	2,431,031
	<u>14,230,266</u>

#### 5.5 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's measurement currency. The Group's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.



# SIF IMOBILIARE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2019

### 6. Revenue

	2019	2018
	€	€
Rental income	5,128,971	6,064,670
Other operational revenue	1,155,788	1,452,420
	<u>6,284,759</u>	<u>7,517,090</u>

### 7. General and administration expenses

	2019	2018
	€	€
Raw materials and consumables used	568,393	785,121
Staff costs (Note 10)	784,309	1,787,861
Water supply and cleaning	82,707	199,045
Licenses and taxes	390,293	447,236
Other expenses	4,806,075	12,873
Professional and other related expenses	917,084	655,297
Impairment of assets	262,780	556,082
Travelling and entertainment expenses	15,775	39,994
Auditor's remuneration	17,850	17,850
Rent payable	54,226	98,362
Repairs and maintenance	14,907	74,936
Letting costs	182,256	47,141
Depreciation	66,237	189,830
	<u>8,162,892</u>	<u>4,911,628</u>

### 8. Other operating income

	2019	2018
	€	€
Profit from sale of investments in subsidiaries	1,122,204	-
Profit from sales of investment properties	5,228,909	995,137
Fair value gains on financial assets at fair value through profit or loss	98,829	-
	<u>6,449,942</u>	<u>995,137</u>

The amount of €6,039,146 represents the profit from the disposal of SIFI TM Agro SA during 2019.

### 9. Other expenses

	2019	2018
	€	€
Fair value losses on financial assets at fair value through profit or loss	-	447,148

### 10. Staff costs

	2019	2018
	€	€
Salaries	737,783	1,696,744
Social security costs	46,526	91,117
	<u>784,309</u>	<u>1,787,861</u>

Average number of employees

	<u>105</u>	<u>169</u>
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## SIF IMOBILIARE PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2019

#### 11. Finance income/(costs)

	2019	2018
	€	€
Interest income	636,153	423,273
Exchange profit	-	342,648
<b>Finance income</b>	<b>636,153</b>	<b>765,921</b>
Net foreign exchange losses	(15,081)	-
Interest expense	(1,120,078)	(547,164)
<b>Finance costs</b>	<b>(1,135,159)</b>	<b>(547,164)</b>
<b>Net finance (costs)/income</b>	<b>(499,006)</b>	<b>218,757</b>

#### 12. Tax

	2019	2018
	€	€
Corporation tax	1,335,429	541,320

The applicable tax rate in Cyprus is 12.5% and in Romania is 16%.

# SIF IMOBILIARE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2019

### 13. Property, plant and equipment

	Land and buildings	Plant and machinery	Furniture, fixtures and office equipment	Tangible assets	Total
	€	€	€	€	€
<b>Cost</b>					
Balance at 1 January 2018	21,118,780	1,972,817	192,774	503,783	23,788,154
Additions	-	99,090	14,176	281,984	395,250
Disposals	(86,170)	(66,849)	(776)	-	(153,795)
Exchange differences	(1,115,522)	12,345	5	(3,863)	(1,107,035)
Adjustment on revaluation	(180,448)	-	-	(493)	(180,941)
Reclassification to investment property	(13,165)	-	-	(144,050)	(157,215)
Transfers between property, plant and equipment	-	959	-	(959)	-
<b>Balance at 31 December 2018/ 1 January 2019</b>	<b>19,723,475</b>	<b>2,018,362</b>	<b>206,179</b>	<b>636,402</b>	<b>22,584,418</b>
Additions	4,890	6,807	10,463	57,067	79,227
Disposals	-	(174,118)	(6,173)	(25,119)	(205,410)
Inflation adjustments	-	(441)	(125)	-	(566)
Exchange differences	989	(2,697)	2,035	(5,093)	(4,766)
Adjustment on revaluation	(12,929)	-	-	-	(12,929)
Disposals from disposals of subsidiaries	(17,071,100)	(647,128)	(5,924)	-	(17,724,152)
Reclassification from/ (to) investment property	-	728	-	(77,902)	(77,174)
<b>Balance at 31 December 2019</b>	<b>2,645,325</b>	<b>1,201,513</b>	<b>206,455</b>	<b>585,355</b>	<b>4,638,648</b>
<b>Depreciation</b>					
Balance at 1 January 2018	(2,818,170)	(1,303,027)	(120,823)	(398,960)	(4,640,980)
Charge for the year	(38,816)	(133,046)	(17,968)	-	(189,830)
On disposal	2,975	51,625	776	-	55,376
Impairment charge	-	56,804	-	-	56,804
<b>Balance at 31 December 2018/ 1 January 2019</b>	<b>(2,854,011)</b>	<b>(1,327,644)</b>	<b>(138,015)</b>	<b>(398,960)</b>	<b>(4,718,630)</b>
Charge for the year	(2,281)	(49,418)	(14,538)	-	(66,237)
On disposals	-	171,952	5,577	-	177,529
Inflation adjustment	-	384	-	-	384
Disposals from disposals of subsidiaries	239,707	101,997	2,008	-	343,712
Adjustment on depreciation of prior years	-	-	(3,432)	-	(3,432)
<b>Balance at 31 December 2019</b>	<b>(2,616,585)</b>	<b>(1,102,729)</b>	<b>(148,400)</b>	<b>(398,960)</b>	<b>(4,266,674)</b>
<b>Net book amount</b>					
<b>Balance at 31 December 2019</b>	<b>28,740</b>	<b>98,784</b>	<b>58,055</b>	<b>186,395</b>	<b>371,974</b>
<b>Balance at 31 December 2018</b>	<b>16,869,464</b>	<b>690,718</b>	<b>68,164</b>	<b>237,442</b>	<b>17,865,788</b>

