



SIF BANAT-CRIȘANA

SOCIETATE DE INVESTIȚII FINANCIARE

SIMPLIFIED PROSPECTUS

Societatea de Investiții Financiare Banat-Crișana

The simplified prospectus was prepared in accordance with the provisions of Law no. 243/2019 on the regulation of alternative investment funds and for the amendment and completion of certain normative acts, of art. 14 of Regulation (EU) 2017/1129 of the European Parliament and of the Council, of Commission Delegated Regulation (EU) 2019/979 and of Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 and of the ASF Regulation no. 7/2020 on the authorization and operation of alternative investment funds (AIF), in order to conform the documents of establishment and operation of **Societatea de Investiții Financiare Banat-Crișana S.A.** (hereinafter **SIF Banat-Crișana**) in order to be included in the diversified closed-ended type addressed to retail investors AIF.

The simplified prospectus contains:

- **Summary Prospectus**
- **Registration document for the securities issued by SIF Banat-Crișana**
- **Securities Note**

INVESTMENTS IN ALTERNATIVE INVESTMENT FUNDS ARE NOT BANK DEPOSITS, AND BANKS, AS SHAREHOLDERS OF THE ISSUER, DO NOT OFFER ANY GUARANTEE TO THE INVESTOR REGARDING THE RECOVERY OF THE AMOUNTS INVESTED.

ASF APPROVING THE PROSPECTUS DO NOT IMPLY IN ANY WAY THE APPROVAL OR ASSESSMENT BY THE ASF OF THE QUALITY OF THE INVESTMENT IN THE SHARES ISSUED BY SIF BANAT-CRIȘANA BUT HIGHLIGHTS THE ISSUER'S COMPLIANCE WITH THE PROVISIONS OF THE APPLICABLE LEGISLATION.

ALTERNATIVE INVESTMENT FUNDS INVOLVE NOT ONLY THE ADVANTAGES THAT ARE SPECIFIC TO THEM, BUT ALSO THE RISK OF NOT ACHIEVING THE OBJECTIVES, INCLUDING LOSSES FOR INVESTORS, THE INCOME ATTRACTED FROM THE INVESTMENT BEING, AS A RULE, PROPORTIONATE TO THE RISK.

Name of securities: **SHARES SIF1 - ISIN: ROSIFAACNOR2 – listed on Bucharest Stock Exchange**

Issuer: **SOCIETATEA DE INVESTIȚII FINANCIARE BANAT-CRIȘANA S.A. (hereinafter „SIF Banat-Crișana”) - LEI Code: 254900GAQ2XT8DPA7274**

Headquarters: 35A Calea Victoriei, 310158, Arad, Arad County, Romania, tel: (+4) 0257 304 438, fax: (+4) 0257 250 165, website: www.sif1.ro, email: sifbc@sif1.ro

Competent authority: **AUTORITATEA DE SUPRAVEGHERE FINANCIARĂ**

Address: 15 Splaiul Independenței, Sector 5, 050092, Bucharest, Romania, fax: (+4) 021 659 60 51 and (+4) 021 659 64 36; email: office@asfromania.ro; website: www.asfromania.ro

Date of approval of Simplified Prospectus: **Authorization ASF no. 130/01.07.2021**

SUMMARY PROSPECTUS

WARNINGS:

The Summary Prospectus is drawn up in accordance with the provisions of art. 14 of Regulation (EU) 2017/1129 of the European Parliament and of the Council and should be read as an introduction to the Simplified Prospectus.

Any decision of an investor to invest in the shares issued by SIF Banat-Crișana must be based on the examination and detailed analysis of the Simplified Prospectus in its entirety.

Investors are warned that they are about to buy a product that is not simple and can be difficult to understand. An investment in securities involves complex financial risks and investors must carefully consider whether this investment is appropriate for them, taking into account the information in the Simplified Prospectus and their personal circumstances. Investors in shares issued by the Issuer may lose all or part of the invested capital.

If an action is brought in court concerning the information contained in the Simplified Prospectus, the applicant investor could, in accordance with national law, bear the costs of translating the Simplified Prospectus before initiating legal proceedings.

The civil liability belongs only to SIF Banat-Crișana, 35A Calea Victoriei, postal code 310158, Arad, Romania / to the persons who presented this Summary Prospectus, including any translation thereof provided by the issuer, but only if the Summary misleads, it is incorrect or inconsistent with other parts of the Simplified Prospectus or with information in the Key Information Document to assist investors in assessing their ability to invest in such shares.

The approval visa applied on the simplified prospectus has no value of guarantee and does not represent another form of endorsement by the Financial Supervisory Authority (ASF) regarding the opportunity, advantages or disadvantages, profit or risks that transactions with the shares of SIF Banat-Crișana could have.

The approval decision only certifies the regularity of the prospectus regarding the requirements of the law and the rules adopted in its application.

I. ESSENTIAL INFORMATION CONCERNING THE ISSUER

WHO IS THE ISSUER OF THE SECURITIES

Societatea de Investiții Financiare Banat-Crișana S.A. (hereinafter „**SIF Banat-Crișana**”) is established since November 1996 as a joint stock company in accordance with the provisions of Law no. 31/1990 on trading companies, being a Romanian legal entity with entirely private capital, with the duration of company's operation of 99 years, registered at the Trade Register Office attached to the Arad Court under number J02/1898/1992, having the unique Registration Code 2761040.

SIF Banat-Crișana is established as a self-managed investment company and is authorized by the Financial Supervision Authority (ASF) as an Alternative Investment Fund Administrator (AIFM), in accordance with Law no. 74/2015 with Authorization number 78/09.03.2018, registered in the ASF Public Register with number AFIAA PJR07.1AFIAA / 020007 of 09.03.2018.

In accordance with the provisions of Law no. 243/2019 on alternative investment funds, SIF Banat-Crișana qualifies as a closed-ended, diversified Alternative Investment Fund, addressed to retail investors (AIFRI), self-managed.

Registered office (domicile): Arad, 35A Calea Victoriei, 310158, Arad county, Romania, tel: 0257 304 438, fax 0257 250 165, email: sifbc@sif1.ro, website: www.sif1.ro. **Bucharest Branch:** 46-48 Serghei Vasilievici Rahmaninov Str. 3rd floor, sector 2, Bucharest, 020199, Romania.

LEI Code (Legal Entity Identifier): 254900GAQ2XT8DPA7274

SIF Banat-Crișana has been listed on the Bucharest Stock Exchange since November 1, 1999, the shares are being traded on the regulated market - Premium category under the symbol **SIF1 (ISIN: ROSIFAACNOR2)**.

Main activity of SIF Banat-Crișana is, as per the classification of economic activities in the national economy (CAEN): financial intermediation, except insurance and pension funds (CAEN code 64), and the main object of activity: Other financial intermediation n.c.a. (CAEN code 6499). The object of activity of the company, according to the provisions of the Articles of Incorporation, consists in:

- a) portfolio management;
- b) risk management;
- c) other activities carried out within the collective administration of an investment fund, allowed by the legislation in force, such as:
 - (i) management of the entity: legal and accounting services of the company, requests for information from investors, valuation of assets, tax returns, monitoring of compliance with applicable law, keeping of the register of equity holders, distribution of income, issuance and redemption of securities participation, settlement of contracts, including issuance of certificates, record keeping.
 - (ii) distribution;
 - (iii) activities related to the assets of the AIF: services required for the performance of the AIFM's management, infrastructure management, real estate management, consultancy to entities on the structure of capital, industrial strategy and related matters, consultancy and services on mergers and acquisitions entities, as well as other services related to the management of the AIF and the companies and other assets in which it has invested.

SIF Banat-Crișana does not have majority shareholders to hold the control, directly or indirectly.

SIF Banat-Crișana is managed by a Board of Directors consisting of five members elected by the general meeting of shareholders and authorized in this position by ASF, the Board being responsible for the strategic management of the company and the preparing of the general investment policy. The composition of the Board of Directors is as follows:

- **Bogdan-Alexandru DRĂGOI** - Chairman of the Board of Directors since March 2015 and General Director of SIF Banat-Crișana since July 2015;
- **Radu Răzvan STRĂUȚ** - Vice-Chairman of the Board of Directors since April 2017 and Deputy General Director of SIF Banat-Crișana since May 2018;
- **Sorin MARICA** - Independent non-executive member of the Board of Directors since April 2017 and Chairman of the Nomination and Remuneration Committee;
- **Marcel Heinz PFISTER** - Independent non-executive member of the Board of Directors since April 2017 and Chairman of the Audit Committee;
- **Ionel-Marian CIUCIOI** - Non-executive member of the Board of Directors since January 2018

The financial auditor starting with the financial year 2019 is **DELOITTE AUDIT S.R.L.**, headquartered in Bucharest, The Mark Building, 84-98 and 100-102 Calea Griviței, 8th floor and 9th floor, Sector 1, Romania

For the financial years 2016 - 2018, the financial auditor was **PRICEWATERHOUSECOOPERS AUDIT S.R.L.**, headquartered in Bucharest, 301-311 Barbu Văcărescu Str., Lakeview Building, floor 6/1, Sector 2, Romania.

The depositary and custody services are provided by **BANCA COMERCIALĂ ROMÂNĂ S.A.**, headquartered in Bucharest, 159 Calea Plevnei, Business Garden Bucharest, building A, et. 6, sector 6, Romania.

The record of shares and shareholders is kept by **DEPOZITARUL CENTRAL S.A.** Bucharest.

ESSENTIAL FINANCIAL INFORMATION CONCERNING SIF BANAT-CRIȘANA

(i) PRO FORMA FINANCIAL INFORMATION

Additional information relevant for SIF Banat-Crișana

Class of shares	Total NAV	No. of outstanding shares	NAV/share	Market price / share	Historical performance of the fund (NAV)	Historical performance of the fund (market price)	YEAR
Ordinary	2,884,036,120	514,542,363	5.6051	2.2000	5.84%	-19.41%	2020
Ordinary	2,724,969,019	514,542,363	5.2959	2.7300	22.30%	33.82%	2019
Ordinary	2,228,169,271	517,371,068	4.3067	2.0400	-14.05%	-26.35%	2018

Profit and loss account for SIF Banat-Crișana

	2020	2019	2018
Total income	94,840,715	121,537,512	114,876,610
Net gain (loss) on investment	27,816,050	75,953,656	(16,053,869)
Net Profit / (Net Loss)	92,122,406	159,494,532	77,186,227
Performance fee (accumulated/paid)	Not the case	Not the case	Not the case
Investment management fee (accumulated/paid)	Not the case	Not the case	Not the case
Any other significant commissions (accumulated/paid) due to service providers	8,794,811	3,322,619	3,248,280
Other operating expenses	19,678,132	18,913,441	14,682,344
Earnings per share	0.179	0.309	0.149

Balance sheet for SIF Banat-Crișana

	2020	2019	2018
Total net assets	2,729,904,691	2,748,203,454	2,321,420,613
Leverage indicator	1	1	1

Note 1: Information for 2018, 2019 and 2020 is audited.

Note 2: During the analysed period, SIF Banat-Crișana did not use methods to increase the global exposure that would generate leverage.

(ii) QUALIFICATIONS IN THE AUDIT REPORT ON HISTORICAL FINANCIAL INFORMATION

Standalone financial statements	2017	2018	2019	2020
Auditor	PricewaterhouseCoopers	PricewaterhouseCoopers	Deloitte	Deloitte
Opinion	Clean opinion	Clean opinion	Clean opinion	Clean opinion
Consolidated financial statements	2017	2018	2019	2020
Auditor	PricewaterhouseCoopers	PricewaterhouseCoopers	Deloitte	Deloitte
Opinion	Qualified opinion*	Qualified opinion **	Qualified opinion***	Clean opinion

* **The basis of qualified opinion:** (i) the impossibility to determine the impact on the financial statements of the non-inclusion in consolidation of two subsidiaries of the Group (Pont Agrinvest SRL, Pont Automall SRL - accumulated negative equity of RON 30.0 million); (ii) the impossibility to determine the impact on the financial statements of not carrying out the revaluation of some lands and constructions (2015: RON 41.8 million) of a subsidiary in the period 2012-2015; (iii) the impossibility to determine the impact on the financial statements of the revaluation of some lands and constructions of a subsidiary on December 31, 2013, based on an incomplete valuation report (2015: RON 15.3 million lei net book value).

**** The basis of qualified opinion:** the impossibility to determine the impact on the financial statements of the non-inclusion in consolidation of two subsidiaries of the Group (Pont Agrinvest SRL, Pont Automall SRL - accumulated negative equity of RON 30.0 million);

***** The basis of qualified opinion:** the impossibility to determine the impact on the comparative financial information (2018) within the financial statements of the non-inclusion in consolidation of two subsidiaries of the Group (Pont Agrinvest SRL, Pont Automall SRL - cumulative negative equity of RON 30.0 million)

MAIN RISKS SPECIFIC TO THE ISSUER

SIF Banat-Crișana proactively identifies its exposures to the financial and operational risks resulting from daily activities, as well as from the achievement of its strategic objectives.

Significant risks are risks with a significant impact on the issuer's equity and / or reputation.

By the nature of its object of activity, SIF Banat-Crișana is exposed both to risks associated with the financial instruments and the markets on which it has exposure, as well as to certain operational risks, which may materialize in capital losses or low investment performance in relation to the risks assumed.

Risk factors specific to the investment portfolio

The potential financial risks associated with the investment activity carried out by SIF Banat-Crișana include: market risk; liquidity risk; credit and counterparty risk.

a) Market risk is the risk resulting from an unfavourable change in the value or income obtained from assets held or from fluctuations in exchange rates or interest rates. Market risk can be broken down into a *general component of market risk* (risk that the market as a whole will decline in value) and a *specific component of market risk*, unique to the special financial transaction projected.

From the relevant point of view of SIF Banat-Crișana, there are **four major types of market risk**: price / position risk, interest rate risk, currency risk and concentration risk.

Price risk is the risk that the volatility of market prices, such as stock prices, interest rates and exchange rates will adversely affect the income and value of the portfolio of financial instruments and shareholdings of SIF Banat-Crișana.

The position risk is associated with the portfolio of financial instruments held by SIF Banat-Crișana with the intention of profiting from the favourable evolution of the price of the respective financial assets or from any dividends / coupons granted by issuers. SIF Banat-Crișana is exposed to the position risk, both to the general one and to the specific one, due to the investments in bonds, shares and fund units.

Interest rate risk is the risk that income or expenses, or the value of the Company's assets or liabilities fluctuate as a result of changes in market interest rates. For interest-bearing financial instruments, interest rate risk consists of the risk of fluctuations in the value of a particular financial instrument due to changes in interest rates and the risk of differences between the maturity of interest-bearing financial assets and interest-bearing liabilities (risk of "mismatch").

Currency risk is the risk of losses or not realizing the estimated profit due to unfavourable exchange rate fluctuations. SIF Banat-Crișana invests in financial instruments and enters into transactions that are denominated in currencies other than its functional currency, thus exposing itself to the risks that the exchange rate of the national currency in relation to other currency will have adverse effects on fair value or future cash flow of that portion of financial assets and liabilities denominated in other currency.

The concentration risk represents the vulnerability given by the existence of exposures to entities that have common or similar characteristics and affects all the assets held by SIF Banat-Crișana, regardless of their holding period.

b) Liquidity risk is the risk arising from the lack of marketability of an investment, so that it cannot be bought or sold quickly enough to minimize a loss (related to the portfolio of financial instruments) as well as the current or future risk of adverse impairment of profits and equity, determined by the inability of SIF Banat-Crișana to fulfil the obligations arising from short-term financial debts, which are extinguished by payment in cash or by other financial means, or that such obligations are extinguished in an unfavourable manner for SIF Banat-Crișana (related to payment obligations).

c) Credit and counterparty risk

Credit risk is the risk of an economic loss due to a counterparty's breach of contractual obligations or an increased risk of default during the transaction as a result of changes in the credit quality of an asset.

Counterparty risk is a contingent one, any loss being dependent on a counterparty insufficiency (credit risk) in an ongoing transaction (market risk) at the date of default of the credit counterparty.

The company is exposed to credit and counterparty risk as a result of investments in bonds issued by companies, current accounts and bank deposits and other receivables.

Sustainability risk

Sustainability risk means an environmental, social or governance event or condition that, if occurring, could cause a significant, actual, or potential adverse effect on the value of the investment.

Sustainability risks in the climate and environment area are divided into physical risks and transition risks. Physical risks arise both due to extreme individual meteorological phenomena and their consequences, as well as from long-term changes in climatic and environmental conditions. The risk of transition arises from adapting to a low-carbon economy to mitigate climate change.

Risks related to social issues may include, but are not limited to, labour rights and relations with the community.

Risks related to governance may include, but are not limited to, risks related to the independence of the board, shareholding and its control, or auditing and tax management.

These risks can affect the operational effectiveness and resilience of an issuer, as well as the public perception and reputation that affect its profitability and capital growth and have an impact on the value of the Fund's holdings.

The manifestation or materialization of a sustainability risk factor in a way that is not anticipated may have a negative impact on the value of an investment and therefore on the total value of the asset under management with a negative impact on the market price of SIF1 shares traded on BVB.

Activity-specific risk factors

a) Operational risk is the risk of direct or indirect losses resulting from flaws or deficiencies in the procedures, personnel, internal systems of SIF Banat-Crișana or from external events that may have an impact on its operations. The operational risks derive from all the activities of SIF Banat-Crișana.

b) Reputational risk is the current or future risk of a negative impact on profits and capital determined by the unfavourable perception of an institution's image by customers, counterparties, shareholders, investors, or supervisory authorities.

c) Strategic risk represents the current or future risk of negatively affecting the profits and asset value of the portfolio of the entity managed by the Company, arising from the implementation of inappropriate management decisions, improper implementation of management decisions or lack of reaction to changes in business environment. Strategic risk is uncontrollable and unquantifiable.

d) Systemic and contagion risk - Macroeconomic influences can have an impact on the business of companies in the company's portfolio and implicitly on the investment activity.

e) Regulatory risk is the risk of a loss due to non-application, or incorrect application of legal and / or contractual provisions and / or due to inadequate contractual framework or insufficient regulation.

f) Taxation risk - Interpretation of texts and practical implementation of the procedures of the new applicable tax regulations harmonized with European legislation, could vary from entity to entity and there is a risk that in some situations the tax authorities will adopt a different position than that of SIF Banat -Crișana.

g) The risk related to the business environment represents the current or future risk of negative damage to profits and equity, as a result of unfavourable developments of the main macroeconomic variables or of any variables that constitute targets of the country's economic policy.

