

## Athenee Palace SA

Estimation of the share market value under art.  
60 c) of Law 24/2017 and art. 115 of FSA  
Regulation no. 5/2018  
as at 31 May 2020

For the attention of:

**Ms. Liliana Mateias**

General Manager – President of the Board of Administration

**Athenee Palace SA**

1C Poligrafiei Blvd., Ana Holding office building, 1st floor, office no. 10, 1st District  
Bucharest, Romania

**Estimation of Athenee Palace SA share market value under art. 60 c) of Law 24/2017 and art. 115 of FSA Regulation no. 5/2018**

Dear Madam,

Following your request, we are pleased to submit to you this summary of the valuation report issued by Veridio SRL, which was retained to provide an estimation of the market value of Athenee Palace SA shares. The valuation report was issued for management information purposes, to set the price/share payable by the company to shareholders who will exercise their right of withdrawal according to art. 60 c) of Law 24/2017, in case the decision of the extraordinary general meeting of shareholders will approve the withdrawal from trading, fulfilling the conditions established by the regulations of the Financial Supervisory Authority, respectively in accordance with art. 115 of the FSA Regulation no. 5/2018, as at 31 May 2020.

The valuation report was prepared under the terms and conditions specified in the Service Agreement concluded between Athenee Palace SA and Veridio dated 23 June 2020 (“Service Agreement”), in compliance with the Valuation Standards in force.

We appreciate the opportunity to have been of service to you. For any clarifications, please do not hesitate to contact us.

Sincerely,

Adrian Vascu  
Senior Partner

**Veridio SRL**

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 **Veridio**  
TRUSTED BUSINESS ADVISORY



# Glossary

<b>Athenee Palace, Client, Company, ATPA Veridio, Valuer Group</b>	Athenee Palace SA Veridio SRL Group of companies comprising: Athenee Palace SA, Ana Hotels SA and Astoria Eforie Nord SRL
<b>Ana Hotels</b>	Ana Hotels SA (former name SC Athenee Phenix Group SA)
<b>Service Agreement</b>	The service agreement concluded between the Client and Veridio on 23 June 2020
<b>Valuation Date</b>	31 May 2020
<b>Valuation</b>	Estimation of the market value of Athenee Palace SA shares as at the Valuation Date
<b>Report</b>	This Valuation Report
<b>ANA</b>	Adjusted Net Assets method
<b>EBIT</b>	Earnings Before Interest and Tax
<b>EBITDA</b>	Earnings Before Interest, Tax, Depreciation and Amortization
<b>EUR/ Lei</b>	Currency Euro/ Lei
<b>SEV</b>	ANEVAR Valuation Standards, 2018 edition
<b>GBV</b>	Gross book value
<b>NBV</b>	Net book value
<b>Contract on right of superficies</b>	Contract regarding the transfer of the right of superficies concluded on 14.12.1995 between Athenee Palace SA and Ana Hotels SA (SC Athenee Phenix Group SA)
<b>FSA</b>	Financial Supervisory Authority

# Executive Summary & Scope of Work



# Executive Summary & Scope of Work

## Summary

- Veridio was retained to provide an estimation of the market value of Athenee Palace SA shares. The valuation report was issued for management information purposes, to set the price/share payable by the company to shareholders who will exercise their right of withdrawal according to art. 60 c) of Law 24/2017, in case the decision of the extraordinary general meeting of shareholders will approve the withdrawal from trading, fulfilling the conditions established by the regulations of the Financial Supervisory Authority, respectively in accordance with art. 115 of the FSA Regulation no. 5/2018, as of the Valuation Date, under the terms and conditions specified in the Service Agreement concluded between Veridio and the Client.
- The Valuation was prepared in accordance with the following Scope of Work and all other provisions in the Service Agreement.

## Scope of Work

### a) *Identification and status of the Valuer*

- Veridio SRL is a corporate member of ANEVAR with the authorization number 0440. The Veridio team is led by Adrian Vasca, ANEVAR [MAA, EI, EPI, EBM, VE], REV, with over 25 years' experience in valuation services, with local and international advisory firms.
- The team of valuers possesses a combination of skills acquired through both formal education and through practice in a number of companies, certified members of several professional bodies, such as: ANEVAR, CFA, ACCA, TEGoVA, CECCAR with a wide collective experience in valuation services.