# SIF IMOBILIARE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2019

### 14. Investment properties

	2019	2018
	€	€
Balance at 1 January		
Additions	<b>55,768,223</b>	48,068,191
Disposals	<b>143,630</b>	4,226,839
Reversal/Corrections of reclassification	<b>(5,178,304)</b>	(4,161,473)
Transfer from property, plant and equipment	<b>(1,586)</b>	866,720
Exchange differences	<b>77,174</b>	157,216
Fair value adjustment	<b>(1,130,225)</b>	(53,487)
Derecognition of IP from disposal of subsidiary	<b>544,338</b>	6,664,217
	<b>(9,128,153)</b>	-
<b>Balance at 31 December</b>	<b>41,095,097</b>	55,768,223

### 15. Non-current loans receivable

	2019	2018
	€	€
Loans to associates (Note 24.3)	<b>2,383,613</b>	-

The exposure of the Group to credit risk in relation to loans receivable is reported in note 5 of the consolidated financial statements.

The fair values of non-current receivables approximate to their carrying amounts as presented above.

### 16. Inventories

	2019	2018
	€	€
Raw materials		
Finished products	<b>58,929</b>	55,882
Goods for resale	<b>4,763</b>	19,178
	<b>49</b>	55
	<b>63,741</b>	75,115

Inventories are stated at cost.

### 17. Trade and other receivables

	2019	2018
	€	€
Trade receivables	<b>714,940</b>	1,089,791
Refundable taxes	<b>77,647</b>	76,199
Deferred expenses	<b>12,881</b>	15,257
Other receivables	<b>17,704,443</b>	3,046,968
	<b>18,509,911</b>	4,228,215

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Group to credit risk and impairment losses in relation to trade and other receivables is reported in note 5 of the consolidated financial statements.

## SIF IMOBILIARE PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2019

#### 18. Financial assets at fair value through profit or loss

	2019	2018
	€	€
Balance at 1 January	2,160,611	2,630,876
Additions	1,804,071	83,139
Disposals	(4,897)	(104,093)
Reclassification of Administrare Immobiliare SA	171,247	-
Derecognition from disposal of SIFI TM Agro SA	(386)	-
Valuation adjustment	549,200	-
Change in fair value	98,829	(447,148)
Exchange differences	(52,748)	(2,163)
<b>Balance at 31 December</b>	<b><u>4,725,927</u></b>	<b><u>2,160,611</u></b>

#### 19. Cash and cash equivalents

Cash balances are analysed as follows:

	2019	2018
	€	€
Cash at bank and in hand	9,711,592	17,883,488
Bank deposits	3,477,750	1,849,327
	<b><u>13,189,342</u></b>	<b><u>19,732,815</u></b>

The exposure of the Group to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 5 of the consolidated financial statements.

#### 20. Share capital

	2019	2019	2018	2018
	Number of shares	€	Number of shares	€
<b>Authorised</b>				
Ordinary shares of €1 each	<u>4,499,974</u>	<u>4,499,974</u>	4,499,974	4,499,974
<b>Issued and fully paid</b>				
Balance at 1 January	<u>4,499,974</u>	<u>4,499,974</u>	4,499,974	4,499,974
<b>Balance at 31 December</b>	<b><u>4,499,974</u></b>	<b><u>4,499,974</u></b>	4,499,974	4,499,974

#### 21. Borrowings

	2019	2018
	€	€
<b>Current borrowings</b>		
Bank loans	287,479	580,519
<b>Non-current borrowings</b>		
Bank loans	<u>4,316,550</u>	11,218,716
<b>Total</b>	<b><u>4,604,029</u></b>	<b><u>11,799,235</u></b>

Maturity of non-current borrowings:

	2019	2018
	€	€
Between two and five years	<u>4,316,550</u>	11,218,716

# SIF IMOBILIARE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2019

### 22. Deferred tax

Deferred tax is calculated in full on all temporary differences under the liability method using the applicable tax rates (Note 12).