Through risk management, both through prior verification of investments and through ex-post monitoring, the Company ensures that portfolio management is within the appropriate risk parameters.

The risk management policies implemented by SIF Banat-Crișana include the necessary procedures to allow the Company to assess the exposure to all relevant risks that may have a significant level for SIF Banat-Crișana, taking into account the investment objectives and strategies, styles or methods of asset management and which may thus directly affect the interests of shareholders.

II. ESSENTIAL INFORMATION CONCERNING THE SECURITIES

Name of securities:	SHARES SIF1 - ISIN: ROSIFAACNOR2
Issuer:	SOCIETATEA DE INVESTIȚII FINANCIARE BANAT-CRIȘANA S.A.
LEI Code:	254900GAQ2XT8DPA7274
Registered office address:	35A Calea Victoriei, 310158, Arad, Romania, website: www.sif1.ro email: sifbc@sif1.ro, tel: (+4) 0257 304 438, fax: (+4) 0257 250 165
Total number of issued shares:	515,422,363 shares (at the date of preparing the Simplified Prospectus)
Outstanding shares:	514,542,363 shares (at the date of preparing the Simplified Prospectus)
Nominal value:	RON 0.1 / share
Type of shares:	common, registered shares, of equal values, issued in dematerialized form; grant equal rights to their holders; are indivisible, and the issuer recognizes a single representative for exercising the rights resulting from a share. Each share entitles to one vote.

Restrictions on the transferability: there are no restrictions on the transferability of the outstanding securities.

Dividend policy: SIF Banat-Crișana aims at maintaining a balance between the remuneration of shareholders through dividends and the need to finance new investments from the reinvested-obtained profit. The strategy of maintaining this balance aims both to increase the long-term investment attractiveness for SIF Banat-Crișana shares, and to maintain the investment potential, ensuring the long-term sustainable profitability of the activity for the benefit of increasing the value created for shareholders.

The dividend distribution from the net profit and the value of the dividend per share are approved by the General Meeting of Shareholders (GMS) and take into account both the sustainability of the measure, the economic context and current market returns.

The method of remuneration of SIF Banat-Crișana shareholders is applied for their benefit through the dividend distribution policy, as well as through the decision to reinvest the profit or to repurchase the securities, for the stated purpose of increasing the value of the shares. The remuneration of SIF Banat-Crișana shareholder can be performed transparently, correctly, and efficiently financially and fiscally, in any of the variants decided to be followed: distribution of cash dividends, reinvestment of profit in the hope of increasing the value of the share by at least the undistributed dividend or buyback programs approved by the GMS.

The payment of dividends approved by the GMS of SIF Banat-Crișana is made to the shareholders recorded in the Shareholders Register kept by the registry company - Depozitarul Central S.A. on the registration date approved by the general meeting of shareholders.

The related dividend tax is withheld in the rates provided by law or other specific regulations.

The right to receive dividends shall expire within three years from the date of commencement of their payment, in accordance with the legal provisions in force.

WHERE ARE THE SECURITIES TRADED

The securities (shares) are listed starting November 1, 1999 on the Bucharest Stock Exchange (BVB), traded under the symbol SIF1 (ISIN code: ROSIFAACNOR2) on the Main segment, the Premium category of the regulated spot market (trading place (MIC): XBSE).

GUARANTIES RELATED TO SECURITIES

Not the case

MAIN RISKS SPECIFIC FOR SECURITIES

a) Market price volatility

SIF1 shares may be affected by market price volatility because of changes that are not related to the operating performance of the Issuer SIF Banat-Crișana.

The market price of SIF1 shares may fluctuate as a result of a many factors, including those mentioned in this chapter, as well as a result of periodical variations in operating results or changes in revenues or profits estimated by SIF Banat-Crișana or by financial analysts. Also, the market price could be adversely impacted by changes unrelated to the operating performance of SIF Banat-Crișana, such as the operating performance of other companies that investors may consider comparable to SIF Banat-Crișana, hostile press articles, strategic actions of competitors (including acquisitions and restructuring of investment portfolio), changes in

market and legislative conditions. Any and all of these factors can cause significant share price fluctuations, which could lead to a negative return for investors or a total loss of their investment.

b) The degree of liquidity of the securities

The low liquidity specific to the BVB (BSE) market can have a negative impact on the liquidity of SIF1 shares and can lead to low trading volumes. The degree of liquidity of the securities may adversely affect the price at which an investor may dispose of the securities if the investor wishes to make the sale in a short time.

c) Suspension of trading on the Bucharest Stock Exchange (BVB or BSE)

The Financial Supervisory Authority is authorized to suspend the trading of securities or to request the Bucharest Stock Exchange to suspend from trading the securities traded on BVB, if the continuation of trading would adversely affect the interests of investors or to the extent that the relevant issuer breaches its obligations according to the relevant laws and regulations on securities. Also, the Bucharest Stock Exchange has the right to suspend from trading the SIF1 shares in other circumstances, in accordance with its regulations. Any suspension could affect the trading price and affect the transfer of SIF1 shares.

d) The Company's capacity to pay dividends to shareholders may be limited

Being a self-managed investment company, whose main activity is to perform and manage the investments in the instruments listed in the investment policy, the capacity of SIF Banat-Crișana to generate income and pay dividends depends on the ability of the shareholdings in the portfolio under its management to declare and to pay dividends. The method of remuneration of SIF Banat-Crișana shareholders can be changed by the dividend distribution policy, by the profit reinvestment decision or by buyback programs.

The investment strategy of SIF Banat-Crișana is for the efficient management of a diversified portfolio of quality assets, able to ensure a constant flow of income, conservation, and medium-long term capital growth, in order to increase the value for shareholders and obtain the highest possible returns on invested capital.

e) Foreign exchange risk to which foreign investors in SIF1 shares are exposed

SIF1 shares are traded on BVB in the national currency - leu (RON). An investment in SIF1 shares by an investor whose principal currency is not the leu exposes the investor to foreign exchange risk. A depreciation of the leu against any foreign currency will reduce the value of the investment in SIF1 shares or distributed dividends. In accordance with the provisions of Romanian law, any settlement of transactions with SIF1 shares or distribution of dividends can be done only through the Central Depository system which can settle and process payments only in RON, which would expose investors whose main currency is not RON, to foreign exchange risk.

f) Double taxation on dividends or other distributions made by the Company

Any dividends or other distributions that SIF Banat-Crișana makes to its shareholders will, in principle, be subject to withholding tax in Romania, where SIF Banat-Crișana operates. Therefore, the shareholders of SIF Banat-Crișana could be subject to the obligation to pay withholding tax for dividends or other distributions that SIF Banat-Crișana makes to shareholders.

III. ESSENTIAL INFORMATION ON THE ADMISSION TO TRADING ON A REGULATED MARKET

WHY WAS THIS PROSPECTUS PREPARED

This document was prepared in accordance with the provisions of Law no. 243/2019 on the regulation of alternative investment funds and for the amendment and completion of some normative acts, of art. 14 of Regulation (EU) 2017/1129 of the European Parliament and of the Council, of Commission Delegated Regulation (EU) 2019/979 and of Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 and of the ASF Regulation no. 7/2020 on the authorization and operation of alternative investment funds (AIF), in order to conform to the documents of establishment and operation of **Societatea de Investiții Financiare Banat-Crișana S.A. (SIF Banat-Crișana)** in order to be included in the diversified closed-ended type for retail investors AIF (AIFRI).

This document does not represent a document prepared within an offer or for the purpose of admitting trading the shares issued by SIF Banat-Crișana.

The shares issued by SIF Banat-Crișana are admitted to trading on the Bucharest Stock Exchange (BVB) on the regulated market - Premium category - under the symbol **SIF1 (ISIN: ROSIFAACNOR2)**, from November 1, 1999. The shares do not have a minimum holding period, sale / purchase transactions can be performed at BVB at any time during the trading days and hours.

SIF BANAT-CRIȘANA

Chairman, CEO (General Director)

Bogdan-Alexandru DRĂGOI



SIF BANAT-CRIȘANA

SOCIETATE DE INVESTIȚII FINANCIARE

REGISTRATION DOCUMENT

FOR THE EQUITY SECURITIES ISSUED BY SIF BANAT-CRIȘANA

This document consists of two parts:

FIRST PART OF THE REGISTRATION DOCUMENT

prepared according to **Annex 3 - Registration document for secondary issuances of equity securities** of Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129

SECOND PART OF THE REGISTRATION DOCUMENT

Prepared according to **Annex 4 - Registration document for units of closed-end collective investment undertakings** of Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129

“The registration document for the securities issued by SIF Banat-Crișana” is prepared as a constituent part of the **Simplified Prospectus** that was drawn up in accordance with the provisions of Law no. 243/2019 on alternative investment funds amending and supplementing certain normative acts, of art. 14 of Regulation (EU) 2017/1129 of the European Parliament and of the Council, of Commission Delegated Regulation (EU) 2019/979 and of Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 and of the ASF Regulation no. 7/2020 on the authorization and operation of alternative investment funds (AIF), in order to conform the documents of establishment and operation of **Societatea de Investiții Financiare Banat-Crișana S.A.** (hereinafter **SIF Banat-Crișana**) in order to be included in the diversified closed-ended type for retail investors AIF category.

REGISTRATION DOCUMENT FIRST PART

SECTION 1

PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL

1.1

SIF Banat-Crișana is established as a self-managed investment company, authorized by the Financial Supervisory Authority as an Alternative Investment Funds Manager (AIFM), in accordance with Law no. 74/2015. In accordance with the provisions of Law no. 243/2019, SIF Banat-Crișana qualifies as a closed-ended, diversified Alternative Investment Fund, addressed to retail investors (AIFIR), self-managed.

The responsibility regarding the information included in the Registration Document rests with SIF Banat-Crișana through its representatives in the senior management provided by:

Members of the Board of Directors: Bogdan-Alexandru DRĂGOI – Chairman of the Board of Directors,; Radu-Răzvan STRĂUȚ – Vice-Chairman of the Board of Directors; Sorin MARICA – non-executive Board member, chairman of the Nomination and remuneration Committee; Marcel Heinz PFISTER – non-executive Board member, chairman of the Audit Committee; Ionel-Marian CIUCIOI – non-executive Board member;

Executive directors: Bogdan-Alexandru DRĂGOI – CEO (General Director); Radu-Răzvan STRĂUȚ – Deputy General Director; Teodora SFERDIAN – Deputy General Director Laurențiu RIVIȘ – Director.

1.2

The responsible persons mentioned in item 1.1 state that to the best of their knowledge, the information contained in the registration document is in accordance with the facts and that the registration document makes no omission likely to affect its import.

1.3

The responsible persons mentioned in item 1.1 state that this Registration Document was prepared as part of the Simplified Prospectus in accordance with the provisions of art. 14 of Regulation (EU) 2017/1129 of the European Parliament and of the Council and of Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129.

The responsible persons state that the Registration Document has been approved by the Financial Supervisory Authority, as the competent authority under Regulation (EU) 2017/1129.

The Financial Supervisory Authority approves this Registration Document only in terms of it meeting the standards of completeness, intelligibility and coherence imposed by Regulation (EU) 2017/1129. Such approval is not considered as an approval of the issuer of SIF Banat-Crișana which is the subject of this Registration Document.

SECTION 2

STATUTORY AUDITORS

2.1

Statutory auditors, members of the Chamber of Financial Auditors of Romania (Romanian acronym: CAFR) for the period covered by the historical financial information:

Financial year 2019 and financial year 2020:

Financial auditor: DELOITTE AUDIT S.R.L. (No. public electronic register ASPAAS: FA25), headquartered in Bucharest, The Mark building, 84-98 and 100-102 Calea Griviței, 8th and 9th floor, Sector 1, Romania

Audit partner signing the opinion: IRINA ELENA DOBRE (No. public electronic register of Statutory Audit Public Oversight Authority, ASPAAS: AF3344)

Financial year 2017 and financial year 2018:

Financial auditor: PRICEWATERHOUSECOOPERS AUDIT S.R.L. (No. public electronic register ASPAAS: 6), headquartered in Bucharest, 301-311 Barbu Văcărescu Str., Lakeview building, 6/1 floor, Sector 2, Romania.

Audit partner signing the opinion: MONICA BIOTA (No. public electronic register, Statutory Audit Public Oversight Authority, ASPAAS: 1695)

SECTION 3

RISK FACTORS

3.1

Risks specific to the issuer

SIF Banat-Crișana proactively identifies its exposures to the financial and operational risks resulting from daily activities, as well as from the achievement of its strategic objectives.

Significant risks are risks with a significant impact on the issuer's equity and / or reputation.

By the nature of its object of activity, SIF Banat-Crișana is exposed both to risks associated with the financial instruments and the markets on which it has exposure, as well as to certain operational risks, which may materialize in capital losses or low investment performance in relation to the risks assumed.

Risk factors specific to the investment portfolio

The potential financial risks associated with the investment activity carried out by SIF Banat-Crișana include: market risk; liquidity risk; credit and counterparty risk.

a) Market risk is the risk resulting from an unfavourable change in the value or income obtained from assets held or from fluctuations in exchange rates or interest rates. Market risk can be broken down into a *general component of market risk* (risk that the market as a whole will decline in value) and a *specific component of market risk*, unique to the special financial transaction projected.

From the relevant point of view of SIF Banat-Crișana, there are **four major types of market risk**: price / position risk, interest rate risk, currency risk and concentration risk.

Price risk is the risk that the volatility of market prices, such as stock prices, interest rates and exchange rates will adversely affect the income and value of the portfolio of financial instruments and shareholdings of SIF Banat-Crișana.

The position risk is associated with the portfolio of financial instruments held by SIF Banat-Crișana with the intention of profiting from the favourable evolution of the price of the respective financial assets or from any dividends / coupons granted by issuers. SIF Banat-Crișana is exposed to the position risk, both to the general one and to the specific one, due to the investments in bonds, shares and fund units.

Interest rate risk is the risk that income or expenses, or the value of the Company's assets or liabilities fluctuate as a result of changes in market interest rates. For interest-bearing financial instruments, interest rate risk consists of the risk of fluctuations in the value of a particular financial instrument due to changes in interest rates and the risk of differences between the maturity of interest-bearing financial assets and interest-bearing liabilities (risk of "mismatch").

Currency risk is the risk of losses or not realizing the estimated profit due to unfavourable exchange rate fluctuations. SIF Banat-Crișana invests in financial instruments and enters into transactions that are denominated in currencies other than its functional currency, thus exposing itself to the risks that the exchange rate of the national currency in relation to other currency will have adverse effects on fair value or future cash flow of that portion of financial assets and liabilities denominated in other currency.

The concentration risk represents the vulnerability given by the existence of exposures to entities that have common or similar characteristics and affects all the assets held by SIF Banat-Crișana, regardless of their holding period.

b) Liquidity risk is the risk arising from the lack of marketability of an investment, so that it cannot be bought or sold quickly enough to minimize a loss (related to the portfolio of financial instruments) as well as the current or future risk of adverse impairment of profits and equity, determined by the inability of SIF Banat-Crișana to fulfil the obligations arising from short-term financial debts, which are extinguished by payment in cash or by other financial means, or that such obligations are extinguished in an unfavourable manner for SIF Banat-Crișana (related to payment obligations).

c) Credit and counterparty risk

Credit risk is the risk of an economic loss due to a counterparty's breach of contractual obligations or an increased risk of default during the transaction as a result of changes in the credit quality of an asset.

Counterparty risk is a contingent one, any loss being dependent on a counterparty insufficiency (credit risk) in an ongoing transaction (market risk) at the date of default of the credit counterparty.

The company is exposed to credit and counterparty risk as a result of investments in bonds issued by companies, current accounts and bank deposits and other receivables.

Sustainability risk

Sustainability risk means an environmental, social or governance event or condition that, if occurring, could cause a significant, actual, or potential adverse effect on the value of the investment.

Sustainability risks in the climate and environment area are divided into physical risks and transition risks. Physical risks arise both due to extreme individual meteorological phenomena and their consequences, as well as from long-term changes in climatic and environmental conditions. The risk of transition arises from adapting to a low-carbon economy to mitigate climate change.

Risks related to social issues may include, but are not limited to, labour rights and relations with the community.

Risks related to governance may include, but are not limited to, risks related to the independence of the board, shareholding and its control, or auditing and tax management.

These risks can affect the operational effectiveness and resilience of an issuer, as well as the public perception and reputation that affect its profitability and capital growth and have an impact on the value of the Fund's holdings.

The manifestation or materialization of a sustainability risk factor in a way that is not anticipated may have a negative impact on the value of an investment and therefore on the total value of the asset under management with a negative impact on the market price of SIF1 shares traded on BVB.

Activity-specific risk factors

a) Operational risk is the risk of direct or indirect losses resulting from flaws or deficiencies in the procedures, personnel, internal systems of SIF Banat-Crișana or from external events that may have an impact on its operations. The operational risks derive from all the activities of SIF Banat-Crișana.

b) Reputational risk is the current or future risk of a negative impact on profits and capital determined by the unfavourable perception of an institution's image by customers, counterparties, shareholders, investors, or supervisory authorities.

c) Strategic risk represents the current or future risk of negatively affecting the profits and asset value of the portfolio of the entity managed by the Company, arising from the implementation of inappropriate management decisions, improper implementation of management decisions or lack of reaction to changes in business environment. Strategic risk is uncontrollable and unquantifiable.

d) Systemic and contagion risk - Macroeconomic influences can have an impact on the business of companies in the company's portfolio and implicitly on the investment activity.

e) Regulatory risk is the risk of a loss due to non-application, or incorrect application of legal and / or contractual provisions and / or due to inadequate contractual framework or insufficient regulation.

f) Taxation risk - Interpretation of texts and practical implementation of the procedures of the new applicable tax regulations harmonized with European legislation, could vary from entity to entity and there is a risk that in some situations the tax authorities will adopt a different position than that of SIF Banat -Crișana.

g) The risk related to the business environment represents the current or future risk of negative damage to profits and equity, as a result of unfavourable developments of the main macroeconomic variables or of any variables that constitute targets of the country's economic policy.