### b) *Identification of the Client*

- The Client is Athenee Palace SA.
- Other parties that may have access to this Report under the terms and conditions specified in Section 4 – Limitations of the Service Agreement are (i) the Company's Directors, (ii) the Company's shareholders, and (iii) public authorities competent in respect to the matters addressed in the Report.

### c) *Purpose of the Valuation*

- The Valuation was prepared for the purpose of the information of the Client, to assist them in relation with their decision-making process, to set the price/share payable by the company to shareholders who will exercise their right of withdrawal according to art. 60 c) of Law 24/2017, in case the decision of the extraordinary general meeting of shareholders will approve the withdrawal from trading, fulfilling the conditions established by the regulations of the Financial Supervisory Authority, respectively in accordance with art. 115 of the FSA Regulation no. 5/2018.

### d) *Identification of the Valuation subject*

- The Valuation refers to the estimation of the market value of Athenee Palace SA shares. The subscribed capital paid of Athenee Palace SA amounts to Lei 1,897,748, divided into 6,325,826 registered shares issued in dematerialized form, with a nominal value of 0.3 Lei each.

### e) *Basis of value*

- The basis of value assessed in this Valuation is **market value**.
- As per the applicable Valuation Standards, market value is defined as "The estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

## Executive Summary & Scope of Work

- According to SEV 2018, GEV 600, para. 64 "In case of valuation of shares issued by an enterprise carried out for its withdrawal from trading, no discounts are applied for lack of control, respectively for lack of liquidity".

- The Valuation currency is RON.

### **f) Valuation Date**

- The Valuation was prepared as of 31 May 2020, the Valuation Date. The estimated value reflects the operational and financial position of the Company and the prevailing market conditions as of the Valuation Date, based on available information, unless otherwise specified in the Report.
- The exchange rate used in the Report is the exchange rate published by BNR as of 31 May 2020, Lei/ EUR 4.8426, respectively Lei / USD 4.3517.

### **g) Extent of investigation**

- The Valuer undertook the following steps to prepare the Valuation:
  - Collection of information from the Client on the Company and its assets
  - Collection of information from public sources
  - Analysis of the available information
  - Preparation of a financial model and computation of the relevant value metrics
  - Presentation of results and conclusions

### **h) Nature and source of the information to be relied upon**

- The Valuation was performed based on the following information:

- *Information provided by the Client:* financial statements of the companies for the years ending 31 December 2018 and 31 December 2019, trial balance as of 31 December 2019 and as of the Valuation Date, audit report for the year ending 31 December 2019, fixed assets register as at the Valuation Date, contract on rights of superficies of the land and related addendums, financial forecasts for the period 2020-2025, approved budget for Ana Teleferic for the year ending 31 December 2020, assumptions related to dividend distribution for Ana Hotels SA and Ana Teleferic SA, various financial and operational information provided by the Company, information related to the relevant market etc.

- *Public information:* statistics published by BNR, ECB, Reuters - Eikon, INSSE, CNSP, Damodaran, various market studies, publications etc.

- No independent verification of the information provided by the Client and the Company was performed, this being considered to reflect the current operational and financial position of the Company and the perspectives over the forecast period.

- Our analysis was also based on information retrieved from public sources deemed to be reliable, which were used as such, as our scope of work does not include the verification of accuracy of such information.

- The work file related to the Report includes the detailed sources of information representing the basis for our Valuation.

### **i) Assumptions and special assumptions**

- The estimation of the market value is based on the assumption that the Company will continue to operate in the future as going concern, for an indefinite period of time.