The movement on the deferred taxation account is as follows:

#### Deferred tax liability

	Temporary tax differences €
Balance at 1 January 2018	5,427,064
Effect of initial application of IFRS 9	-
Charged/(credited)	<u>54,410</u>
<b>Balance at 31 December 2018/ 1 January 2019</b>	<b>5,481,474</b>
Charged/(credited) to:	
Charged/(credited)	<u>(561,514)</u>
<b>Balance at 31 December 2019</b>	<b><u>4,919,960</u></b>

### 23. Trade and other payables

	2019 €	2018 €
Trade payables	153,421	373,568
Social insurance and other taxes	128,059	214,033
Taxes payable	89,182	230,142
Accruals	130,979	91,439
Other creditors	371,631	907,809
Deferred income	687,952	614,040
	<u>1,561,224</u>	<u>2,431,031</u>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

### 24. Related party transactions

The Company is controlled by SIF Banat- Crisana S.A., incorporated in Romania, which owns 99.99% of the issued share capital of SIF Imobiliare PLC.

The following transactions were carried out with related parties:

#### 24.1 Sales of goods and services

	2019 €	2018 €
Biofarm SA Bucuresti	9,838	27,918
Vrancart SA	20,453	14,677
Industrial Energy SRL	26,801	11,866
Pont Automall	-	144,460
Pont Agrinvest	-	251,182
	<u>57,092</u>	<u>450,103</u>

## SIF IMOBILIARE PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year ended 31 December 2019

#### 24. Related party transactions (continued)

##### 24.2 Purchases of goods and services

	2019	2018
	€	€
SIF Banat- Crisana SA	8,080	8,066
Administrare Imobiliare SA	48,554	-
	<u>56,634</u>	<u>8,066</u>

##### 24.3 Loans to related parties (Note 15)

	2019	2018
	€	€
Administrare Imobiliare SA	2,383,613	-

#### 25. Contingent liabilities

The Group had no contingent liabilities as at 31 December 2019.

#### 26. Commitments

The Group had no capital or other commitments as at 31 December 2019.

#### 27. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the consolidated financial statements.

**Independent auditor's report on pages 4 to 8**

**SIF IMOBILIARE PLC**  
**REPORT AND FINANCIAL STATEMENTS**  
Year ended 31 December 2019



# SIF IMOBILIARE PLC

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## REPORT AND FINANCIAL STATEMENTS Year ended 31 December 2019

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# SIF IMOBILIARE PLC

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## BOARD OF DIRECTORS AND OTHER OFFICERS

<b>Board of Directors:</b>	Chrystalla Mina Androula Saxiate Administrare Imobiliare S.A.
<b>Company Secretary:</b>	Romanos Secretarial Ltd 30 Karpenisiou Street CY-1077, Nicosia Cyprus
<b>Independent Auditors:</b>	Evoserve Auditors Limited Certified Public Accountants and Registered Auditors 7, Andrea Papakosta, 1037 P.O Box 21550, Elefterias Square, 1510 Nicosia, Cyprus
<b>Registered office:</b>	30 Karpenisiou Street CY-1077, Nicosia Cyprus
<b>Registration number:</b>	HE323682

# SIF IMOBILIARE PLC

## MANAGEMENT REPORT

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The Board of Directors presents its report and audited financial statements of the Company for the year ended 31 December 2019.

### **Incorporation**

The Company SIF Immobiliare Plc was incorporated in Cyprus on 18 July 2013 as a public company under the provisions of the Cyprus Companies Law, Cap. 113.

### **Principal activity and nature of operations of the Company**

The principal activity of the Company, which is unchanged from last year, is to serve as a holding vehicle of shares in other entities and is engaged in the provision of financing facilities to related entities.

### **Review of current position, future developments and performance of the Company's business**

The Company's development to date, financial results and position as presented in the financial statements are considered satisfactory.

### **Results**

The Company's results for the year are set out on page 9. The net profit for the year attributable to the shareholders of the Company amounted to €7,580,460 (2018: (€1,256,423)). On 31 December 2019 the total assets of the Company were €42,228,797 (2018: €34,648,666) and the net assets of the Company were €42,192,207 (2018: €34,611,747).

### **Dividends**

The Board of Directors does not recommend the payment of a dividend.

### **Share capital**

There were no changes in the share capital of the Company during the year under review.

### **Board of Directors**

The members of the Company's Board of Directors as at 31 December 2019 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2019.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

### **Events after the reporting period**

Any significant events that occurred after the end of the reporting period are described in note 22 to the financial statements.

### **Independent Auditors**

The Independent Auditors, Evoserve Auditors Limited, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,



Chrystalla Mina  
Director

Nicosia, 8 April 2020

## **Independent Auditor's Report**

### **To the Members of SIF IMOBILIARE PLC**

#### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of parent company SIF Immobiliare PLC (the "Company"), which are presented in pages 9 to 25 and comprise the statement of financial position as at 31 December 2019, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the parent company as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Independent Auditor's Report (continued)