Through risk management, both through prior verification of investments and through ex-post monitoring, the Company ensures that portfolio management is within the appropriate risk parameters.

The risk management policies implemented by SIF Banat-Crișana include the necessary procedures to allow the Company to assess the exposure to all relevant risks that may have a significant level for SIF Banat-Crișana, taking into account the investment objectives and strategies, styles or methods of asset management and which may thus directly affect the interests of shareholders.

Transactions with derivatives can expose us to unexpected risk and possible losses.

At certain intervals, we may be involved in certain transactions with derivatives for hedging against certain financial risks. Changes in the fair value of these derivative financial instruments are reported in the income statement and could therefore have a significant adverse effect on the reported result in any period. Furthermore, we may be exposed to the risk that, in the transaction with derivatives, our counterparty may not be able to fulfil its obligations due to the fact that it is in judicial reorganization or for other reasons. If a counterparty to an important derivative transaction is unable to meet its obligations under it, we may incur losses that may have a significant adverse effect on our financial position, financial results, and results of operations.

SECTION 4

INFORMATION ABOUT THE ISSUER

4.1

Legal name of the issuer: Societatea de Investiții Financiare Banat-Crișana S.A.

Commercial name: SIF Banat-Crișana

4.2

Place of registration: Arad, 35A Calea Victoriei, 310158, Arad county, Romania, tel: +40257 304 438, fax: +40257 250 165, email: sifbc@sif1.ro, website: www.sif1.ro

Bucharest branch: Bucharest, 46-48 S. V. Rahmaninov Str. 3rd floor, sector 2, 020199, Romania, tel: +4021 311 1647; fax: +4021 314 4487

LEI Code (Legal Entity Identifier): 254900GAQ2XT8DPA7274

SIF Banat-Crișana is established since November 1996 as a joint stock company in accordance with the provisions of Law no. 31/1990 on trading companies, being a Romanian legal entity with entirely private capital, registered at the Trade Register Office attached to the Arad Court under number J02/1898/1992, having the unique Registration Code 2761040.

SIF Banat-Crișana is established as a self-managed investment company and is authorized by the Financial Supervision Authority (ASF) as an Alternative Investment Fund Administrator (AIFM), in accordance with Law no. 74/2015 with Authorization number 78/09.03.2018, registered in the ASF Public Register with number AFIAA PJR07.1AFIAA / 020007 of 09.03.2018.

In accordance with the provisions of Law no. 243/2019 on alternative investment funds, SIF Banat-Crișana qualifies as a closed-ended, diversified Alternative Investment Fund, addressed to retail investors (AIFRI), self-managed. As per the Articles of Association, the duration of company's operation is of 99 years. The shareholders have the right to extend the duration of the company before its expiration, by a resolution of the Extraordinary General Meeting of Shareholders.

Information on SIF Banat-Crișana can also be found on the website www.sif1.ro. This information is not part of the prospectus and the Management of the Company disclaims any responsibility for that information, unless such information is included, by reference, in the prospectus.

SECTION 5

BUSINESS OVERVIEW

Not applicable

SECTION 6

TREND INFORMATION

Not applicable

SECTION 7

PROFIT FORECASTS OR ESTIMATES

7.1 SIF Banat-Crișana presents the forecasts underlying the substantiation of its lines of action as information that is made public in a non-discriminatory manner to all shareholders of the company, in the periodic reports and in the informative materials underlying the approval of the Activity Program and Budget, subject to annual approval by the general meeting of shareholders.

The course of the pandemic situation in the last 12 months have brought a significant social and economic impact both at the level of the economy and at the level of each company, the main concern being the adaptation to the continuous challenges of this period. The gradual recovery of the economy and inflation signals will support liquid asset markets during 2021. Approaching 2021 from a solid financial position and with a diversified portfolio, the management of SIF Banat-Crișana continues to emphasize the need to focus on quality assets, both in capital market as well as in the real estate market.

The income estimated to be realized in 2021 include: (i) *Dividend income* in the amount of RON 94 million, representing the gross value of the dividends estimated to be collected in 2021, from the portfolio companies, for the financial year 2020. (ii) *Interest income* in the amount of RON 2.1 million, related to monetary investments, respectively bank deposits and corporate bonds held in RON and euro, estimated according to the average volume of investments estimated to be made during 2021 in this type of assets.

Estimated investment gain/(loss) include a net gain of RON 14 million from the mark to market of financial assets measured through profit and loss (shares of subsidiaries and associates).

The total expenses estimated to be realized in 2021 include: (i) *Commissions expenses* in the amount of RON 5.1 million, including commissions due to ASF on net asset value, to Depozitarul Central for keeping the record of shareholders, the depository bank, the Bucharest Stock Exchange, and fees related to trades due to intermediaries. (ii) *Other operating expenses* in the amount of RON 22.7 million.

The estimated gross profit for 2021 is of RON 82.2 million.

The tax on gross due (to be collected) dividends - is estimated to amount RON 0.5 million and includes the tax on income from gross dividends estimated to be achieved in 2021 included in the budget.

The net result proposed to be achieved in 2021 is in the amount of RON 81.7 million.

The income and expenses budget for 2021, subject to the approval of the GMS of April 26 (27), 2021 was prepared based on the best estimates of the management, given the information available at the date of preparation, weighted with a prudent approach to the main risks impacting the outlook for 2021.

7.2 The recent and accelerated developments of the global condition regarding COVID-19, together with the social and economic impact and their implications on Romania could not be anticipated with sufficient reliability at the time of drafting the budget, thus leading to the impossibility of reasonably forecasting the possible changes in the financial performance of the company during the financial year 2021.

The assumptions and estimates used in the construction of the budget in the form subject to the approval of the GMS of April 2021 will be continuously reviewed and the Company considers the possibility of returning to shareholders with a revised budget proposal, with the stabilization of socio-economic developments and clarification of investment prospects that would significantly influence the estimates and forecasts already published.

7.3 The net profit included in the Income and Expenses Budget subject to the approval of the General Meeting of Shareholders is determined in accordance with the accounting policies approved and applied by SIF Banat-Crișana in preparing the annual and interim financial statements and is comparable to historical financial information.

SECTION 8

ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

8.1

Administrative and management bodies

SIF Banat-Crișana is administered by a Board of Directors consisting of five members elected by the general meeting of shareholders and authorized in this position by ASF, which is responsible for the strategic management of the company and setting-up of the general investment policy.

The Board of Directors of SIF Banat-Crișana:

- Bogdan-Alexandru DRĂGOI – Chairman of the Board of Directors and CEO (General Director); Address: Arad, 35A Calea Victoriei, 310158, Arad county, Romania; Bucharest branch, 46-48 S. V. Rahmaninov Str., 3rd floor, sector 2, 020199, Bucharest, Romania. Administrator (member of the Board) of BRD-Groupe Société Générale

- November 2019 – present, Vrancart S.A. – December 2015 – present, Biofarm S.A. – December 2015 – present, Administrare Imobiliare S.A. – September 2015 – present.
- Radu Răzvan STRĂUȚ – Vice-Chairman of the Board of Directors and Deputy General Director; Address: Arad, 35A Calea Victoriei, 310158, Arad county, Romania; Bucharest branch, 46-48 S. V. Rahmaninov Str., 3rd floor, sector 2, 020199, Bucharest, Romania. Administrator of Administrare Imobiliare S.A. – 2017 – present, Chairman of the Board of SIF1 IMGB – December 2020 – present.
- Sorin MARICA – independent non-executive member of the Board and Chairman of the Nomination and Remuneration Committee; Address: Arad, 35A Calea Victoriei, 310158, Arad county, Romania; Bucharest branch, 46-48 S. V. Rahmaninov Str., 3rd floor, sector 2, 020199, Bucharest, Romania. Chairman of the Board of Directors, General Manager of S.C. Dracula Park S.A. – Bucharest – 2002 – present.
- Marcel Heinz PFISTER – independent non-executive member of the Board and Chairman of the Audit Committee; Address: Arad, 35A Calea Victoriei, 310158, Arad county, Romania; Bucharest branch, 46-48 S. V. Rahmaninov Str., 3rd floor, sector 2, 020199, Bucharest, Romania. Member of the Board of Unitis AG, Switzerland – 2020 – present, Managing Director at MIND Consulting AG, Liechtenstein – 2019 – present, Vice Director at Bank Alpinum AG 2016 - 2019, Director at Falcon Private Bank Ltd. 2010 - 2016.
- Ionel-Marian CIUCIOI – non-executive member of the Board; Address: Arad, 35A Calea Victoriei, 310158, Arad county, Romania; Bucharest branch, 46-48 S. V. Rahmaninov Str., 3rd floor, sector 2, 020199, Bucharest, Romania. Chairman of the Board of Directors and General Manager of Vrancart S.A. – November 2013 – present, administrator of Vrancart Recycling SRL – August 2020 – present, Rompaper SRL Brașov – January 2017 – present, Giant Prodimpex Târgu Mureș – 2015 - 2018, SIF Banat-Crișana S.A. – 2015 - 2017.

The Executive management / senior management of SIF Banat-Crișana is delivered by Directors appointed by the Board of Directors, so that the management of the daily activity of the Company is ensured, at any time, by at least two persons. The Directors are authorized in this position by the Financial Supervisory Authority. The Directors are empowered to lead and coordinate the current activity of the Company and are invested with the competence to undertake the responsibility of the company.

Executive Management / Directors of SIF Banat-Crișana:

- Bogdan-Alexandru DRĂGOI – CEO (General Director); Address: Arad, 35A Calea Victoriei, 310158, Arad county, Romania; Bucharest branch, 46-48 S. V. Rahmaninov Str., 3rd floor, sector 2, 020199, Bucharest, Romania.
- Radu Răzvan STRĂUȚ – Deputy General Director; Address: Arad, 35A Calea Victoriei, 310158, Arad county, Romania; Bucharest branch, 46-48 S. V. Rahmaninov Str., 3rd floor, sector 2, 020199, Bucharest, Romania.
- Teodora SFERDIAN – Deputy General Director; Address: Arad, 35A Calea Victoriei, 310158, Arad county, Romania. Membru in the Board of SIF HOTELURI SA, March 2016 – present, COMALIM S.A., Arad, 2010 – present, SIFI CLUJ RETAIL S.A., Cluj-Napoca, 2006 – present, Gaz Vest S.A. – December 2018 – present, Saturn S.A., Alba Iulia, 2001 – 2018
- Laurențiu RIVIȘ – Director; Address: Arad, 35A Calea Victoriei, 310158, Arad county, Romania. Vice-Chairman of the Board of Depozitarul Central, 2019 – present, interim Board member of SC Prebet Aiud SA, November 2016 – January 2018

There are no kinship relations between the people mentioned above.

Information on the companies in which the persons concerned have been members of an administrative, management or supervisory body in the last five years is presented in the Annual Report of the Board of Directors for 2020, subject to shareholder debate in the GMS of April 26 (27), 2021 and published on the website of SIF Banat-Crișana www.sif1.ro. Since the date of the publication of the 2020 Annual Report, no changes have occurred to this information. On SIF Banat-Crișana website are presented, in the Management section, the CVs of the members of the Board of Directors and of the executive management.

The persons mentioned above state that, during the last five years at least, they have not been convicted of fraud, that there is not and has not been any procedure for bankruptcy, seizure, liquidation or judicial administration in connection with the mentioned persons and no criminal offense and / or official public sanction brought / imposed by the statutory or regulatory authorities, including by professional bodies, and none of those persons has ever been prevented by a court from acting as a member of an administrative or management body or supervising an issuer or intervening in the management or conduct of the business of an issuer.

8.2

Conflicts of interest

SIF Banat Crișana applies internal rules and procedures aiming at avoiding conflicts of interest by implementing appropriate measures in relation to the nature, size and complexity of the activities carried out. To avoid potential conflicts of interest, the company's administrators and directors must comply with at least the following requirements, without being limited to them:

The members of the Board of Directors must meet the conditions provided by Law 31/1990 republished and the capital market legislation and may not be members of the board of directors / supervisory board or directors / members of the management of another AIFM / investment management company / investment company or of SIF Banat-Crișana's assets depositary bank, may not be a member of the board of directors / supervisory board of a SSIF (broker) with which SIF Banat-Crișana has concluded a financial intermediation contract and may not be employed or have any kind of contractual relationship with another investment management company or with an investment company, with the exception of other entities belonging to the same group;

The directors of the company as well as the persons replacing them may not be members of the board of directors / supervisory board / members of the management of another AIFM or of SIF Banat-Crișana's assets depositary bank, must not be members of the board of directors / supervisory board, directors or members of the management of a financial investment services company (SSIF) with which SIF Banat-Crișana has concluded an intermediation contract and must not be employed or have any kind of contractual relationship with another AIFM, except for other entities belonging to the same group. By the internal policies, rules and procedures, as well as through the adopted functional organization, SIF Banat-Crișana considers that the relevant persons involved in the various activities that presume a risk of conflicts of interest to carry out these activities with an adequate degree of independence.

The internal policies, rules, and procedures to be followed within SIF Banat-Crișana aim at ensuring the degree of independence necessary for the prevention and management of conflicts of interest, as follows:

- the procedures provide for measures to prevent and control the exchange of information between relevant persons involved in portfolio management activities or in other activities that presume a risk of conflict of interest if the exchange of information may harm the interests of the Company or its shareholders;
- internal procedures specifically regulate ensuring the confidentiality of information and the circulation of documents in physical and electronic format; for the access to documents in the IT system, access levels are established;
- the established attributions and responsibilities prevent the simultaneous or consecutive involvement of a relevant person in portfolio management, control or risk management activities, for the proper management of conflicts of interest;
- from an organizational point of view, the decision, execution and supervision of the activity functions are separated so as to avoid the fulfilment by the same person of tasks that may result in undetectable errors or activities that expose the company to risk;
- the administrators will take decisions in the interest of the Company and will not take part in the debates or decisions that create a conflict between their personal interests and those of the Company or of some companies controlled by SIF Banat-Crișana;
- each administrator will ensure the avoidance of any direct or indirect conflict of interest with SIF Banat-Crișana or the companies controlled by it;
- each administrator shall inform the Board of Directors of conflicts of interest, as they arise and shall refrain from debating and voting on the respective issues, in accordance with the relevant legal provisions;
- the procedures prohibit the use of "inside information" related to the investment policy of SIF Banat-Crișana by the members of the board of directors, the directors of the company, as well as by any person with whom the Company has concluded an employment contract, when they performs transactions with financial instruments in their own portfolio ("personal transactions");
- it is forbidden for the members of the board of directors, the directors of the company, as well as by any person with whom the Company has concluded an employment contract, to disseminate information on the transactions that SIF Banat-Crișana intends to carry out with financial instruments in its portfolio;
- to identify the situations of possible conflict of interest, in which an administrator or employee of the company may have a material interest in their own name or of third parties, there is the obligation for the employees / directors / administrators to communicate to the company the activities and interests outside the company by filling in the form "Declaration of external interests" - which is filled in at the beginning of the relations with SIF Banat-Crișana and is updated periodically or whenever the situation requires it.

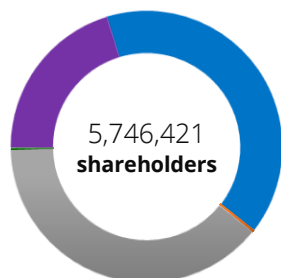
If conflicts of interest arise, SIF Banat-Crișana ensures the correct management / administration in the general interest of the company's shareholders.

SECTION 9

MAJOR SHAREHOLDERS

9.1

SHAREHOLDERS BREAKDOWN
as per holdings as of March 31, 2021



■ 40.19%

Romanian individuals
(5,744,187 shareholders)

■ 0.34%

non-resident individuals
(2,080 shareholders)

■ 38.94%

Romanian legal entities
(127 shareholders)

■ 20.36%

non-resident legal entities
(26 shareholders)

■ 0.17%

SIF Banat-Crișana
(the Company holds 880,000 own
shares)

On the Company's website, in *Information about share ownership* section, information is published regarding the holdings of shares subject to reporting obligations, including the holdings of shares that had to be declared in accordance with the provisions of art. 286¹ of Capital Market Law no. 297/2004 and of the CNVM Instruction no. 6/2012, issued in application of this article, which imposed this obligation for all individual or concerted holdings exceeding 5% of the share capital of the Company.

In accordance with the provisions of Law no. 243/2019, starting with July 24, 2020, the provisions of art. 286¹ of Capital Market Law no. 297/2004 as well as the subsequent legal provisions issued in application of this article, including the holding restriction over 5% of the share capital of SIF Banat-Crișana.

9.2

The shares issued by SIF Banat-Crișana are common, registered shares, of equal values, issued in dematerialized form, granting equal rights to their holders. Shares are indivisible, and the issuer recognizes a single representative for exercising the rights resulting from a share. Each share entitles to one vote.

9.3

From the information known by SIF Banat-Crișana, it results that the company does not have majority shareholders or to hold, directly or indirectly, the control.

9.4

From the information held by SIF Banat-Crișana, no agreements or understandings are known, the application of which may generate, at a later date, a change of control over the issuer.

SECTION 10

RELATED PARTY TRANSACTIONS

10.1

In accordance with International Financial Reporting Standards (IAS 24), adopted as per Regulation (EC) no. 1606/2002, for the purpose of preparing the annual financial statements in accordance with these standards, the related parties of the entity comprise: (1) key management personnel; (2) subsidiaries (a holding of more than 50% of the share capital or holding the control, directly or indirectly); (3) associated entities (a shareholding of more than 20% of the share capital or significant influence). Their detailed statement for the financial years 2019 and 2020 is presented in Note 27 to the annual standalone financial statements as of December 31, 2020.