## Executive Summary & Scope of Work

- The Valuation assumes the Company will operate as stand-alone entity, and the operations, including especially the relations with creditors, suppliers and clients, will be based on the arm's length principle.
  - The Valuation was performed assuming that there are no undisclosed actual or contingent liabilities, no special obligations or substantial commitments other than those generated by the normal course of business, and there are no ongoing litigations that may materially impact the results of our analysis, except as presented in the Report.
  - The Valuation relies on applying the professional judgment of the appraiser and using available information and assumptions to reach a conclusion on the value. Information and assumptions used are presented in this section and throughout the Report. The validity of the assessment is subject to information and assumptions used, which are not exhaustive and may contain certain inherent limitations.
  - Differences may exist between future economic benefits derived from ownership of Company as compared to potential economic benefits estimated based on the market analysis. Such differences may arise from uncertainties related to the market, economic conditions and other risk factors that are not predictable nor quantifiable for the Client or Valuer as of the Valuation Date, and therefore no reasonable assumption can be inferred with respect to these uncertainties.
  - We did not perform an independent verification but we assumed that all property rights indicated by the Company are valid.
  - We assumed that all licenses and authorizations required for the Company's operations are valid and in force.
  - We did not performed any independent verification on the Company' premises to identify the presence of any potential environmental risk.
  - No special assumption was used in the Valuation.
- j) Restrictions on use, distribution or publication**
- The Valuation was performed exclusively for the purpose aforementioned, respectively for management information purposes, to set the price/share payable by the company to shareholders who will exercise their right of withdrawal according to art. 60 c) of Law 24/2017, in case the decision of the extraordinary general meeting of shareholders will approve the withdrawal from trading, fulfilling the conditions established by the regulations of the Financial Supervisory Authority, respectively in accordance with art. 115 of the FSA Regulation no. 5/2018, as of the Valuation Date. No other use of the Valuation is accepted. The Valuer assumes no liability whatsoever if the Valuation is used for any other purpose.
  - The Valuer assumes no responsibility for any legal matters, costs, damages, losses or expenses suffered by the Client or any third party resulting from the use of this Report, other than provided for in the Service Agreement.
  - The value estimates throughout the Report do not represent a fairness opinion relating to any actual or proposed transaction with the Company's shares. For various reasons the trading price of the Company's shares in a specific transaction between specific parties at a specific date may be significantly different from the value(s) estimated in the Report.
  - The Valuation does not represent an opinion on the solvency of the Company, nor an investment recommendation. The Valuation does not represent in any circumstance an assurance or guarantee in relation to a potential transaction with the business or assets subject to valuation or any other assets, nor with the bank loans that may be secured by the Client, or Company, with a pledge on the Client's, or Company's, business or assets. Our Report shall not be used for the purpose of financial reporting nor as evidence in any court of law.

## Executive Summary & Scope of Work

- The Valuation reflects the market status and circumstances at the Valuation Date, based on information supplied by the management and collected from public sources of information. Our work does not include update or revision of the Report based on events and transactions occurring after the Valuation Date.

### k) Confirmation of the compliance to the applicable Valuation Standards

- The Valuation Report is prepared in accordance with the Valuation Standards issued by ANEVAR, 2018 edition. We hereby, to our best knowledge and belief, certify the following statements regarding this Valuation:
  - The statements contained in this report are based on facts and opinions communicated to us, deemed to be true and correct, to the best of our knowledge.*
  - The reported analyses, opinions and conclusions are limited only to the reported assumptions and limiting conditions and represent our objective and professional views.*
  - We have no present or prospective interest in the financial instruments that are the subject of this report and we have no personal interest or bias with respect to the parties involved.*
  - We have no bias with respect to the subject matter of this report or the parties involved with this engagement.*
  - Our compensation is not contingent upon the report of a predetermined value that might favor in any way the client, or could impact the value estimate, or could determine the occurrence of a subsequent event.*
  - Our analyses, opinions and conclusions were developed and this report has been prepared in compliance to the applicable Valuation Standards and are subject to the requirements of the code of professional ethics of ANEVAR.*
  - We are in compliance with all the requirements of ANEVAR.*

### l) Description of report

- This Report comprises a brief overview of the market and Company and its participating interests, the valuation methodology and its application, our conclusions and appendices.

### Valuation conclusions

- The Valuation of Athenee Palace SA equity was performed applying the asset-based approach, namely the Adjusted Net Assets method.
- The Valuation conclusions are outlined below:

Valuation conclusions as at 31 May 2020		
Market value of ATPA equity	Lei	7,253,424
Number of shares	Number of shares	6,325,826
<b>Value/share</b>	<b>Lei/share</b>	<b>1.15</b>

Source: Client information, Veridio analysis

- Based on the methodology applied and the assumptions set forth in the Report, the market value of the Athenee Palace SA equity at the Valuation Date is 7,253,424 Lei. The market value of a share is thus estimated at 1.15 Lei / share at the Valuation Date.





*We believe that sincerity and honesty must prevail in all our relationships with clients and business partners. We believe that there are no "small" or "large" clients and our respect builds value to the relationship with the client. We believe that professional standards and best practices are not abstract concepts and their compliance contributes to raising the quality of services. We believe that we can offer our clients added value by providing them with all our knowledge, experience and work energy. We believe we can take joy and pride from our work.*

*& We believe that the most important thing we can receive from our clients is their trust.*



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