### To the Members of SIF IMOBILIARE PLC

Key audit matter	How our audit addressed the key audit matter
<i>Valuation of investment in subsidiaries (refer to Note 12 to the Financial Statements)</i>	
<p>The Company holds investments in subsidiaries at the total value of Euro 18.974.771 as at 31 December 2019 which represents approximately 44,93% of the total assets of the Company. The subsidiaries held by the Company are incorporated in Romania and their main activities is that of holding of investment properties in Romania.</p> <p>Management periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability, which may indicate that the carrying amount of an asset is not recoverable. In addition, management obtains valuation reports for all the investment properties held from external independent valuers. Management assessment on the valuation of the investment in subsidiaries is based on estimations and judgement.</p> <p>The investments in subsidiaries are stated at cost and we consider the impairment testing of the investment in subsidiaries as a key audit matter due to their significance on the statement of financial position and due to the fact that management exercise significant judgment and estimations.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>- Evaluated the management assessment in relation to the possible impairment of the investment in subsidiaries.</li> <li>- Obtained the audited financial statements of all of the subsidiaries and to assess whether there is an indication of impairment based on their performance and their net assets value.</li> <li>- Based on our findings we have discussed with the management the possible impairment of the investment in subsidiaries.</li> <li>- Obtained the valuation reports performed from independent valuers in relation to the investment properties held by the subsidiaries and to assess the independence and the qualifications of the external valuator.</li> </ul> <p>Based on the results of our audit procedures we have obtained adequate assurance in regard to the valuation of the investment in subsidiaries.</p>

## Independent Auditor's Report (continued)

### To the Members of SIF IMOBILIARE PLC

Key audit matter	How our audit addresses the key audit matter
<i>Recoverability of loans receivables (refer to Note 13 to the Financial Statements)</i>	
<p>The Company has loans receivables of the total value of Euro 20.965.430 as at 31 December 2019 which represents approximately 49,65% of the total assets of the Company. The loans receivable was granted to the subsidiaries of the Company in order to finance them for their activities.</p> <p>Management periodically evaluates the recoverability of loans receivable whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability in which the borrower operates, which may indicate that the carrying amount of the loan is not recoverable.</p> <p>We consider the recoverability of the loans receivable as a key audit matter due to their significance on the statement of financial position and due to the fact that the management exercise significant judgment and estimations in order to assess whether there is an indication of impairment in the loans receivable.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>- Evaluated the management assessment in relation to the recoverability of the loans receivable.</li> <li>- Reviewed the terms of the loan agreements and whether all the conditions of the loan are met.</li> <li>- Obtained the signed audited financial statements of all of the subsidiaries and to assess whether the subsidiaries have the necessary assets to repay their debts.</li> <li>- Based on our findings we have assessed with management the possible impairment in the value of the loans receivable</li> <li>- Obtained the valuation reports performed from independent valuers in relation to the investment properties held by the subsidiaries and to assess the independence and the qualifications of the external valuator.</li> </ul> <p>Based on the results of our audit procedures we have obtained adequate assurance regarding the recoverability of the loans receivable.</p>

#### Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the management report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

## **Independent Auditor's Report (continued)**

### **To the Members of SIF IMOBILIARE PLC**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of the Board of Directors for the Financial Statements**

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

## **Independent Auditor's Report (continued)**

### **To the Members of SIF IMOBILIARE PLC**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the Board of Directors, we determine those matters were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal Requirements**

Pursuant to the additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2017, we report the following:

- In our opinion, the management report, has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the management report.



## **Independent Auditor's Report (continued)**

### **To the Members of SIF IMOBILIARE PLC**

#### **Other Matter**

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

The engagement partner on the audit resulting in this independent auditor's report is Constantinos Montis.

*C. Montis*

Constantinos Montis, BSc ACA  
Certified Public Accountant and Registered Auditor  
for and on behalf of  
**Evoserve Auditors Limited**  
**Certified Public Accountants and Registered Auditors**

Nicosia, 8 April 2020

## SIF IMOBILIARE PLC

### STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2019

	Note	2019 €	2018 €
Dividend income	20.4	1,489,564	1,206,886
Loan interest income	20.3	<u>276,166</u>	<u>157,063</u>
<b>Gross profit</b>		<b>1,765,730</b>	<b>1,363,949</b>
Other operating income	7	<b>6,039,146</b>	-
Administration expenses		<u>(60,989)</u>	<u>(54,682)</u>
<b>Operating profit</b>	8	<b>7,743,887</b>	<b>1,309,267</b>
Net finance costs	9	<u>(116,371)</u>	<u>(6,287)</u>
<b>Profit before tax</b>		<b>7,627,516</b>	<b>1,302,980</b>
Tax	10	<u>(47,056)</u>	<u>(46,557)</u>
<b>Net profit for the year</b>		<b>7,580,460</b>	<b>1,256,423</b>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		<u><b>7,580,460</b></u>	<u><b>1,256,423</b></u>

The notes on pages 13 to 25 form an integral part of these financial statements.