The table below shows the nature, amount, and relevant weight of related party transactions in the entity's equity and financial performance:

Category	2020 (%)	2019 (%)	% of
Dividend income	46.43	23.74	Total income
Interest income	2.45	3.03	Total Income
Operating expenses (utilities, rents)	1.12	0.92	Total expenses
Fair value of assets (receivables) at the end of the period	1.73	1.68	Total assets
Fair value of liabilities (liabilities) at the end of the period	0.00	0.02	Total assets
Fair value of assets (at the end of the period)	1.83	1.80	Total Net Asset

Since December 31, 2020, the date of the latest financial statements, SIF Banat-Crișana did not conclude transactions with related parties other than those in progress at that time.

SECTION 11

FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS, AND LOSSES

11.1

The following selected financial data present the results and financial position of SIF Banat-Crișana for the financial years ended on December 31, 2019 and December 31, 2020 prepared in accordance with Rule no. 39/2015 for the approval of the Accounting Regulations compliant with the International Financial Reporting Standards, applicable to the entities authorized, regulated, and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector.

The financial statements, together with the notes to the financial statements, are available in full at: www.sif1.ro/en/investor-relations/raportare-financiara/financial-results/

Standalone statement of profit or loss and other comprehensive income			
<i>in RON</i>	Note	December 31, 2020	December 31, 2019
Revenues			
Dividend income	7	85,778,801	115,088,023
Interest income (related to assets FVTOCI, assets at amortized cost)	8	6,410,296	2,374,141
Interest income (related to assets FVTPL)	8	2,478,903	3,678,040
Other operating revenues		172,715	397,308
Investment gains/losses			
Gain / (Loss) from investment property	9	2,769,835	(81,351)
Gain/ (Loss) from exchange differences		2,156,143	1,961,301
Gain / (Loss) from financial assets FVTPL	10	22,890,072	74,073,706
Expenses			
Commissions expenses	11	(8,794,811)	(3,322,619)
Other operating expenses	12, 20	(19,678,132)	(18,913,441)
Profit before tax		94,183,822	175,255,110
Income tax	13	(2,061,416)	(15,760,578)
Net profit of the financial year		92,122,406	159,494,532
Other comprehensive income			
Items that are or may be transferred to profit or loss			
Amounts transferrable to profit or loss (debt instruments)		(29,465)	41,503
Amounts transferred to profit or loss (debt instruments)			-
Items that are or may be transferred to retained earnings			
The fair value change for financial assets through other comprehensive income	17	(135,855,548)	329,488,683
Changes in revaluation reserve for property, plant, and equipment		-	1,071,553
Tax effect on the above reserves		23,596,781	(53,727,177)
Other comprehensive income		(112,288,232)	276,874,562
Total comprehensive income for the period		(20,165,826)	436,369,094
Earnings per share			
Basic		0.179	0.309
Diluted		0.179	0.309

Standalone statement of financial position			
<i>In RON</i>	Note	December 31, 2020	December 31, 2019
Assets			
Cash and cash equivalents	14	150,710,816	117,203,806
Bank deposits	15	-	4,512,500
Financial assets at FVTOCI (bonds)	17	5,111,504	5,053,633
Financial assets at amortized cost	18	-	43,246,691
Other financial assets	21	5,973,797	1,191,647
Other assets		189,805	220,299
Financial assets at FVTPL	16	1,394,390,304	1,226,791,154
Financial assets at FVTOCI (shares)	17	1,309,319,391	1,503,213,414
Assets representing rights to use the underlying assets within the leasing contract	20	889,240	1,117,902
Investment property	9	13,180,199	20,047,164
Property, plant, and equipment	19	4,006,587	4,080,130
Total assets		2,883,771,643	2,926,678,339
Liabilities			
Current tax liabilities		-	4,451,293
Other financial liabilities	23	6,673,694	3,041,305
Other liabilities and deferred income		26,797	10,473
Lease liabilities	20	934,521	1,121,202
Deferred tax liabilities	22	146,231,940	169,850,613
Total liabilities		153,866,952	178,474,885
Equity			
Share capital	24	51,542,236	51,746,072
Treasury shares	24	(2,199,867)	(7,295,461)
Losses from buy-back of treasury shares		(40,659)	(134,838)
Equity benefits granted		1,867,063	-
Retained earnings	24	743,318,231	812,306,354
Other reserves	24	1,157,455,631	997,961,099
Reserves from the reevaluation of property, plant, and equipment		1,176,569	1,176,569
Legal reserves	24	10,308,447	10,349,214
Reserves from the reevaluation of financial assets at FVTOCI	17, 24	766,477,039	882,094,444
Total equity		2,729,904,691	2,748,203,454
Total liabilities and equity		2,883,771,643	2,926,678,339

Standalone statement of cash flow			
<i>In RON</i>	Note	December 31, 2020	December 31, 2019
Operating activities			
Net profit of the period		92,122,406	159,494,532
<i>Adjustments for:</i>			
Depreciation and amortization of property, plant and equipment (tangible assets) and intangible assets		508,825	271,833
(Gain)/Loss from the disposal of tangible assets		33,012	1,585
(Gain)/Loss from evaluation of investment property		(2,769,835)	81,351
(Gain)/Loss from the sale of assets (debt instrument)			-
(Gain)/Loss from financial assets at fair value through profit or loss		(22,890,072)	(74,073,706)
Dividend income	7	(85,778,801)	(115,088,023)
Interest income	8	(8,889,199)	(6,052,181)
Expenses with debt on lease interest		68,104	7,622
Expenses for / (income from) exchange rate differences and financial debts		(1,089,757)	(1,231,751)
Benefits granted in equity		1,867,063	1,414,000
Income tax	13	2,061,416	15,760,578
Changes in assets and liabilities corresponding to operating activities			
Changes in other assets (receivables, etc.)		47,345	(85,847)
Changes in other financial liabilities		3,630,709	1,423,686
Paid income tax		(4,451,293)	(19,121,966)
Net cash used in operating activities		(25,530,077)	(37,198,288)
Investment activities			
Payments for the acquisition of FVTOCI (shares, bonds)	17	(7,459,123)	(6,586,167)
Proceeds from the sale of FVTOCI (shares, bonds)	17	65,497,597	107,323,972
(Investments) / Proceeds from deposits for a period higher than 3 months		4,500,000	1,500,000
Proceeds from the sale / redemption of assets at FVTPL (fund units, bonds)	16	9,899,346	84,852,486
Payments for the purchase of assets at FVTPL (fund units, bonds, shares)	16	(159,436,657)	(123,637,912)
Proceeds / (Payments) from the sale of assets at amortized cost		43,746,000	(42,995,700)
Proceeds from the sale of tangible assets and investment property		9,636,800	-
Payments for acquisitions of tangible assets		(216,528)	(49,697)
Dividends cashed		83,779,746	110,293,952
Interest cashed		9,364,509	5,277,106
Net cash from investment activities		59,311,690	135,978,041
Financing activities			
Leasing payments		(274,603)	(30,137)
Dividends paid		-	(5,495)
Buyback of shares		-	(10,770,725)
Net cash used in financing activities		(274,603)	(10,776,220)
Net increase / (decrease) in cash and cash equivalents		33,507,010	87,973,396
Cash and cash equivalents as of 1 January 1st		117,203,806	29,230,410
Cash and cash equivalents as of December 31st		150,710,816	117,203,806

11.2

Auditing of annual financial information**11.2.1 Audit report**

The standalone and consolidated financial statements as of December 31, 2020 were audited by the independent financial auditor DELOITTE AUDIT SRL. The independent auditor's reports on the financial statements, standalone and consolidated, can be found at:

Standalone statements: www.sif1.ro/wp-content/en/gms/2021/april/independent-audit-report-standalone-2020.pdf

Consolidated statements: www.sif1.ro/wp-content/en/gms/2021/april/independent-audit-report-consolidated-2020.pdf

11.2.2 Except for financial information, there is no other information in the registration document audited by the auditors.

11.2.3 The financial information in the registration document was extracted from the audited financial statements of SIF Banat-Crișana.

11.3

Judicial and arbitration proceedings

According to the information available, there is nor has not been in the last 12 months any governmental, judicial or arbitration proceedings that could have significant effects on the Company's financial position or profitability and / or the group of companies that fall within the consolidation scope of the Company.

11.4

Significant change in the financial position

There were no significant changes in the financial position of SIF Banat-Crișana, occurred since the end of the latest financial year.

11.5

Pro forma financial information

Not the case

11.6

Dividend policy

SIF Banat-Crișana aims at maintaining a balance between the remuneration of shareholders through dividends and the need to finance new investments from the reinvested-obtained profit. The strategy of maintaining this balance aims both to increase the long-term investment attractiveness for SIF Banat-Crișana shares, and to maintain the investment potential, ensuring the long-term sustainable profitability of the activity for the benefit of increasing the value created for shareholders.

The dividend distribution from the net profit and the value of the dividend per share are approved by the General Meeting of Shareholders (GMS) and take into account both the sustainability of the measure, the economic context and current market returns.

The method of remuneration of SIF Banat-Crișana shareholders is applied for their benefit through the dividend distribution policy, as well as through the decision to reinvest the profit or to repurchase the securities, for the stated purpose of increasing the value of the shares. The remuneration of SIF Banat-Crișana shareholder can be performed transparently, correctly, and efficiently financially and fiscally, in any of the variants decided to be followed: distribution of cash dividends, reinvestment of profit in the hope of increasing the value of the share by at least the undistributed dividend or buyback programs approved by the GMS.

The payment of dividends approved by the GMS of SIF Banat-Crișana is made to the shareholders recorded in the Shareholders Register kept by the registry company - Depozitarul Central S.A. on the registration date approved by the general meeting of shareholders.

The related dividend tax is withheld in the rates provided by law or other specific regulations.

The right to receive dividends shall expire within three years from the date of commencement of their payment, in accordance with the legal provisions in force.

The Ordinary General Meeting of Shareholders of April 27, 2020 did not approve the distribution of dividends from the net profit of the financial year 2019.

SECTION 12

ADDITIONAL INFORMATION**12.1 Share capital**

The share capital of SIF Banat-Crișana amounts to RON 51,542,236.3 and is divided into 515,422,363 shares of 0.10 lei each, distributed as per shareholders as it results from the records entered in the shareholders' register.

The company's shares are registered, of equal value, issued in dematerialized form and grant equal rights to their holders. The nominal value of a share is of RON 0.10. The shares are indivisible, and the company recognizes a single representative for the exercise of the rights resulting from a share.

12.1.1. Since its establishment until now, SIF Banat-Crișana has not issued convertible securities.

12.1.2. There is no authorized but unissued share capital and there is no commitment to increase the share capital.

SECTION 13

REGULATORY DISCLOSURES

13.1

Information related to SIF Banat-Crișana, brought to the public's notice under Regulation (EU) no. 596/2014 and ASF Regulation no. 5/2018, over the last 12 months, viz. between 01.03.2020 - 31.03.2021:

a) Financial communication calendar

(Published on 22.01.2021; Updated on 23.03.2021)

b) Convening the General Meeting of Shareholders

(OGM/EGM of 26/27.04.2021, OGM of 6/7.01.2021, OGM/EGM of 2/3.11.2020, OGM/EGM of 6/7.07.2020, OGM/EGM of 27/28.04.2020, EGM of 10/11.03.2020)

c) Amendment of the General Meeting of Shareholders Agenda

(Current report of 20.10.2020)

d) Resolutions of the General Meeting of Shareholders

(Current reports published on 06.01.2021, 02.11.2020, 06.07.2020, 27.04.2020, 10.03.2020)

e) Preliminary financial results

(Press release issued by the Board on 26.02.2021)

f) The proposal of the Board of Directors for the distribution of the net profit

(Press releases published on 19.03.2021, 23.03.2020)

g) Press releases informing shareholders and investors

(Published on 26.02.2021, 26.10.2020, 08.09.2020, 30.07.2020, 16.06.2020)

h) Availability of periodic reports (annual, half-yearly, quarterly)

(Communiqués on the availability of reports, published on 30.09.2020, 31.08.2020, 15.05.2020, 27.04.2020)

i) Net Asset Value (monthly)

(Published monthly until the 15th day of the month for the previous month)

j) Litigations in which the company is a party

(Current reports on the course of litigations published on 17.03.2021, 12.03.2021, 08.03.2021, 15.02.2021, 12.05.2021, 10.02.2021, 27.01.2021, 18.01.2021, 14.01.2021, 24.11.2020, 12.11.2020, 30.10.2020, 28.10.2020, 02.10.2020, 01.10.2020, 14.07.2020, 06.07.2020, 30.06.2020, 22.06.2020, 21.05.2020, 18.05.2020, 19.03.2020)

k) Disclosure document on the offering or assignment of securities to current or former members of management or employees

(Current reports published on 29.05.2020, 17.08.2020)

l) ASF authorizations

(Authorization of the members of the board of directors - Current report of 19.03.2021, Authorization of share capital reduction - Current report of 27.11.2020, Authorization of amendment of the articles of association - Current report of 21.04.2020)

m) Notifications of major holdings according to art. 69 paragraph (1) of Law 24/2017 and art.131 of ASF Regulation no. 5 / 2018

(Current reports published on 06.11.2020, 21.09.2020, 26.08.2020, 29.05.2020)

n) Important transactions

(Transaction with DOOSAN IMGB shares - Current reports of 26.10.2020, 07.09.2020)

The Reports and Communiqués/press releases in full by which these categories of information were made public are available on company's website www.sif1.ro in the *Investor Relations* section and on the website of the regulated market operator Bucharest Stock Exchange on which SIF1 shares are traded.

SECTION 14

MATERIAL CONTRACTS

14.1 Not the case

No material contracts (other than contracts concluded in the ordinary course of business) have been concluded by SIF Banat-Crișana or any other member of the group, during the two years immediately preceding publication of this registration document.

No contracts have been concluded by any member of the group containing provisions that assign to any member of the group an important obligation or commitment for the whole group at the date of this registration document.

SECTION 15

DOCUMENTS AVAILABLE

During the period of validity of this registration document, information on the updated articles of association, reports, correspondence, and other documents, of which certain parts are included or mentioned in this registration document, can be obtained from the headquarters of SIF Banat-Crișana SA, located in Arad, 35A Calea Victoriei, on the website www.sif1.ro or at the e-mail address sifbc@sif1.ro.

REGISTRATION DOCUMENT SECOND PART

SECTION 1

INVESTMENT OBJECTIVE AND POLICY

1.1

The long-term investment strategy of SIF Banat-Crișana aims to maximize the performance of the portfolio in order to increase the value of the assets under management and investment income.

The financial objective is to make use of an aggregate return on the portfolio generated from dividend and capital gains.

SIF Banat-Crișana has as investment objective the efficient management of a diversified portfolio of quality assets, able to provide a constant flow of income, conservation, and medium-long term capital growth, in order to increase shareholder value and attain returns as high as possible of the invested capital.

Strategic allocations by asset class and within each class are based on assessments of the individual attractiveness of investment opportunities, given the current macroeconomic and market environment.

Investments are made over a certain period of time, under regulated prudential conditions, under adequate monitoring and control of risks, in order to ensure a constant balance between risk and expected return. The investment decision-making process is formalized through internal procedures and skill levels approved by the company's Board of Directors.

The company applies an exit strategy adapted to the specifics of each investment, defined on the basis of: the applied strategy; investment objectives; the conditions (triggers of) the exit transaction.

The execution of the different exit strategies is adapted and correlated with a series of internal and external factors, such as: the general economic perspectives; the evolution of financial markets; liquidity of listed securities and daily trading volumes; small business regional; barriers to access (interest), depending on the shareholding structure; the liquidity needs of SIF Banat-Crișana.

Lines of actions for portfolio management:

- creating a diverse portfolio of assets capable of achieving the targeted returns at the designated risk level;
- increasing the quality of the portfolio, as a basis for improving its value and the ability to generate constant revenues;
- managing and developing the portfolio so as to adapt to the global risk profile;
- development of specific areas of expertise that form the basis of operations;
- improving corporate governance practices.

SIF Banat-Crișana has under its management a complex portfolio, the financial instruments in which SIF Banat-Crișana will mainly invest are shares, fixed income financial instruments, and fund units. All significant holdings of the Fund are structured, according to the relevant portfolios of financial instruments and their risks, into 3 classes of instruments, as follows: (i) equity instruments: listed shares, unlisted shares; (ii) debt instruments: government bonds, municipal bonds, corporate bonds, bank deposits (investments), fund units issued by AIF, (iii) derivative instruments for the purpose of risk reduction / hedging / management.

SIF Banat-Crișana does not use securities financing transactions (SFTs) and does not invest in total return swap instruments, as defined by Regulation (EU) no. 2365/2015.

SIF Banat-Crișana may not make short sales, as defined according to the provisions of Regulation (EU) no. 236/2012 on the sale in default and aspects of credit risk swaps, other than for the purpose of risk coverage, respectively hedging.

In the investment decision-making process, SIF Banat-Crișana acknowledges that global sustainability challenges, including climate change, resource scarcity and human rights are of critical importance and need to be addressed. In this regard, to provide long-term value to the investments made, SIF Banat-Crișana analyses the sustainability risk of issuers regarding the criteria applied to determine whether an economic activity qualifies as sustainable and contributes substantially to one or more of the sustainability objectives.

SIF Banat-Crișana does not currently consider the potential negative effects of investment decisions on sustainability factors, as described in this process in EU Regulation 2088/2019, for the following reasons:

- The requirements to be met by financial market participants, formulated by EU Regulation 2088/2019 (SFDR) and supplemented by EU Regulation 852/2020 on establishing a framework to facilitate sustainable investment, cover only environmental issues and not social matters and labour or governance issues. The technical standards related to the application of the respective regulations are in the project phase with a term of elaboration at the end of 2021;

- Data and information on issuers or financial products classified as sustainable are limited and non-uniform;
- The complexity of the requirements formulated by the published regulations and in the draft technical standards requires additional time for the adequacy of the sustainability risk analysis and reporting processes.

Understanding the importance of ESG factors and their long-term impact, SIF Banat-Crișana will consider, depending on the clarification of the above-mentioned issues, to analyse and decide on the consideration of the negative effects of investment decisions on the sustainability factors, informing the investors on any new concrete steps taken in this regard.

Description of the types of assets in which SIF Banat-Crișana may invest

SIF Banat-Crișana investments may be made exclusively in one or more of the following assets:

- a) transferable securities and money market instruments registered or traded within a trading venue, in Romania or in a Member State;
- b) transferable securities and money market instruments admitted to official listing on a third country stock exchange, which operate regularly and are recognized and open to the public, provided that the choice of stock exchange is approved by the ASF, in accordance with the requirements of eligibility from the regulations issued by the ASF and be provided for in the fund rules or in the articles of association of the investment company, approved by the ASF;
- c) newly issued securities, which are the subject of a public offer for admission to trading, in cumulative compliance with the following requirements:
 - i. the issuance documents include a firm commitment to require admission to trading on a trading venue or trading on a third-country stock exchange that operates regularly and is recognized and open to the public, provided that the choice the place of trading or the stock exchange to be approved by the ASF or to be provided in the fund rules or in the articles of association of the investment company, approved by ASF;
 - ii. this admission must be ensured within maximum one year from the issue;
- d) securities of other UCITS or AIF established or not in Member States, with the cumulative compliance with the following requirements:
 - i. AIF are authorized or registered;
 - ii. AIF activities are subject to periodic reports, allowing the assessment of assets and liabilities, income and operations during the reporting period, in accordance with the frequency of redemption offered to investors, as appropriate; invests exclusively in other-UCITS / AIF which ensures through the constitutive documents or other relevant documents the individual segregation of the assets held or their segregation in "omnibus" accounts, which are reconciled by the other-UCITS / AIF depository at least with a periodicity similar to the subscription or redemption frequency offered to the respective other-UCITS / AIF investors .
 - iii. AIF is fit for the liquidity profile of SIF Banat-Crișana;
- e) deposits made with credit institutions, which are repayable on request or offer the right of withdrawal, with a maturity not exceeding 12 months, provided that the registered office of the credit institution is located in Romania, in a Member State, or in a third country, in the latter case provided that the credit institution is subject to prudential rules equivalent to those issued by the European Union;
- f) derivative financial instruments, with final settlement in cash or in the supporting action of the instrument, traded within a trading venue or on a stock exchange from a third country within the meaning of letter a) and b), and / or derivative financial instruments, traded outside regulated markets, with the cumulative compliance with the following requirements:
 - i. the underlying asset consists of the instruments provided for in this article, as well as financial indices, interest rates, precious metals, energy products and the exchange rate, in which the AIF may invest, according to its investment objectives, as provided for in the fund rules or in the articles of association of the investment company;
 - ii. counterparties, in the context of negotiating outside regulated markets, are entities subject to prudential supervision, belonging to the categories approved by the ASF;
 - iii. derivative financial instruments traded outside regulated markets are subject to a daily and verifiable assessment and may be, at the initiative of the external AIFM or self-managed AIF, sold, liquidated or the position may be closed daily, at their fair value, by a transaction of the opposite direction;
- g) money market instruments, other than those traded on a trading venue, that are liquid and have a value that can be accurately determined at any time, except for commercial paper, provided that the issue or issuer is subject to regulation on the protection of investors and their savings, and the instruments:
 - i. are issued or guaranteed by an administrative authority, central, local or regional, a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a third country or, in the case of federal states, one of the component members of the federation or an international

public body, of which one or more Member States are members; or

- ii. are issued by a body whose securities are traded on regulated markets, referred to in letter a) and b); or
- iii. are issued or guaranteed by an entity subject to prudential supervision in accordance with criteria defined by European law, or by an entity that is subject to and complies with prudential rules, rules validated by the ASF as equivalent to those provided for by European legislation; or
- iv. are issued by other entities belonging to categories approved by the ASF, provided that investments in such instruments are subject to investor protection equivalent to that provided for in points (i), (ii) and (iii), and that the issuer is a company whose capital and reserves amount to at least the RON equivalent of 10,000,000 euros, which presents and publishes its annual financial statements, in accordance with the applicable European legislation, or an entity which, within a group of companies that contain one or more listed companies, has the role of financing the group or is an entity dedicated to the financing of securitization vehicles that benefit from a bank financing line;

h) shares of limited liability companies, regulated by Law no. 31/1990, republished, with subsequent amendments and completions, whose annual financial statements are audited according to law;

i) securities defined in art. 3 par. (1) point 26 of GEO no. 32/2012 (shares and other securities equivalent to shares; bonds and other debt securities; any other negotiable securities that give the right to purchase those securities by subscription or exchange) that are not admitted to trading on a trading venue or are not traded on a stock exchange in a third country;

The Company invests in corporate bonds not admitted to trading on a trading venue, complying with at least the following requirements:

- i. the issuer of corporate bonds must have at least 2 years of activity at the time of the Fund making the investment in the issue of corporate bonds. If the issuer of corporate bonds has less than 2 years of activity, SIF Banat-Crișana invests only in issues of corporate bonds guaranteed by a credit institution authorized by BNR or a Romanian branch of a credit institution authorized in another Member State or with other liquid / exigible collaterals representing at least 100% of the value of the corporate bond issue;
- ii. the annual financial statements of the corporate bond issuer must be audited in accordance with the law and not indicate significant risks (such as creditworthiness, liquidity, or solvency risk) regarding its financial position, which could lead to non-compliance with the payment obligations of the coupons and the related principal related to the issuance of corporate bonds;
- iii. the issuer of corporate bonds must not be registered in the list of taxpayers with tax arrears published on the website of the National Agency for Fiscal Administration;
- iv. the corporate bond issuer recorded profit in at least the last three consecutive financial years, as shown in the annual financial statements, audited in accordance with the law; if the issuer of corporate bonds has less than 2 years of activity, then it has recorded a profit in all the financial years.

The statement of collaterals set forth in paragraph (i) above is notified to ASF together with submitting the first report on SIF Banat-Crișana's net asset after the moment of the investment.

The statement of collaterals - which may be bank guarantee letters, insurance of the issuance of bonds by an insurance company or other similar documents issued by financial institutions or the legal representative of the issuer of those guarantees - includes the signature of the responsible persons within SIF Banat-Crișana and that of the representative of SIF Banat-Crișana's Depository.

The valuation of the respective collaterals will be performed off-balance sheet in accordance with the rules applicable to the valuation of SIF Banat-Crișana's assets.

The valuation in SIF Banat-Crișana's assets of the corporate bonds not admitted to trading on a regulated market or an alternative/multilateral trading system for which the payment was not performed at the maturity of principal and coupons, will be made at value 0 (zero) or at the value of the executed collateral, as the case may be, being forbidden to make additional investments in financial instruments issued by the same issuer.

Provided that the amounts related to the investments of SIF Banat-Crișana in corporate bonds not admitted to trading on a regulated market or an alternative / multilateral trading system issued by joint stock companies are not collected within 10 working days from the term provided in the prospectus, SIF Banat-Crișana initiates and communicates to ASF the legal steps for debt recovery.

In order to fulfil its duties of monitoring and controlling the assets of SIF Banat-Crișana and reporting to ASF of the possible violation of the legal provisions and of the regulations in force regarding the settlement of the operations, the depository verifies the observance by SIF Banat-Crișana of the provisions of article 44 of ASF Regulation no. 7/2020 on the authorization and operation of alternative investment funds.

The internal rules and procedures for risk management and the investment portfolio of corporate bonds not admitted to trading include additional rules regarding the internal methodology for selecting this type of financial instrument, in compliance with legal requirements.

The internal methodology for the selection of corporate bonds not admitted to trading in SIF Banat-Crișana's portfolio includes an analysis of the credit risk of the issuer of corporate bonds not admitted to trading and it is based on at least the following principles:

- quantification of the credit risk of the issuer of corporate bonds not admitted to trading and assessment of the probability of its inability to pay and of the respective issue of corporate bonds not admitted to trading, based on a valuation model;
- the use of qualitative indicators for the assessment of the issuer's credit risk, taking into account the national and international macroeconomic situation and the existing market conditions;
- the use of the rating provided by a credit agency registered by ESMA or internationally recognized or of the indicative quotations provided by specialized agencies, based on the principle of comparison with other similar financial transactions, if available;
- the cost-benefit analysis of the reliability and economic profitability of the investment purpose for which the issuer of corporate bonds not admitted to trading aims at attracting financing;
- the analysis of the liquidity of the issue of corporate bonds not admitted to trading by reference to other securities issued by the same issuer.

The above provisions do not apply if the corporate bonds not admitted to trading are issued by a company in which SIF Banat-Crișana holds at least 51% of the share capital.

j) foreign currency, purchased on the domestic market, freely convertible, according to BNR criteria;

k) government securities;

l) real estate assets, in compliance with ASF regulations;

m) certificates of greenhouse gas emissions, as they are defined in art. 3 lit. b) of the Government Decision no. 780/2006 on establishing the scheme for greenhouse gas emission allowance trading, with subsequent amendments and completions;

n) movable and immovable property strictly necessary for carrying out the activity of SIF Banat-Crișana.

The following specific techniques can be used in an active portfolio management:

- Analysis of the national and international macroeconomic condition and of the existing market circumstances according to which the structure of the portfolio of fixed income instruments will be adapted;
- Fundamental analysis of fundamental factors and indicators that compare the price of a share with measures of profitability / financial situation of the issuer such as: analysis of financial performance, dividend policy, sectoral comparative analysis.
- Statistical analysis of market indicators, historical trading data to determine statistical indicators;
- Asset liquidity analysis to permanently ensure an adequate liquidity of the portfolio of assets.

SIF Banat-Crișana does not currently use technical tools for the efficient portfolio management. The rules or the prospectus do not exclude the possibility of using such techniques in the future. Their use must always comply with the applicable legal requirements and will never circumvent investment policy requirements and investment restrictions.

Other techniques may include the use of derivative instruments. Derivative financial instruments used for the efficient management of the portfolio will be traded on regulated markets / admitted to official listing on stock exchanges in the European Union, the European Economic Area or a third country, which operate regularly and are recognized and open to the public, provided that the choice of the stock exchange or market in a third country is approved by ASF, so that they can be assessed at any time both in terms of return and risk.

SIF Banat-Crișana does not use securities financing transactions (SFTs) and does not invest in Total Return Swap instruments as defined by EU Regulation no. 2365/2015.

SIF Banat-Crișana may not make short sales, defined according to the provisions of Regulation (EU) no. 236/2012 aspects of credit risk swaps, other than for the purpose of risk coverage, respectively hedging.

Sustainable investment means an investment in an economic activity that: (i) contributes to an environmental objective, measured for example by key indicators on the efficient use of resources on the use of energy, energy from renewable sources, raw materials, water and land, in terms of waste production and greenhouse gas emissions, as well as in terms of effects on biodiversity and the circular economy, or (ii) contributes to a social objective, in particular an investment that contributes to fighting inequality or promoting social cohesion, social integration and employment or investment in human capital or economically or socially disadvantaged communities, provided that such investment does not materially impair any of these objectives and that the companies in which it has invested has good governance practices, especially in terms of structures sound management, labour relations, remuneration of relevant personnel and compliance with tax obligations.

Sustainability factors mean environmental, social, and labour matters, respect for human rights, issues related to the fight against corruption and bribery.

Risk factors deriving from the investment policy and those specific to the activity can be found in Section 3 "Risk Factors" of the First Part of the Registration Document.

The risk management policies implemented by SIF Banat-Crișana include the necessary procedures to allow the Company to assess the exposure to all relevant risks that may have a significant level for SIF Banat-Crișana, taking into account the investment objectives and strategies, styles or methods of management for the management of assets and which may thus directly affect the interests of shareholders.

Derivative transactions may expose to unexpected risk and possible losses.

It is not excluded the possibility that at some point SIF Banat-Crișana will be a party to certain transactions with derivative instruments for hedging against certain financial risks. Changes in the fair value of these derivative financial instruments are reported in the income statement and could therefore have a material adverse effect on the reported result in any period. Furthermore, we may be exposed to the risk that, in the derivative transaction, our counterparty may not be able to fulfil its obligations due to the fact that it is in judicial reorganization or for other reasons. If a counterparty to an important derivative transaction is unable to meet its obligations under it, we may incur losses that may have a material adverse effect on our financial position, financial results, and results of our operations.

The Company does not substantially use leverage (continuously and constantly), defined as any method by which the AIFM increases the exposure of an AIF it manages either by borrowing cash or securities, or by derivative positions or by any other means, in the process of portfolio management, respectively the methods used to increase the portfolio exposure will respect the designated average risk profile.

The exposure assessment is performed by the specialized personnel, within the Risk Management department operating in SIF Banat-Crișana. The exposure calculation is made using the gross method and the commitment method according to the provisions of EU Regulation 231/2013 - art. 7 and art. 8, Annex I on "Methods of increasing the exposure of an AIF" and Annex II on "Conversion methodologies for financial derivatives". In calculating the exposure, all AIF positions are initially included, including short-term and long-term assets and liabilities, loans, derivative financial instruments, and any other method that increases exposure when the risks and remuneration of assets or liabilities revert to the AIF, as well as all other items the value of the net asset is constituted.

Leverage is considered to be substantially (continuously and constantly) used when the overall exposure of the portfolio of assets under SIF Banat-Crișana management, calculated according to the commitment method, exceeds three times the value of the net asset. If the Company makes significant use of leverage, then will regularly provide ASF with information on the overall level of leverage used, a breakdown of leverage resulting from cash or real estate borrowings and leverage incorporated in derivative financial instruments, and the extent to which the assets have been reused under agreements that have given rise to leverage.

1.2

SIF Banat-Crișana is established as a self-managed investment company and according to the Articles of Association it falls into the category of Alternative Investment Fund of closed-ended, diversified type, addressed to retail investors (AIFRI), self-managed.

The change of the investment strategy / policy and the classification in another category of AIFRI can be achieved following the approval of the amendment of the Articles of Association by the Extraordinary General Meeting of Shareholders and the authorization by the Financial Supervisory Authority, in accordance with Law no. 243/2019 on the regulation of alternative investment funds and for amending and supplementing some normative acts.

SIF Banat-Crișana as AIFRI cannot transform into a category of AIF addressed to professional investors.

1.3

When SIF Banat-Crișana does not use the leverage effect for the portfolio under management, not having instruments to generate such an effect, the leverage indicator will have the basic value "1" (i.e. 100%).

SIF Banat-Crișana ensures that its overall exposure to derivative financial instruments in its portfolio under management does not exceed the total value of its assets.

1.4

Societatea de Investiții Financiare (SIF) Banat-Crișana S.A. is established as a joint-stock company since November 1996 according to the provisions of Law no. 31/1990 on trading companies, being a Romanian legal entity with entire private capital, with a duration of operation of 99 years, which may be extended by the shareholders before its expiry, by a decision of the extraordinary general meeting of shareholders, registered at

the Trade Register Office attached to the Arad Tribunal under number J02 / 1898/1992, having the unique Registration Code 2761040.

SIF Banat-Crișana is established as a self-managed investment company and is authorized by the Financial Supervision Authority (ASF) as an Alternative Investment Fund Administrator (AIFM), in accordance with Law no. 74/2015 with Authorization number 78/09.03.2018, registered in the ASF Public Register with number AFIAA PJR07.1AFIAA / 020007 of 09.03.2018.

In accordance with the provisions of Law no. 243/2019 on alternative investment funds, **SIF Banat-Crișana qualifies as a closed-ended, diversified Alternative Investment Fund, addressed to retail investors (AIFRI), self-managed.**

Competent authority: AUTORITATEA DE SUPRAVEGHERE FINANCIARĂ

1.5

The profile of a typical investor

SIF Banat-Crișana securities are of interest to retail investors seeking to maximize capital in the medium to long term and are willing to accept the risks associated with exposure to emerging market equities, such as price volatility or exchange rate fluctuations, being appropriate as part of a diversified portfolio.

A retail investor is defined as any investor who does not fall into the category of professional investor (in the sense that they have less experience in the capital market, less knowledge about investment management and the associated risk and there is also a difference in the amounts invested).

The investor should have previous experience in investment products or knowledge of the mechanisms of financial markets.

It is necessary for each investor to independently assess the risks related to investing in the securities issued by SIF Banat-Crișana, the effects and possible consequences of each such risk, both based on the investor's experience and knowledge and the financial and economic situation specific to each investor, taking into account their investment period and objectives. The management of the Company recommends to each potential investor to consult, before making the investment decision, with a financial investment consultant.

This type of investment is not suitable for investors who do not have the capacity to bear the loss of investment or need a stable income.

1.6

This Registration Document is part of the Simplified Prospectus, being approved by the Financial Supervisory Authority under Regulation (EU) 2017/1129.

The Financial Supervisory Authority approves this Registration Document only in terms of it meeting the standards of completeness, intelligibility and coherence imposed by Regulation (EU) 2017/1129.

Such approval should not be construed as an approval of the issuer subject of this Registration Document.