# SIF IMOBILIARE PLC

## STATEMENT OF FINANCIAL POSITION 31 December 2019

	Note	2019 €	2018 €
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	12	18,974,771	18,985,625
Non-current loans receivable	13	-	10,307,699
		<u>18,974,771</u>	<u>29,293,324</u>
<b>Current assets</b>			
Receivables	14	-	259
Loans receivable	13	20,965,430	4,683,196
Financial assets at fair value through profit or loss	15	169,404	169,404
Refundable taxes	19	5,713	944
Cash at bank	16	2,113,479	501,539
		<u>23,254,026</u>	<u>5,355,342</u>
<b>Total assets</b>		<u>42,228,797</u>	<u>34,648,666</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	17	4,499,974	4,499,974
Share premium		31,037,928	31,037,928
Retained earnings /(accumulated losses)		6,654,305	(926,155)
<b>Total equity</b>		<u>42,192,207</u>	<u>34,611,747</u>
<b>Current liabilities</b>			
Other payables	18	36,590	36,919
		<u>36,590</u>	<u>36,919</u>
<b>Total equity and liabilities</b>		<u>42,228,797</u>	<u>34,648,666</u>

On 8 April 2020 the Board of Directors of SIF IMOBILIARE PLC authorised these financial statements for issue.

  
.....  
Chrystalla Mina  
Director

  
.....  
Androula Saxiata  
Director

The notes on pages 13 to 25 form an integral part of these financial statements.

## SIF IMOBILIARE PLC

### STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2019

	Share capital €	Share premium €	Retained earnings/ (accumulated losses) €	Total €
<b>Balance at 1 January 2018</b>	<b>4,499,974</b>	<b>31,037,928</b>	<b>(2,182,578)</b>	<b>33,355,324</b>
<b>Comprehensive income</b>				
Net profit for the year	-	-	1,256,423	1,256,423
<b>Balance at 31 December 2018/ 1 January 2019</b>	<b>4,499,974</b>	<b>31,037,928</b>	<b>(926,155)</b>	<b>34,611,747</b>
<b>Comprehensive income</b>				
Net profit for the year	-	-	7,580,460	7,580,460
<b>Balance at 31 December 2019</b>	<b>4,499,974</b>	<b>31,037,928</b>	<b>6,654,305</b>	<b>42,192,207</b>

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 17% will be payable on such deemed dividends to the extent that the ultimate shareholders are both Cyprus tax resident and Cyprus domiciled. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

The notes on pages 13 to 25 form an integral part of these financial statements.

# SIF IMOBILIARE PLC

## STATEMENT OF CASH FLOWS

Year ended 31 December 2019

	Note	2019 €	2018 €
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		7,627,516	1,302,980
Adjustments for:			
Unrealised exchange loss		91,255	7,987
Profit from the sale of investments in subsidiaries	7	(6,039,146)	-
Dividend income	20.4	(1,489,564)	(1,206,886)
Interest income	20.3	(276,166)	(157,063)
		(86,105)	(52,982)
<b>Changes in working capital:</b>			
Decrease in receivables		259	71
(Decrease)/increase in other payables		(329)	1,175
<b>Cash used in operations</b>		<b>(86,175)</b>	<b>(51,736)</b>
Dividends received		1,489,564	1,206,886
Tax paid		(51,825)	(43,186)
<b>Net cash generated from operating activities</b>		<b>1,351,564</b>	<b>1,111,964</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Loans granted	13	(15,499,785)	(2,435,281)
Loans repayments received	13	9,710,161	-
Proceeds from sale of investments in subsidiary undertakings		6,050,000	-
<b>Net cash generated from/(used in) investing activities</b>		<b>260,376</b>	<b>(2,435,281)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,611,940</b>	<b>(1,323,317)</b>
Cash and cash equivalents at beginning of the year		501,539	1,824,856
<b>Cash and cash equivalents at end of the year</b>	16	<b>2,113,479</b>	<b>501,539</b>

The notes on pages 13 to 25 form an integral part of these financial statements.

# SIF IMOBILIARE PLC

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

### 1. Incorporation and principal activities

#### Country of incorporation

The Company SIF IMOBILIARE PLC (the "Company") was incorporated in Cyprus on 18 July 2013 as a public company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 30 Karpenisiou Street, CY-1077, Nicosia, Cyprus.

#### Principal activity

The principal activity of the Company, which is unchanged from last year, is to serve as a holding vehicle of shares in other entities and is engaged in the provision of financing facilities to related entities.

### 2. Basis of preparation

The Company has prepared these parent's separate financial statements for compliance with the requirements of the Cyprus Income Tax Law.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. The financial statements have been prepared under the historical cost convention as modified by the revaluation of, and financial assets and financial liabilities at fair value through profit or loss.

The Company has also prepared consolidated financial statements in accordance with IFRSs for the Company and its subsidiaries (the "Group"). The consolidated financial statements can be obtained from 30 Karpenisiou Street, CY 1077, Nicosia, Cyprus.

Users of these parent's separate financial statements should read them together with the Group's consolidated financial statements as at and for the year ended 31 December 2019 in order to obtain a proper understanding of the financial position, the financial performance and the cash flows of the Company and the Group.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

### 3. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. Apart from the accounting policy changes resulting from the adoption of IFRS 9 effective from 1 January 2018, these policies have been consistently applied to all the years presented, unless otherwise stated.