SECTION 2

INVESTMENT RESTRICTIONS

2.1

SIF Banat-Crișana will make the investments complying with the following limits:

a) may not hold more than 10% of the assets in transferable securities and money market instruments issued by the same issuer, except for securities or money market instruments issued or guaranteed by a Member State, the local public authorities of the Member State, a third country or international public bodies to which one or more Member States belong;

The limit of 10% may be increased up to a maximum of 40%, provided that the total value of the securities held by SIF Banat-Crișana in each of the issuers in which it holds holdings of up to 40% does not in any case exceed 80% of the value of its assets;

b) may not hold more than 50% of its assets in securities and money market instruments issued by entities belonging to the same group, defined according to the provisions of art. 2 letter j) of Law 243/2019, and in the case of the group to which SIF Banat-Crișana belongs, this limit is 40%;

- c) the exposure to counterparty risk in a transaction with derivative financial instruments traded outside regulated markets may not exceed 20% of its assets, regardless of the counterparty of the transaction;
- d) the overall exposure to derivative financial instruments may not exceed the total value of its assets;
- e) the value of current accounts and cash to be within a maximum of 20% of its assets; the limit may be exceeded up to a maximum of 50%, provided that the amounts in question come from the issue of equity securities, maturing investments or the sale of financial instruments in the portfolio, and that the excess does not exceed 90 days;
- f) may not set and hold bank deposits made with the same bank representing more than 30% of its assets;
- g) may not hold more than 20% of its assets in shares not admitted to trading on a trading venue or on a stock exchange in a third country, issued by a single AIF addressed to retail investors;
- h) may not hold more than 10% of its assets in securities not admitted to trading on a trading venue or on a stock exchange in a third country, issued by a single AIF addressed to professional investors;
- i) may not hold more than 50% of its assets in shares not admitted to trading on a trading venue or on a stock exchange in a third country, issued by other open type AIF. In the case of the group to which SIF Banat-Crișana belongs, the holding limit is 40% of its assets;
- j) may not hold more than 40% of its assets in equity securities issued by a single O.P.C.V.M. (collective investment undertaking) authorized by ASF or by a national competent authority of another Member State, as well as in securities issued by a single collective investment undertaking admitted to trading on a trading venue in Romania, another Member State or on a stock exchange in a Member State third;
- k) may not grant loans of financial instruments representing more than 20% of its assets, the period of granting the loan may not exceed 12 calendar months, in accordance with the regulations issued by the ASF on margin transactions and lending operations; the limit of 20% of its assets may be increased up to 30%, with the approval of ASF, under the conditions established by ASF regulations;
- l) may not grant cash loans, may not participate in / subscribe to syndicated loans, may not guarantee cash loans in favour of a third party, except for entities in the group to which SIF Banat-Crișana belongs within 10% of its assets and may not acquire, in whole or in part, loan portfolios issued by other financial or non-financial institutions, except for investment investments in financial instruments issued by internationally recognized financial institutions, credit institutions or non-bank financial institutions authorized by BNR or other central banks of a Member State or third countries;
- m) may not hold more than 40% of the value of its assets in transferable securities, money market instruments not traded on a trading venue or on a stock exchange in a third country, with the exception of government securities and bonds issued by the Ministry of Public Finance;
- n) may not hold more than 20% of the value of its assets in shares issued by limited liability companies, regulated by Law no. 31/1990, republished, with subsequent amendments and completions;
- o) may not hold more than 10% of the value of its assets in greenhouse gas emission certificates, as defined in art. 3 letter b) of the Government Decision no. 780/2006, with subsequent amendments and completions;
- p) may not hold more than 20% of the value of its assets in real estate assets. In order to prevent conflicts of interest, SIF Banat-Crișana does not invest in real estate assets in which the top management, its employees or their relatives and relatives up to the second degree have a patrimonial interest.

SIF Banat-Crișana does not use securities financing transactions (SFTs) and does not invest in total return swap instruments, as defined by EU Regulation no. 2365/2015.

SIF Banat-Crișana may not make short sales, defined according to the provisions of Regulation (EU) no. 236/2012 on the sale in default and aspects of credit risk swaps, other than for the purpose of risk coverage, respectively hedging.

The management has established procedures for internal risk management, in order to identify, monitor and cover the risks associated with the investments made by SIF Banat-Crișana. The management regularly reviews the compliance with prudential limits and investment restrictions. If violations of the applicable investment restrictions are found due to changes in stock market prices or other circumstances, the management should take immediate action to correct these non-compliances.

In case of exceeding the investment limits provided in this document, exclusively in situations independent of its will, SIF Banat-Crișana shall take the measures to comply with the legal requirements within 30 days from the date of exceeding that limit.

SIF Banat-Crișana will inform, within two working days, the depositary of assets and ASF regarding the exceeding of the established limits, in a document including the reasoning of the causes that led to this situation, as well as of a plan of measures for re-compliance with the legal requirements within 30 days from the date of the deviation.

2.2

Situations when more than 20% of gross assets are invested in securities of the same underlying issuer

At the date of this document, there are no cases in which the value of the stake held in one underlying issuer exceeds 20% of SIF Banat-Crișana's gross assets.

2.3

Derivative financial instruments / money market instruments / foreign currencies

At the date of preparation of this document, SIF Banat-Crișana does not have investments in derivative financial instruments. It is not excluded the possibility that at some point SIF Banat-Crișana will invest in derivative financial instruments, subject to appropriate disclosures in accordance with applicable regulations. Derivative financial instruments used for the efficient management of the portfolio will be traded on regulated markets / admitted to official listing on stock exchanges in the European Union, the European Economic Area or a third country, which operate regularly and are recognized and open to the public, provided that the choice of the stock exchange or market in a third country is approved by ASF, so that they can be assessed at any time in terms of risk.

The use of derivative instruments involves a leverage effect, which may determine that a small change in the price of the underlying asset may lead to a greater change in the price of the derivative instrument. Therefore, an investment in derivatives leads to a relatively higher profit / loss (higher risk) compared to a similar investment in the underlying asset. As the value of the derivative instrument depends on the price of the underlying asset, the derivative instrument is subject to the same risks as the underlying one. In addition, counterparty risk, interest rate risk, and changes in the volatility of the underlying asset affect the value of the derivative. To determine the value of the derivative, complex valuation models are often used. Thus, the investment in derivatives is accompanied by the valuation risk.

2.4

Collateral advanced to cover that portion of the exposure in excess of 20 % of the gross assets invested in securities of the same underlying issuer

Not the case

2.5

Investments in excess of 40 % of gross assets in another collective investment undertaking

Not the case

2.6

Physical commodities

Not the case

2.7

Property as part of investment objective

Not the case

2.8

Investment in derivatives, financial instruments, money market instruments or currencies other than for the purposes of efficient portfolio management

Not the case

SECTION 3

SIGNIFICANT SERVICE PROVIDERS

3.1

The main commissions due by SIF Banat-Crișana:

Name	Calculation	% of Annual Net Asset Value (2018-2020)		Maximum limit
		Minimum	Maximum	
Commission for ASF	0.0078% of monthly net asset	0.091%	0.096%	0.15%
Depository and custody commission	Safeguard fee + settlement fee + corporate events fee + other fees	0.021%	0.028%	0.05%
Commission for shareholder registry services	Fixed amount / year	0.0055%	0.0057%	0.02%
Statutory financial audit and regulated non-audit services	Fixed rate / year + additional expenses	0.013%	0.015%	0.05%
Transaction brokerage fees	Percentage of the value of the sale / purchase transaction	0.005%	0.18%	0.3%
Other commissions	Bank fees, for being listed on BVB stock exchange, etc.	0.001%	0.004%	0.02%

3.2 There is no significant or potentially significant commission, due, directly, or indirectly, by SIF Banat-Crișana that could not be quantified in the table in point 3.1.

3.3 There is no third party that directly or indirectly provides benefits to the fund's service provider.

3.4

The most important service providers are the Depository bank, the Financial Auditor and Depozitarul Central S.A., the main characteristics of the contracts concluded by SIF Banat-Crișana with them are presented in the table below:

Service provider	Banca Comercială Română SA
Subject	- Contract for depository services - Contract for custodian services
Signing date	19.09.2019 and in force since 01.11.2019
Duration	1 year, with automatic extension (if no party notifies at least 90 calendar days before its expiry date)
Services provided	Please refer to Section 5 - Custody in the Registration Document
Service rate	Please refer to Section 5 - Custody in the Registration Document
Termination of the contract	<ul style="list-style-type: none"> • Expiry of the duration of the Contract or of any duration subsequent to the expiration of the initial duration, if one of the parties has notified the other of the intention to terminate the Contract; or • Unilateral denunciation by any of the parties, based on a notice of at least 90 days; • By agreement of the parties with the Notice of termination of the contract to ASF at least 90 days before it takes effect; • If ASF revokes the operating authorization / approval of any of the parties and / or the National Bank of Romania revokes the operating authorization for BCR; • If the National Bank of Romania initiates the supervision or special administration procedures of BCR or the bankruptcy procedure was commenced. • Termination of the Contract as a result of the non-execution and / or improper execution by SIF Banat-Crișana of its legal obligations and which are such as to no longer ensure the sufficient protection of the Fund's assets.

Service provider	DELOITTE AUDIT S.R.L.
Subject	Statutory audit of the standalone and consolidated annual financial statements for the year ended December 31, 2019 and December 31, 2020
Signing date	28.06.2019
Duration	2 years
Services provided	<ul style="list-style-type: none"> • Audit of the standalone and consolidated financial statements prepared in accordance with ASF Rule no. 39/2015 and the International Financial Reporting Standards adopted by the European Union (IFRS) • Issuing an audit report in accordance with the mandatory legal regulations in Romania.
Service rate	<ul style="list-style-type: none"> • 56,500 eur / year plus VAT • additional expenses with accommodation, transport, daily allowance, to be added to the above fee • telecommunications, post and other similar charges charged separately at a rate of 2% of the above rate

Termination of the contract	<ul style="list-style-type: none"> • The object of the Contract was successfully completed; or • The parties conclude a written agreement on the termination of the Contract; • A Party is in breach of its obligations under the Contract provided that the breach has already been notified in writing to the guilty Party and that has not been remedied (which may not be shorter than 15 days) upon delivery of the written notice; • When permitted by applicable law, by written notice of denunciation by either Party, with 15 days' notice of the date of delivery of the notice to the other Party; • Deloitte will have the right to withdraw from the contract with immediate effect by delivering a written notice to the Customer if it determines that circumstances have changed, in which Deloitte's performance of any part of the Contract would be illegal or otherwise illegal or contrary to the rules of independence or professional ethics.
<p>In 2019 and 2020, 3 more contracts were concluded with Deloitte Audit SRL for non-audit services - regarding the issuance of non-audit reports, prepared in accordance with art. 82 of Law no. 24/2017 and art. 188 of the ASF Regulation no. 5/2018, related to: (i) the acquisition of bonds issued by SIFI BH Retail; (ii) the lease agreement signed with Administrare Imobiliare SA for the space used by the Bucharest branch; (iii) issuing a report for the reduction of the share capital of SIF Banat-Crișana.</p>	

Service provider	DEPOZITARUL CENTRAL SA
Subject	Services for loading and keeping the Register (on the Depositary's equipment), registration and transfer of financial instruments and related rights, in accordance with the applicable legal regime
Signing date	01.07.2009
Duration	
Services provided	<ul style="list-style-type: none"> • Shareholder registry services • Online access to view of the information provided by Depozitarul Central
Service rate	<ul style="list-style-type: none"> • RON 180,000 / year (VTA included) • RON 120 /month (VTA included)
Termination of the contract	<ul style="list-style-type: none"> • upon deletion from the Register of all issues / series of financial instruments of the issuer subject of the contract, • in case any of the parties is declared in a state of cessation of payments, the insolvency procedure or the liquidation procedure provided by Law no. 31/1990, with subsequent amendments and completions, has been initiated, or loses its legal personality in any other manner provided by law, • if either Party assigns its rights and obligations without the written consent of the other Party, • when either party fails to fulfil, in fault, in whole or in part, a contractual obligation considered essential by the other party, after being notified by notification by the other party that a new breach will lead to termination of the contract, • by agreement of the parties.

3.5 Potential conflicts of interest

As part of the current custody and storage activity performed by Banca Comercială Română, at certain times the Depositary may enter into commercial or financial transactions with other clients, investment funds or third parties. In case of any conflict of interests during the activity, the Depositary will comply at all times with its obligations under the legislation in force and the custody and storage contract concluded with SIF Banat-Crișana. The Depositary acts honestly, correctly, professionally, independently, and exclusively in the interest of SIF Banat-Crișana and its shareholders will be liable to SIF Banat-Crișana for any loss suffered by it due to the negligence of the Depositary or the non-fulfilment of its obligations in accordance with the legislation in force.

Conflicts of interest in the exercise of the statutory audit mandate may arise in connection with the auditor's independence from the audited entity. Conflicts of interest may occur both at the stage of accepting the audit mandate and during the mission or contracting additional services, audit or non-audit.

The auditor's responsibility, provided for in normative acts as well as in the Code of Professional Ethics issued by the Romanian Chamber of Financial Auditors, is to internally analyse a possible conflict of interest in connection with the exercise of statutory audit and / or contracting and providing additional services. audit / non-audit and to take the necessary measures to ensure independence and integrity in the conduct of professional activity. These measures may also include a refusal to provide audit / non-audit services if the available information indicates a conflict of interest affecting the independence of the audit mission.

SECTION 4

INVESTMENT MANAGER/ADVISERS

Not the case

SECTION 5

CUSTODY

5.1

The depositary bank of SIF Banat-Crișana's assets is **BANCA COMERCIALĂ ROMÂNĂ SA**, a company managed in a dualistic system, headquartered in Bucharest, **159 Calea Plevnei, Business Garden Bucharest, building A, 6th floor, sector 6, Bucharest**, registered at the Trade Register Office under no. J40 / 90 / 23.01.1991, unique registration code R361757, a credit institution in Romania, authorized by the National Bank of Romania (BNR) registered in the Banking Register under no. RB-PJR-40-008 / 1999, registered in the ASF Register under no. PJR011NCR / 400007 of 26.05.2006, having registration number at ANSPDCP 3776.

The depositary, being a commercial bank, carries out the entire range of banking operations, according to the authorization issued by the National Bank of Romania.

The custody of financial instruments traded on foreign markets was entrusted by the Depositary to Erste Bank AG headquartered in Austria, Am Belvedere 1, A-1100 Vienna, tel: +43 (0) 5 0100 - 10100; fax: +43 (0) 5 01009 - 10100, website: <https://www.erstegroup.com>, (SWIFT: GIBAAWGX), as Global Custodian.

The maximum level of the commission collected by the Depositary for the activity of depositary and custody

For services provided in accordance with the provisions of the depositary contract and the custody contract, the Depositary is entitled to receive the following types of commissions:

Depositary fee - has a maximum value of 0.03% per month, depending on the volume of assets in depositary and the number of certifications of net assets in a month;

Maximum fees related to custody services for financial instruments traded on regulated markets in Romania:

a) Fee for safekeeping of financial instruments: 0.10% / year applied to the value on the last day of the portfolio of financial instruments in custody,

b) Commission for the settlement and processing of transactions with financial instruments: RON 20 / ISIN / settled transaction, to which are added the commissions charged by Depozitarul Central in force on the date of determining the commission;

c) Commission for corporate events:

- notification in connection with the GMS: RON 20 / notification;

- payment event (such as, not limited to dividends, coupons, principal reimbursed): RON 20 / payment event

- exercising the vote in the GMS: RON 200 / GMS + participation expenses

d) other commissions: RON 20 to which are added the commissions charged by Depozitarul Central, according to the List of tariffs and commissions due by the participants in the settlement and registry clearing system, custodian agents and clearing participants from the Code of Depozitarul Central;

Maximum fees for custody services for financial instruments traded on foreign markets:

a) Fees for keeping financial instruments safe: 0.35% annually, applied to the value from the last day of the portfolio of financial instruments in custody;

b) Settlement of transactions with financial instruments on foreign markets: EUR 60 / transaction

c) Fee for corporate events: EUR 100 + third party fees / transaction

d) Other fees: EUR 50 + third party fees / transaction

Maximum commissions related to custody services for financial instruments kept in the BNR SAFIR depositary system:

a) Fee for the settlement of DVP type transactions / free transfers: RON 150 / settled transaction -

b) Commission for related services: - corporate events (e.g. coupon, maturity): 20 RON / event;

- establishment of pledge: RON 160 / event;

- replacement of financial instrument (ISIN) pledged: RON 95/ event;

Responsibilities of the Depositary

- The Depositary / Custodian shall ensure that all financial instruments that can be recorded in an account of financial instruments opened in the Depositary's records are recorded in the Depositary's accounts in separate accounts, in accordance with the principles of safeguarding clients' financial instruments provided by the legal regulations and the Government Emergency Ordinance no. 32/2012, opened in the name and on behalf of SIF Banat-Crișana, so that they can be clearly identified at any time as belonging to SIF Banat-Crișana in accordance with the applicable legislation.

- In case of other assets, the Depository verifies the ownership right of SIF Banat-Crișana and on behalf of SIF Banat-Crișana regarding the respective assets and keeps records of the assets regarding which it has the certainty that SIF Banat Crișana owns the property right.
- In order to verify whether SIF Banat-Crișana owns the property right, the Depository relies on information or documents provided by the AIFM and, when available, on external evidence.
- The depository ensures the monitoring of SIF Banat-Crișana cash flows, thus ensuring that all cash is accounted for in accounts opened at a central bank, credit institution authorized under Community Law or at a bank authorized in a non-member state or at a another entity of the same nature on the relevant market where cash accounts are required, provided that the entity is subject to prudential regulation and effective supervision which have the same effects as Union Law and which are effectively applied and in accordance with the principles of keeping safe the clients' funds provided in the regulations issued in application of Law no. 297/2004 and the Government Emergency Ordinance no. 32/2012. The cash of SIF Banat-Crișana must be identified at all times as the property of SIF Banat-Crișana.
- Establishes effective and appropriate procedures for reconciling all cash movements and for carrying out these monthly reconciliations;
- Establishes appropriate procedures to identify, at the end of the working day, at the latest on the following working day, significant cash flows and in particular those that could be inconsistent with the activities of SIF Banat-Crișana;
- Regularly reviews the adequacy of these procedures, including through a complete review of the reconciliation process, at least once a year, and ensures that cash accounts opened on behalf of SIF Banat-Crișana are included in the reconciliation process;
- Permanently monitors the results of reconciliations and actions taken as a result of any inconsistencies detected in the reconciliation procedures and informs SIF Banat-Crișana if an irregularity has not been rectified without undue delay and, at the same time, ASF if the situation cannot be clarified and / or corrected;
- Controls the consistency between its own records regarding cash positions and those of SIF Banat-Crișana;
- Not to reuse the entrusted assets and, in case of delegation of its functions, not to allow the third party concerned to reuse those assets either.
- To register, verify, monitor, and control all the assets held by SIF Banat-Crișana for which it carries out the depository activity
- To make payments from the SIF Banat-Crișana accounts only upon receiving of the corresponding instructions, for the following purposes:
 - for the purchase of financial instruments on behalf of SIF Banat-Crișana;
 - for the settlement of obligations, including the payment of interest, fees, commissions and operating expenses of SIF Banat-Crișana;
 - for the payment of repurchase of shares issued by SIF Banat-Crișana;
 - for any other purpose indicated in the corresponding instructions given by SIF Banat-Crișana, prepared in compliance with the constitutive documents of SIF Banat-Crișana.
- To ensure that the revenues of SIF Banat-Crișana are used in accordance with the applicable national legislation and the constituent documents of SIF Banat-Crișana.
- To ensure that the value of the net assets pe share of SIF Banat-Crișana is calculated in accordance with the applicable national legislation, with the constitutive documents of SIF Banat-Crișana and with the procedures provided by the applicable legal provisions.
- To comply with the instructions of SIF Banat-Crișana, unless they are contrary to the applicable national legislation or the constituent documents of SIF Banat-Crișana.
- To notify SIF Banat-Crișana and ASF regarding the violation of the legal provisions and of the constitutive documents of SIF Banat-Crișana, respectively regarding any act or fact that cannot be clarified and / or remedied, according to the escalation policy
- To inform SIF Banat-Crișana in writing about any act or fact relevant for the activity of SIF Banat-Crișana for which it carries out the depository activity.
- To notify ASF regarding the recognition of the loss of a financial instrument held in custody, on the working day immediately following the materialization of the event that generated the recognition of the loss.

Description of conflicts of interest that may arise in the current activity

As part of the current custody and depository activity performed by Banca Comercială Română, the Depository may enter into commercial or financial transactions with other clients, investment funds or third parties, at certain times.

In case of any conflict of interests during the activity, the Depository will always comply with its obligations under the legislation in force and the custody and depository contract concluded with SIF Banat-Crișana.

The depository acts honestly, correctly, professionally, independently, and exclusively in the interest of SIF Banat-Crișana and its shareholders. The Depository diligently and professionally carries out its entire custody and depository activity and will be liable to SIF Banat-Crișana for any loss suffered by it due to the Depository's negligence or failure to properly fulfil its obligations, in accordance with applicable law.

Investors may obtain from SIF Banat-Crișana, upon request, updated information on third parties to whom the depository has transferred one or more of its responsibilities, as well as on conflicts of interest that may arise in the current activity.

SECTION 6

VALUATION

6.1.

Valuation procedure and of the pricing methodology for valuing assets

SIF Banat-Crișana calculates the Net Asset Value (NAV), respectively the Net Asset Value per Share (NAV/S), in accordance with the provisions of art. 18 of Law no. 74/2015 on managers of alternative investment funds and the regulations issued by the Financial Supervisory Authority. The calculation and reporting frequency of NAV and NAV/S is monthly.

The asset valuation rules, applied by SIF Banat-Crișana for the calculation of NAV and NAV/S, are provided in Regulation no. 9/2014 issued by the Financial Supervisory Authority, with subsequent amendments and completions. The principles and methods of valuing the assets in the portfolio are presented in detail in the "Rules of SIF Banat-Crișana", a document available for consultation on company's website, www.sif1.ro.

The choice of valuation methods, as per the regulations issued by ASF, is approved by the management of SIF Banat-Crișana, acting in honesty, fairness, and professional diligence, in such a way as to ensure the protection of investors' interests and market integrity. The evaluation methods shall be applied uniformly and shall be kept constant for at least 12 months.

The valuation methods of assets at fair value, in accordance with international valuation standards, are performed by persons holding the status of authorized valuator (corporate or accredited member) of professional valuation organizations affiliated to the European Group of Valuers' Associations (TEGoVA) or of other international organizations recognized by the National Association of Romanian Authorized Valuers.

The monthly, half-yearly and annual reports published by SIF Banat-Crișana will also contain explanations regarding the valuation methods used for those financial instruments for which valuation methods have been chosen in accordance with International Valuation Standards (compliant with the fair value principle), the leverage and the value of the AIFRI exposure calculated according to the provisions of Regulation (EU) no. 231/2013. These reports will be published on SIF Banat-Crișana's website and on BVB's website.

6.2.

SIF Banat-Crișana's depository certifies the calculation of NAV and NAV/S performed by the company, with the obligation of permanently comply with the maximum tolerance limit of the materiality of the error of calculation of AIFRI net assets of 0.5% (50 basis points) of net asset value.

If the maximum tolerance limit of the error of calculation of the net asset provided above is found to be within the maximum tolerance limit or the absence of prejudicial situations of the investors for which operations with participation titles took place if the tolerance limit of the calculation has been exceeded, the company does not return to the evaluation performed.

SECTION 7

CROSS LIABILITIES

Not the case.

SECTION 8

FINANCIAL INFORMATION

8.1

For financial information please refer to Section 11 of the REGISTRATION DOCUMENT PART ONE.

8.2

Analysis of the portfolio under management

The investment strategy of SIF Banat-Crișana aims to maximize the performance of the portfolio in order to increase the value of assets under management and the investment income.

The financial objective is to make use of an aggregate return on the portfolio generated from dividend and capital gains.

SIF Banat-Crișana aims to efficiently manage a diversified portfolio of quality assets, able to ensure a constant flow of income, the conservation and medium-long term capital growth, in order to increase the value shareholders and obtain high return form the invested capital.

Strategic allocations by asset class and within each class are based on assessments of the individual attractiveness of investment opportunities, given the current macroeconomic and market environment.

Investments are made over certain periods, under regulated prudential conditions, under adequate monitoring and control of risks, in order to ensure a constant balance between risk and expected return. The investment decision-making process is formalized through internal procedures and competency levels approved by the company's Board of Directors.

SIF Banat-Crișana has under management a complex portfolio, consisting of the following main categories of financial instruments: shares, fixed income instruments and fund units. The company applies an exit strategy adapted to the specifics of each investment, defined based on the applied strategy, the investment objectives, the conditions of the exit transaction.

The execution of various exit strategies is adapted and correlated with a number of internal and external factors, such as: general economic outlook, movement of financial markets, liquidity of listed equity securities and daily trading volumes, small business regionality, access barriers depending on the shareholders' structure, Company's needs for liquidity.

Lines of action in portfolio management:

- improving portfolio quality by investment projects in dynamic areas of the economy, under conditions of optimizing the risk-return balance;
- continuing to restructure the portfolio by reducing minority exposures that do not fall within the Company's investment strategy;
- active management in the majority interests for the development of the business and the increase of their performances;
- monitoring liquidity indicators for the portfolio companies;
- efficient management of the portfolio and maximizing its performance, meeting all regulatory requirements;
- adapting the activity to the current major social and economic challenges;
- supporting the improvement of the corporate governance practices of the issuers in the portfolio.

The strategy for asset allocation aims to maximize the performance of the portfolio within the prudential conditions set by regulations applicable to company's business.

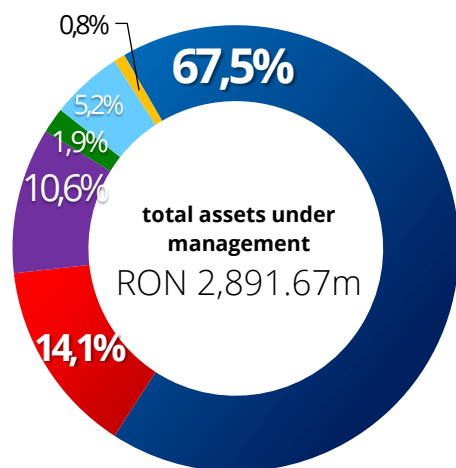
The investment limits and restrictions incidental to the operations carried out by SIF Banat-Crișana between January 1 and July 24, 2020, were regulated by Capital Market Law no. 297/2004, amended and supplemented by GEO no. 32/2012 and CNVM Regulation no. 15/2004 on the authorization and operation of investment management companies, collective investment undertakings and depositaries. From the date of entry into force of Law no. 243/2019 on the regulation of alternative investment funds, the provisions of this law became applicable in the matter of investment policy, applicable to SIF Banat-Crișana, classified as an Alternative Investment Fund of closed ended type, diversified, addressed to retail investors (AIFRI).

The management has established procedures for the internal risk management, to identify, monitor and cover the risks associated with the investments made by SIF Banat-Crișana. The management regularly reviews the compliance with prudential limits and investment restrictions. If violations of the applicable investment restrictions are found due to changes in stock market prices or other circumstances, the management is obliged to take immediate action to correct these breaches.

During 2020, the last financial year ended, the regulated prudential investment limits were observed.

ASSETS UNDER MANAGEMENT as at December 31, 2020

breakdown on classes (weight on total assets)



■ listed shares	value RON 1,951.14m (2019: RON 1,922.45m)
■ unlisted shares	value RON 407m (2019: RON 194m)
■ unlisted fund units	value RON 305.86m (2019: RON 366.42m)
■ corporate bonds	value RON 53.60m (2019: RON 103.27m)
■ bank deposits and cash available	value RON 150.69m (2019: RON 121.71m)
■ receivables and other assets	value RON 23.38m (2019: RON 25.70m)

Note: values calculated as of December 31, 2020 and December 31, 2019, acc. to ASF Regulations no. 9/2014, no. 10/2015, and no. 2/2018

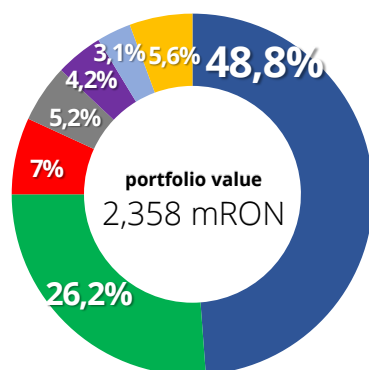
As of December 31, 2020, the value of SIF Banat-Crișana's stock portfolio reached RON 2,358m (value calculated acc. to ASF Regulations no. 9/2014, no. 10/2015, no. 2/2018, and no. 20/2020) (2019: RON 2,116m) weighting 81.55% in the total assets under management at 2020 year-end.

Stock portfolio structure

Relative to the market value of the portfolio, a significant share in the portfolio structure as of 31.12.2020 is still held by the banking-financial sector (48.82%), that includes banks, financial investment companies (SIF) and other companies in the financial field; the commerce - real estate sector (26.18%) and the pharmaceuticals sector (6.86%). The financial-banking sector further has the largest weight in the portfolio, and the value of the shareholdings in this sector, calculated as per ASF regulations, shrank during the year 2020, due to the declines of share prices on the trading markets.

SIF Banat-Crișana's assets under management have been within the allowed limits provided by ASF regulations throughout 2020.

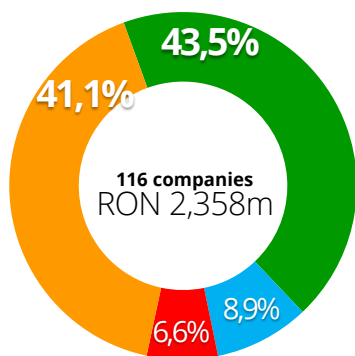
STOCK PORTFOLIO - sector breakdown



■ banking-financials, financial investments, asset management	stakes in 16 companies, worth RON 1,151.26m (31.12.2019: RON 1,250.87m)
■ commerce - real estate	stakes in 14 companies, worth RON 617.32m (31.12.2019: RON 240.75m)
■ pharmaceuticals	stakes in 2 companies, worth RON 161.86m (31.12.2019: RON 138.64m)
■ cardboard and paper	stakes in 5 companies, worth RON 122.43m (31.12.2019: RON 120.03m)
■ hospitality (hotels and restaurants)	stakes in 4 companies, worth RON 100.03m (31.12.2019: RON 95.39m)
■ energy - utilities	stakes in 7 companies, worth RON 72.33m (31.12.2019: RON 158.82m)
■ other industries and activities	stakes in 68 companies, worth RON 132.94m (31.12.2019: RON 111.99m)

Note: percentages in the chart represent the stake of the category in the stock portfolio as of December 31, 2020; values calculated pursuant to ASF Regulations no. 9/2014, no. 10/2015, and no. 2/2018

STOCK PORTFOLIO - breakdown on shareholdings



■ up to 5%

Shareholdings up to 5% in **40** companies worth **RON 1,025.35m** (31.12.2019: RON 1,324.04m)

■ 5-33%

Shareholdings between 5-33% in **60** companies worth **RON 208.71m** (31.12.2019: RON 115.95m)

■ 33-50%

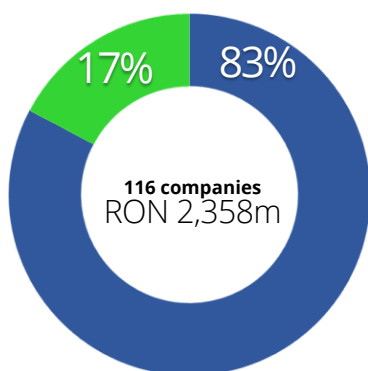
shareholdings between 33-50% in **3** companies worth **RON 155.46m** (31.12.2019: RON 136.04m)

■ above 50%

majority stakes, above 50%, in **13** companies worth **RON 968.65m** (31.12.2019: RON 540.46m)

Note: percentages in the chart represent the stake of the category in the stock portfolio as of December 31, 2020; values calculated pursuant to ASF Regulations no. 9/2014, no. 10/2015, and no. 2/2018

STOCK PORTFOLIO - breakdown on liquidity



■ listed companies

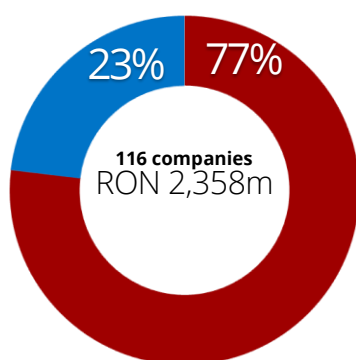
RON 1,951.14m (31.12.2019: RON 1,922.45m) value of holdings in **42** companies (31.12.2019: 45)

■ unlisted companies

RON 407.03m (31.12.2019: RON 194.04m) value of holdings in **74** companies (31.12.2019: 79)

Note: percentages in the chart represent the stake of the category in the stock portfolio as of December 31, 2020; values calculated pursuant to ASF Regulations no. 9/2014, no. 10/2015, and no. 2/2018

STOCK PORTFOLIO - breakdown by region



■ Romania

RON 1,813.91m (31.12.2019: RON 1,719.30m) value of holdings in **114** companies (31.12.2019: 122)

■ external markets

RON 544.26m (31.12.2019: RON 397.19m) value of holdings in **2** companies (31.12.2019: 2): Austria (1 company – Erste Bank), Cyprus (1 company – SIF Imobiliare)

Note: percentages in the chart represent the stake of the category in the stock portfolio as of December 31, 2020; values calculated pursuant to ASF Regulations no. 9/2014, no. 10/2015, and no. 2/2018

Stock portfolio management

As at 2020-year end, SIF Banat-Crișana was majority stakeholder (with a stake above 50%) in 13 companies, (2019: 13) with an aggregate value of RON 968.6m, standing for 33.59% of NAV.

During 2020, the Company reviewed the criteria for classification as an investment entity and concluded that they are met, except for subsidiaries providing investment-related services (SAI Muntenia Invest SA and Administrare Imobiliare SA). Thus, in accordance with IAS 27 and IFRS 10, the Company measures all of its subsidiaries at fair value through profit or loss, except for subsidiaries providing investment-related services, which will continue to be consolidated.

During 2020, SIF Banat-Crișana's management focused on streamlining administration of the majority holdings in order to ensure high financial returns, a competitive management and arranging the development programs.

The companies where SIF Banat-Crișana holds majority stakes are under the careful analysis and monitoring of company's analysts, the managerial involvement from SIF Banat-Crișana focuses on:

- negotiating competitive performance objectives with the management teams;
- monthly assessment and analyse of results and supporting the implementation of some measures to increase efficiency of the activity given the COVID-19 pandemic;
- introducing good corporate governance practices, modern management techniques, and promotion of highly managerial teams;
- regular visits to companies and analyses, together with the management teams, of the results, prospects, opportunities, and potential risks.

TOP 10 COMPANIES IN SIF BANAT-CRIȘANA PORTFOLIO as of December 31, 2020

Company (market symbol)	Sector	Stake	Value of stake* [RON]	% of NAV
1 Banca Transilvania (TLV)	banking - financial	4.56%	589,281,028	20.43%
2 SIF Imobiliare Plc (SIFI)	real estate	99.99%	368,782,154	12.79%
3 SIF1 IMGB	real estate	99.92%	214,789,507	7.45%
4 BRD Groupe Société Générale (BRD)	banking - financial	1.95%	202,326,285	7.02%
5 Erste Group Bank AG (EBS)	banking - financial	0.34%	175,484,898	6.08%
6 Biofarm (BIO)	pharmaceuticals	36.75%	154,977,339	5.37%
7 Vrancart (VNC)	cardboard and paper	75.06%	122,357,737	4.27%
8 SIF Moldova (SIF2)	financial investments	5.06%	62,623,698	2.17%
9 SIF Hoteluri (CAOR)	hospitality	98.99%	57,535,380	1.99%
10 CONPET (COTE)	energy - utilities	6.50%	42,880,788	1.49%
TOTAL			1,991,038,813	69.04%

* computed as per ASF regulations, rounded values, NAV = net asset value

The most important holdings as per their weight in SIF Banat-Crișana's NAV are stakes in companies listed on regulated markets. Given the specific activity of SIF Banat-Crișana, the structure and exposure of the portfolio are adapted to the current economic realities in order to be able to obtain high returns in correlation with the assumed investment risks.

For an efficient portfolio management and having into view the risk management, the Company continuously analyses the dynamics of the Romanian economy and the domestic capital market, as well as the progress of macroeconomic and geopolitical factors, and foreign capital markets evolution that generate major effects on the development of the domestic capital market, to identify the risk factors that may devalue the Company's portfolio.

The most important income generated by the portfolio are dividend income, representing 90.4% of total revenues for 2020 and 94.7% for 2019. The breakdown of income for 2020 and 2019 is presented below.

Dividend income is recorded at gross value. The tax rates on dividends for the financial year ended December 31, 2020 from resident and non-resident companies were 5% and zero (2019: 5% and zero).

	2020	2019
Dividend income	85,778,801	115,088,023
Interest income	8,889,199	6,052,181
Other revenues	172,715	397,308
Total income	94,840,715	121,537,512

Workout portfolio

In the internal structure of holdings management, the workout portfolio consists of companies undergoing various stages during the procedure of judicial liquidation, insolvency or those inactive, and those likely to enter the insolvency proceedings.

As of December 31, 2020, the number of companies in the workout portfolio was of 54 (2019: 61).