#### Consolidated financial statements

The Company has subsidiary undertakings for which section 142(1)(b) of the Cyprus Companies Law Cap. 113 requires consolidated financial statements to be prepared and laid before the Company at the Annual General Meeting. The Group consolidated financial statements comprise the financial statements of the parent company SIF IMOBILIARE PLC and the financial statements of the following subsidiaries:

# SIF IMOBILIARE PLC

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

### 3. Significant accounting policies (continued)

#### Consolidated financial statements (continued)

- Comalin SA
- SIFI BH EST SA (ex. name: S.C. Legume Fructe S.A.)
- SIFI CLUJ Retail AS (ex. name: Arta Culinara SA)
- SIFI CJ Logistic SA (ex. name: Comat Cluj SA)
- SIFI CJ Agro SA (ex. name: Comcereal Cluj SA)
- SIFI CJ Storage SA (ex. name: Napotex SA)
- Uniteh SA
- Administrare Imobiliare SA
- SIFI BH IND VEST SA (ex. name: Vest Metal SA)
- Bistrita Cluj SA
- SIFI CJ Office SA
- Cora SA
- SIFI Baia Mare SA (ex. name: M.C.B. SA)
- SIFI SIGHET SA (ex. name: Soiza SA)
- SIFI B ONE SA
- SIFI BH Retail S.A
- SIFI Properties SA

The financial statements of all the Group companies are prepared using uniform accounting policies. All inter-company transactions and balances between Group companies have been eliminated during consolidation.

#### Subsidiary companies

Subsidiaries are entities controlled by the Company. Control exists where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

#### Revenue

##### • Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

##### • Dividend income

Dividends are received from financial assets measured at fair value through profit or loss (FVTPL) and at fair value through other comprehensive income (FVOCI). Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognised in OCI if it relates to an investment measured at FVOCI.

#### Finance income

Interest income is recognised on a time-proportion basis using the effective method.

#### Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

# SIF IMOBILIARE PLC

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

### 3. Significant accounting policies (continued)

#### Foreign currency translation

**(1) Functional and presentation currency**

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

**(2) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Translation differences on non-monetary items such as equities held at fair value through profit or loss are reported as part of the fair value gain or loss.

#### Tax

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

#### Dividends

Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the year in which they are approved by the Company's shareholders.

#### Computer software

Costs that are directly associated with identifiable and unique computer software products controlled by the Company and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Subsequently computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses. Expenditure which enhances or extends the performance of computer software programs beyond their original specifications is recognised as a capital improvement and added to the original cost of the computer software. Costs associated with maintenance of computer software programs are recognised as an expense when incurred. Computer software costs are amortised using the straight-line method over their useful lives, not exceeding a period of three years. Amortisation commences when the computer software is available for use.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

#### Financial assets - Classification

From 1 January 2018, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.



# SIF IMOBILIARE PLC

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

### 3. Significant accounting policies (continued)

#### Financial assets - Classification (continued)

For investments in equity instruments that are not held for trading, classification will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

#### Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

#### Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

#### Financial assets -Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

#### Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank.

#### Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

# SIF IMOBILIARE PLC

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

### 3. Significant accounting policies (continued)

#### Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

### 4. New accounting pronouncements

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

### 5. Financial risk management

#### Financial risk factors

The Company is exposed to credit risk, liquidity risk, currency risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

#### 5.1 Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and contract assets.

#### 5.2 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining liquid current assets and by having available an adequate amount of committed credit facilities.

#### 5.3 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures. The Company's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

#### 5.4 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

### 6. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

# SIF IMOBILIARE PLC

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

### 6. Critical accounting estimates and judgments (continued)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

- **Fair value of financial assets**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the financial assets at fair value through other comprehensive income has been estimated based on the fair value of these individual assets.

- **Impairment of investments in subsidiaries**

The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associated with these subsidiaries would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- **Impairment of loans receivable**

The Company periodically evaluates the recoverability of loans receivable whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country in which the borrower operates, which may indicate that the carrying amount of the loan is not recoverable. If facts and circumstances indicate that loans receivable may be impaired, the estimated future discounted cash flows associated with these loans would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

### 7. Other operating income

	2019	2018
	€	€
Profit from sale of investments in subsidiaries	<u>6,039,146</u>	-

### 8. Operating profit

	2019	2018
	€	€
Operating profit is stated after charging the following items:		
Auditors' remuneration	<u>17,850</u>	<u>17,850</u>

## SIF IMOBILIARE PLC

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

#### 9. Finance income/(costs)

	2019	2018
	€	€
Exchange profit	-	161
<b>Finance income</b>	<b>-</b>	<b>161</b>
Net foreign exchange losses	(113,972)	(5,037)
Sundry finance expenses	(2,399)	(1,411)
<b>Finance costs</b>	<b>(116,371)</b>	<b>(6,448)</b>
<b>Net finance costs</b>	<b>(116,371)</b>	<b>(6,287)</b>

#### 10. Tax

	2019	2018
	€	€
Corporation tax	28,245	14,626
Overseas tax	18,811	31,931
<b>Charge for the year</b>	<b>47,056</b>	<b>46,557</b>

The tax on the Company's profit before tax differs from theoretical amount that would arise using the applicable tax rates as follows:

	2019	2018
	€	€
Profit before tax	7,627,516	1,302,980
Tax calculated at the applicable tax rates	953,440	162,873
Tax effect of expenses not deductible for tax purposes	15,895	2,084
Tax effect of allowances and income not subject to tax	(941,090)	(150,882)
10% additional charge	-	551
Overseas tax	18,811	31,931
<b>Tax charge</b>	<b>47,056</b>	<b>46,557</b>

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

## SIF IMOBILIARE PLC

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

#### 11. Intangible assets

	<b>Website</b>
	<b>€</b>
<b>Cost</b>	
Balance at 1 January 2018	596
<b>Balance at 31 December 2018/ 1 January 2019</b>	<b>596</b>
<b>Balance at 31 December 2019</b>	<b>596</b>
<b>Amortisation</b>	
Balance at 1 January 2018	596
<b>Balance at 31 December 2018/ 1 January 2019</b>	<b>596</b>
<b>Balance at 31 December 2019</b>	<b>596</b>
<b>Net book amount</b>	
<b>Balance at 31 December 2019</b>	<b>-</b>

The Company maintains the website <http://sif-imbiliare.ro/>.

# SIF IMOBILIARE PLC

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

### 12. Investments in subsidiaries

	2019	2018
	€	€
Balance at 1 January	18,985,625	19,155,029
Disposals	(10,854)	-
Reclassification to Financial assets at fair value through profit and loss (Note 15)	-	(169,404)
<b>Balance at 31 December</b>	<b>18,974,771</b>	<b>18,985,625</b>

The details of the subsidiaries are as follows:

Name	Country of incorporation or residence	Principal activities	2019	2018	2019	2018
			Holding %	Holding %	€	€
Comalin SA		Investment property	91.1715	91.1715	3,092,601	3,092,601
SIFI BH EST SA		Investment property	94.7665	94.7665	814,778	814,778
SIFI CLUJ Retail SA		Investment property	96.3640	96.3640	6,009,094	6,009,094
SIFI CJ Logistic SA		Investment property	84.7435	84.7435	871,303	871,303
SIFI CJ Agro SA		Trade with cereals	97.5043	97.5043	1,171,918	1,171,918
SIFI CJ Storage SA		Investment property	92.0989	92.0989	781,685	781,685
Uniteh SA		Investment property	50.1978	50.1978	1,176,319	1,176,319
SIFI BH IND VEST SA		Investment property	98.9458	98.9458	1,747,017	1,747,017
Bistrita Cluj SA		Investment property	91.9778	91.9778	291,159	291,159
SIFI CJ OFFICE SA		Investment property	98.8252	98.8252	1,229,297	1,229,297
CORA SA		Investment property	93.9631	93.9631	404,053	404,053
SIFI BAI A MARE SA		Investment property	92.5906	92.5906	925,672	925,672
SIFI SIGHET SA		Investment property	72.2816	72.2816	300,074	300,074
SIFI B ONE SA		Investment property	90.7874	90.7874	112,379	112,379
SIFI BH Retail SA		Investment property	99.9000	99.9000	20,513	20,513
SIFI TM AGRO SA (Note 1)		Investment property	-	50.0000	-	10,854
SIFI Properties SA		Investment property	99.9000	99.9000	26,909	26,909
					<b>18,974,771</b>	<b>18,985,625</b>

(1) On 13 February 2019 the Company disposed all 18,000 shares held in SIFI TM Agro SA, representing the 50% of its share capital, together with the loan receivables against SIFI TM Agro SA, for the price of €15,603,026. The profit from the disposal of the subsidiary was €6,039,146 (Note 7).

## SIF IMOBILIARE PLC

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

#### 13. Non-current loans receivable

	2019	2018
	€	€
Balance at 1 January	14,990,895	12,406,539
New loans granted	15,499,785	2,435,281
Repayments	(9,710,161)	-
Interest charged	276,166	157,063
Exchange difference	(91,255)	(7,988)
<b>Balance at 31 December</b>	<b>20,965,430</b>	<b>14,990,895</b>

	2019	2018
	€	€
Loans to own subsidiaries (Note 20.1)	18,581,817	14,313,043
Loans to related parties (Note 20.2)	2,383,613	677,852
	<b>20,965,430</b>	<b>14,990,895</b>
Less current portion	(20,965,430)	(4,683,196)
Non-current portion	-	10,307,699

The loans are repayable as follows:

	2019	2018
	€	€
Within one year	20,965,430	4,683,196
Between one and five years	-	10,307,699
	<b>20,965,430</b>	<b>14,990,895</b>

The exposure of the Company to credit risk in relation to loans receivable is reported in note 5 of the financial statements.

The fair values of non-current receivables approximate to their carrying amounts as presented above.

#### 14. Receivables

	2019	2018
	€	€
Prepayments	-	259

The fair values of receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Company to credit risk and impairment losses in relation to receivables is reported in note 5 of the financial statements.

#### 15. Financial assets at fair value through profit or loss

	2019	2018
	€	€
Balance at 1 January	169,404	-
Reclassification from Investment in subsidiaries (Note 12)	-	169,404
<b>Balance at 31 December</b>	<b>169,404</b>	<b>169,404</b>

In the statement of cash flows, financial assets at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital. In the statement of comprehensive income, changes in fair values of financial assets at fair value through profit or loss are recorded in operating income.

# SIF IMOBILIARE PLC

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

### 16. Cash at bank

For the purposes of the statement of cash flows, the cash and cash equivalents include the following:

	2019	2018
	€	€
Cash at bank	<u>2,113,479</u>	<u>501,539</u>

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 5 of the financial statements.

### 17. Share capital

	2019	2019	2018	2018
	Number of shares	€	Number of shares	€
<b>Authorised</b>				
Ordinary shares €1 each	<u>4,499,974</u>	<u>4,499,974</u>	4,499,974	4,499,974
<b>Issued and fully paid</b>				
Balance at 1 January	<u>4,499,974</u>	<u>4,499,974</u>	4,499,974	4,499,974
<b>Balance at 31 December</b>	<u>4,499,974</u>	<u>4,499,974</u>	4,499,974	4,499,974

### 18. Other payables

	2019	2018
	€	€
Accruals	36,590	36,830
Other creditors	-	89
	<u>36,590</u>	<u>36,919</u>

The fair values of other payables due within one year approximate to their carrying amounts as presented above.

### 19. Refundable taxes

	2019	2018
	€	€
Corporation tax	<u>(5,713)</u>	<u>(944)</u>



# SIF IMOBILIARE PLC

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

### 20. Related party transactions

The following transactions were carried out with related parties:

#### 20.1 Loans to subsidiaries (Note 13)

	2019	2018
	€	€
SIFI TM AGRO-principal amount	-	9,317,311
SIFI TM AGRO-accrued interest	-	382,986
SIFI B ONE SA-principal amount	410,000	410,000
SIFI B ONE SA- accrued interest	24,027	19,927
SIFI BH RETAIL-principal amount	17,804,063	4,049,944
SIFI BH RETAIL- accrued interest	343,727	132,875
	<u>18,581,817</u>	<u>14,313,043</u>

The loans receivable from the subsidiaries bear interest 1% and 3.5% per annum and are expected to be repaid in 2020.

#### 20.2 Loans to related parties (Note 13)

	2019	2018
	€	€
Administrare Imobiliare SA-principal amount	2,275,925	619,000
Administrare Imobiliare SA- accrued interest	107,688	58,852
	<u>2,383,613</u>	<u>677,852</u>

The loans receivable from Administrare Imobiliare SA bear interest 1% and 3.5% per annum and are expected to be repaid in 2020.

#### 20.3 Interest income

	2019	2018
	€	€
Administrare Imobiliare	49,289	2,896
SIFI TM AGRO	9,865	93,172
SIFI B ONE SA	4,100	4,100
SIFI BH RETAIL	212,912	56,895
	<u>276,166</u>	<u>157,063</u>

#### 20.4 Dividend income

	2019	2018
	€	€
SIFI CJ Storage SA	159,379	105,322
Comalim SA	123,136	66,410
Cluj Retail SA	661,583	507,600
SIFI Sighet SA	20,169	9,066
SIFI Baia Mare SA	68,807	51,513
SIFI BH Est SA	-	90,173
SIFI BH Retail SA	-	329,082
SIFI CJ Logistic SA	63,196	21,460
Cora SA	42,940	-
SIFI B One SA	322,274	-
Uniteh SA	28,080	26,260
	<u>1,489,564</u>	<u>1,206,886</u>

## **SIF IMOBILIARE PLC**

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### **NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2019

#### **21. Commitments**

The Company had no capital or other commitments as at 31 December 2019.

#### **22. Events after the reporting period**

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

**Independent auditor's report on pages 3 to 8**

SIF IMOBILIARE PLC  
(the "Company")

WRITTEN RESOLUTION OF THE DIRECTORS  
DATED April 8, 2020

WHEREAS:

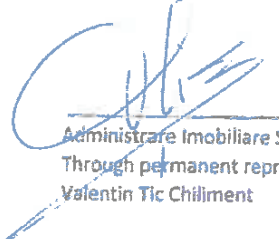
The company SIF Imobiliare PLC, pursuant to its audited accounts, for the year ending December 31, 2019 has recorded a profit of 7,580,460 EUR, while the accumulated losses at December 31, 2018 are 926,155 EUR.

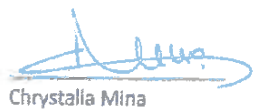
IT IS HEREBY UNANIMOUSLY RESOLVED AS FOLLOWS:

1. The Company's directors propose that the profit of 7,580,460 EUR corresponding to year 2019 will be used to cover the accumulated losses of 926,155 EUR corresponding to previous years and that the remaining amount of 6,654,305 EUR will not be distributed as dividends.

Dated 08.04.2020

The Directors:

  
Administrare Imobiliare S.A.  
Through permanent representative  
Valentin Tic Chiliment

  
Chrystalla Mina

  
Androulla Biaziate