Most of these companies originate from the earlier portfolio taken from FPP1 when SIF Banat-Crișana was established, and they are not the result of portfolio investment decisions.

During the year 2020 there were no new companies recorded in the workout portfolio.

During 2020, were removed from the portfolio 7 companies, whose value was provisioned in previous years, as a result of their liquidation.

At the end of 2020, 49 companies in the portfolio were still in bankruptcy / insolvency / dissolution proceedings. All these companies are reflected in the calculated value of the portfolio at zero.

The Company monitors the progress of these companies in the workout portfolio, without allocating significant resources. The main activities concerning these companies are: (i) monitoring and recording important events occurring in their situation; (ii) exercising shareholder's duties, monitoring the legality and expediency of the decisions of their governing bodies; (iii) choosing the appropriate legal means to protect the interests of the Company as a result of possible unlawful OGM decisions; (iv) preparing and submitting declarations of debt / other legal papers that need to be prepared; (v) periodically checking of the files for insolvency in Insolvency Bulletin and Courts' Portal and Trade Register website; (vi) the removal of records when companies are de-registered.

8.3.

Latest value of SIF Banat-Crișana net asset

At the date of preparation of the Registration Document, the most recent Net Asset Value (NAV) is calculated for March 31, 2021. Net asset values are not audited, as there is no such legal requirement. The calculation of NVV and NAV/S (net asset value per share) is performed by SIF Banat-Crișana on a monthly basis, the values being certified by the depository bank - Banca Comercială Română (BCR).

	31.03.2021
Net Asset Value (NAV)*	RON 3,082,079,771
Net Asset Value per Share (NAV/S)*	RON 5.9899
Market capitalization SIF1	RON 1,283,401,683.87
Share price SIF1**	RON 2.4900

* values certified by depository bank Banca Comercială Română

** closing price at BVB

The calculation of net asset value is performed in accordance with the provisions of ASF Regulation no. 9/2014 (art. 113-122) amended and supplemented by the ASF Regulation no. 2/2018 and ASF Regulation no. 20/2020 and the provisions of ASF Regulation no. 10/2015.

Net asset value, respectively the net asset value per share, for each month, are reported within 15 days from the end of the reporting period to the Bucharest Stock Exchange and to the Financial Supervisory Authority, being published on the website of the company (www.sif1.ro).

Methodology for calculating the net asset value

The values of non-portfolio items taken into account in the calculation of net asset value are in accordance with International Financial Reporting Standards ("IFRS").

The valuation methods used for valuing the financial assets in the portfolio are presented on the company's website, at www.sif1.ro, in the section *Investments > Net Asset > Net asset value calculation methodology*. Changes in valuation policies and methods are communicated to investors and the Financial Supervisory Authority, in accordance with the regulations in force.

SIF BANAT-CRIȘANA

Chairman, CEO (General Director)

Bogdan-Alexandru DRĂGOI

SECURITIES NOTE

SECTION 1

PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL

1.1

SIF Banat-Crișana is established as a self-managed investment company, authorized by the Financial Supervisory Authority as an Alternative Investment Fund Manager (AIFM), in accordance with Law no. 74/2015. As per the provisions of Law no. 243/2019, SIF Banat-Crișana qualifies as a closed-ended, diversified Alternative Investment Fund addressed to Retail Investors (AIFRI), self-managed.

The responsibility for the information given in the securities note rests with SIF Banat-Crișana through its representatives in the senior management provided by:

Members of the Board of Directors: Bogdan-Alexandru DRĂGOI – Chairman of the Board of Directors; Radu-Răzvan STRĂUȚ – Vice-Chairman of the Board of Directors; Sorin MARICA – non-executive member of the Board, chairman of the Nomination and remuneration Committee; Marcel Heinz PFISTER – non-executive member of the Board, chairman of the Audit Committee; Ionel-Marian CIUCIOI – non-executive member of the Board;

Executive directors: Bogdan-Alexandru DRĂGOI – CEO (General Director); Radu-Răzvan STRĂUȚ – Deputy General Director; Teodora SFERDIAN – Deputy General Director; Laurențiu RIVIȘ – Director.

1.2

The responsible persons mentioned in item 1.1 declare that to the best of their knowledge, the information contained in the securities note is in accordance with the facts and that the securities note makes no omission likely to affect its import.

1.3

The securities note does not contain a statement or report attributed to a person as an expert.

1.4

The information contained in the securities note has not been sourced from a third party.

1.5

The responsible persons mentioned in item 1.1 declare that this Securities Note has been drawn up as part of a simplified prospectus in accordance with Article 14 of Regulation (EU) 2017/1129 of the European Parliament and of the Council and of the Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129.

The Financial Supervisory Authority, as competent authority, only approves this Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129.

Such approval should not be considered as an endorsement of the quality of the securities that are the subject of this Securities Note.

Investors should make their own assessment as to the suitability of investing in the securities issued by SIF Banat-Crișana.

SECTION 2

RISK FACTORS

2.1

Significant risks specific to the securities issued by SIF Banat-Crișana are the following, without the enumeration being limiting:

a) Market price volatility

SIF1 shares may be affected by market price volatility because of changes that are not related to the operating performance of the Issuer SIF Banat-Crișana.

The market price of SIF1 shares may fluctuate as a result of a many factors, including those mentioned in this chapter, as well as a result of periodical variations in operating results or changes in revenues or profits estimated by SIF Banat-Crișana or by financial analysts. Also, the market price could be adversely impacted by changes unrelated to the operating performance of SIF Banat-Crișana, such as the operating performance of other companies that investors may consider comparable to SIF Banat-Crișana, hostile press articles, strategic

actions of competitors (including acquisitions and restructuring of investment portfolio), changes in market and legislative conditions. Any and all of these factors can cause significant share price fluctuations, which could lead to a negative return for investors or a total loss of their investment.

b) The degree of liquidity of the securities

The low liquidity specific to the BVB (BSE) market can have a negative impact on the liquidity of SIF1 shares and can lead to low trading volumes. The degree of liquidity of the securities may adversely affect the price at which an investor may dispose of the securities if the investor wishes to make the sale in a short time.

c) Suspension of trading on the Bucharest Stock Exchange (BVB or BSE)

The Financial Supervisory Authority is authorized to suspend the trading of securities or to request the Bucharest Stock Exchange to suspend from trading the securities traded on BVB, if the continuation of trading would adversely affect the interests of investors or to the extent that the relevant issuer breaches its obligations according to the relevant laws and regulations on securities. Also, the Bucharest Stock Exchange has the right to suspend from trading the SIF1 shares in other circumstances, in accordance with its regulations. Any suspension could affect the trading price and affect the transfer of SIF1 shares.

d) The Company's capacity to pay dividends to shareholders may be limited

As a self-managed investment company, whose main activity is to perform and manage the investments in the instruments listed in the investment policy, the capacity of SIF Banat-Crișana to generate income and pay dividends depends on the ability of the shareholdings in the portfolio under its management to declare and to pay dividends. The method of remuneration of SIF Banat-Crișana shareholders can be changed by the dividend distribution policy, by the profit reinvestment decision or by buyback programs.

The investment strategy of SIF Banat-Crișana is for the efficient management of a diversified portfolio of quality assets, able to ensure a constant flow of income, conservation and medium-long term capital growth, in order to increase the value for shareholders and obtain the highest possible returns on invested capital.

e) Foreign exchange risk to which foreign investors in SIF1 shares are exposed

SIF1 shares are traded on BVB in the national currency - leu (RON). An investment in SIF1 shares by an investor whose principal currency is not the leu exposes the investor to foreign exchange risk. A depreciation of the leu against any foreign currency will reduce the value of the investment in SIF1 shares or distributed dividends. In accordance with the provisions of Romanian law, any settlement of transactions with SIF1 shares or distribution of dividends can be done only through the Central Depository system which can settle and process payments only in RON, which would expose investors whose main currency is not RON, to foreign exchange risk.

f) Double taxation on dividends or other distributions made by the Company

Any dividends or other distributions that SIF Banat-Crișana makes to its shareholders will, in principle, be subject to withholding tax in Romania, where SIF Banat-Crișana operates. Therefore, the shareholders of SIF Banat-Crișana could be subject to the obligation to pay withholding tax for dividends or other distributions that SIF Banat-Crișana makes to shareholders.

SECTION 3

ESSENTIAL INFORMATION

3.1

SIF Banat-Crișana, in its activity carried out as a closed-ended AIFM / AIF self-managed, complies with the rules of conduct on the prevention and management of conflicts of interest, established by the European and national regulations.

Through its internal policies, rules and procedures, as well as the functional organization implemented, the Board of Directors shall ensure that the relevant persons involved in the various activities involving a risk of conflict of interest carry out these activities with a degree of independence appropriate to their size and activities.

As of the date of this Note, no natural and legal persons involved have been identified whose interests would be likely to constitute possible conflicts of interest.

3.2

This Securities Note was prepared as part of the Simplified Prospectus in accordance with the provisions of art. 14 of Regulation (EU) 2017/1129 and of the Delegated Regulation (EU) 2019/980, in order to conform the documents of establishment and operation of SIF Banat-Crișana in order to fall into the AIF category of diversified closed type addressed to retail investors, in accordance with the provisions of Law no. 243/2019 on the regulation of alternative investment funds and for the amendment and completion of some normative acts and of the ASF Regulation no. 7/2020 on the authorization and operation of alternative investment funds (AIF).

3.3

The Issuer SIF Banat-Crișana, by the persons mentioned in item 1.1, declare that, in its opinion, the working capital is sufficient for the issuer's present requirements.

3.4

The Issuer SIF Banat-Crișana, by the persons mentioned in item 1.1, declare that, since the establishment (the year 1996) until present day, it has not contracted bank loans and has not issued bonds, the degree of indebtedness being zero.

The company's debts mainly represent: (1) amounts due to third parties for goods and services, respectively amounts recognized on the account of taxes and fees due, as a self-managed AIFM / AIF, accumulated between the date of recognition and the date of their payment; (2) dividends paid to company's shareholders, between the date of their approval by the General Meeting and the date of their respective payment; (3) deferred income tax liabilities, recognized in accordance with the provisions of IAS 12 - Income tax.

SECTION 4

INFORMATION CONCERNING THE SECURITIES

4.1

The shares issued by SIF Banat-Crișana are listed on the Bucharest Stock Exchange since November 1, 1999, being traded on the regulated market - Premium category under the symbol SIF1 (ISIN: ROSIFAACNOR2). At the date preparing the Simplified Prospectus / Securities Note, there were 514,542,363 outstanding shares, out of a total of 515,422,363 shares issued as at this date.

By the resolution of April 27, 2020, the extraordinary general meeting of shareholders approved the reduction of Company's share capital from RON 51,746,072.4, to RON 51,542,236.3, by the cancellation of 2,038,361 own shares acquired by the company under its buyback programs and reducing the number of shares issued to 515,422,363 shares, operation that was authorized by the Financial Supervisory Authority through Authorization no. 189 / 27.11.2020, subsequently being issued by the authority the Registration Certificate of Financial Instruments with no. AC-168-5 / 24.12.2020, related to the operation of company's share capital reduction.

The company registered the operation of share capital reduction at the Trade Register Office and at the capital market institutions.

The characteristics of the shares issued by SIF Banat-Crișana: common, registered shares, of equal values, issued in dematerialized form; grant equal rights to their holders; are indivisible, and the issuer recognizes a single representative for exercising the rights resulting from a share. Each share entitles the holder to one vote.

4.2

The currency in which the shares are issued and in which they are traded on the Bucharest Stock Exchange is the national currency - LEU (RON).

4.3

The company may issue new shares only with the approval of the extraordinary general meeting of shareholders and based on a prospectus approved by the Financial Supervisory Authority, according to the applicable legal provisions. The issuance of new shares involves the amendment of Company's Articles of Association, which in its turn is subject to the approval of the extraordinary general meeting of shareholders and the authorization of the Financial Supervisory Authority.

4.4

There are no restrictions on the transferability of the outstanding shares.

4.5

The related dividend tax is withheld at the rates provided by law or other specific regulations.

The holding and trading of securities issued by the company bring a differentiated tax regime, depending on the nature of the income (gain) from investments.

Both the tax regime of dividend income and that of the gain from the transfer of securities are regulated by the updated Law 227/2015 ("Fiscal Code"). Thus, in the case of Romanian individuals, these amounts are taxed according to Title IV of Law 227/2015, in the case of Romanian legal entities being applicable the provisions comprised in Title II of Law 227/2015. In the case of non-residents, the provisions of the Fiscal Code are correlated with the international fiscal aspects regarding the avoidance of double taxation, based on the conventions to which Romania is a party.

4.6

The shares issued by the Company grant the holders equal rights, in accordance with the provisions of the articles of association and the legal provisions in force. The holding of shares issued by the Company confers on the holder the following essential rights:

- (i) **ownership of the shares** - an absolute, exclusive, and perpetual right, granting the holder the prerogative to use the shares, to collect the benefits and to dispose of them, for his own benefit, within the limits and in compliance with legal provisions in force.
- (ii) **the right to information** - a non-patrimonial right, granting shareholders the prerogative to ask questions to the Board of Directors of the Company, in the general meetings of shareholders and to be informed by the Company, through mandatory reporting required by law, in virtue of the principle of transparent investor information;
- (iii) **the right to attend general meetings of shareholders** - a non-patrimonial right that gives the holder the prerogative to be physically present and to have access to the venue of general meetings or to attend general meetings in other ways permitted by the articles of association or by law (by correspondence, by e-mail, by representative), according to the procedures approved by the Board of Directors of the Company;
- (iv) **the right to vote** - a non-patrimonial right, which gives the holder the prerogative to express his/her/its will regarding the issues analysed in the general meetings of shareholders by voting in favour or against the resolutions debated in the general meeting, or to abstain from expressing a voting option. Each share held grants a voting right to the person holding them and who is registered in the register of shareholders of the Company as of the reference date set for each general meeting of shareholders.
- (v) **the right to dividends** – a patrimonial right, of claim, which gives the holder the prerogative to collect a sum of money from the company's profit, subject to the approval of the distribution of the profit in the form of dividends, by the general meeting of shareholders. The general meeting of shareholders has the power to approve the amount of the dividend per share as well as the frequency of distribution of profits in the form of dividends.

If the general meeting of shareholders approves the distribution of the profit in the form of dividends, the right to the dividend arises on the date of registration, determined by the general meeting, and is born in the patrimony of shareholders holding the shares on that date.

The right to collect the amounts due as dividends are under the extinctive prescription arising in 3 years from the date of their due payment, after the fulfilment of this term, the right of the shareholders to request and obtain their payment is extinguished. The amounts of money due as a dividend and on which the extinctive prescription arose belong to the company, their destination being approved by the general meeting of shareholders.

- (vi) **the right of first refusal (ROFR) to subscribe for shares of the same class** - patrimonial right, of claim, granting the holder the prerogative to participate with priority over other persons in the share capital increase or in the conversion of bonds into shares (in the event that the Company would issue such securities) by subscribing to newly issued shares, in proportion to those held on the registration date approved by the extraordinary general meeting of shareholders.

ROFR may be traded, under the conditions approved by the general meeting of shareholders and in compliance with the legal provisions applicable on the market on which they are traded.

ROFR may be abolished only by the extraordinary general meeting of shareholders, in compliance with the mandatory quorum and majority conditions provided by law.

- (vii) **the right to participate in the surplus in case of liquidation** - patrimonial right, of claim, granting the holder the prerogative to receive a sum of money, goods, or rights, corresponding to its stake in the share capital, if, following the liquidation of the company's patrimony, the asset is greater than the liability, and after the payment of all the debts of the Company, a surplus remains to be distributed to the shareholders.

SIF Banat-Crișana has issued and are outstanding only one class of shares, therefore, there are no conversion clauses.

4.7

The shares issued by the Company are freely traded on the regulated market of the Bucharest Stock Exchange, according to the rules imposed by the market operator, any person may acquire shares issued by the Company.

Romanian legislation provides certain restrictions on the acquisition of shares issued by the Company, as follows:

- (i) The company is authorized as an alternative investment funds manager (AIFM), being affected by the provisions of **Regulation no. 3/2016 on the applicable criteria and the procedure for the prudential assessment of acquisitions and increase of shareholdings in the entities regulated by the Financial Supervisory Authority**, applicable to potential acquirers and significant shareholders of alternative investment fund managers.
- (ii) According to the Regulation, the acquisition of qualified position in the company is subject to the approval of the Financial Supervisory Authority. For the purposes of the regulation, qualified position means a direct or indirect holding of voting rights or capital of the Company, which represents at least 10% of them or which allows the exercise of a significant influence over the management of the Company.
- (iii) For the purposes of the Regulation, a potential acquirer is considered to have a significant position when his holdings, although below the 10% threshold, allow him to exercise significant influence over the management of the Company, such as having a representative in the board of directors. Holdings below 10% are subject to approval requirements, on a case-by-case basis, depending on the shareholding structure of the Company and the actual involvement of the acquirer in its management.
- (iv) The Company's shares are listed on the regulated market on the Bucharest Stock Exchange and are subject to the provisions of **Law no. 24/2017 on issuers of financial instruments and market operations** in the matter of the obligation to carry out a mandatory public takeover bid, in case of reaching the threshold of 33% of the voting rights.

According to the law, a person who, as a result of his/her/its acquisitions or of persons with whom he/she/it acts in concert, holds securities issued by an issuer which, added to his/her/its previous holdings or that of persons with whom he/she/it acts in concert, confer, directly or indirectly, him/her/it more than 33% of the voting rights over the issuer must launch a public offer addressed to all holders of securities, at a fair price and having as object all their holdings, as soon as possible, but not later than two months from the moment that possession is reached.

Until that public offering takes place, the voting rights attached to the securities exceeding the threshold of 33% of the voting rights over the issuer are suspended, and the respective shareholder and the persons with whom he/she/it acts in concert can no longer acquire, through other operations, shares of the Company.

4.8

Considering those mentioned in item 4.7 above, the national law applicable to the Company does not contain legal provisions preventing the acquisition of shares issued by the Company, which are admitted to trading on a regulated market, freely tradable and fully paid, in accordance with the provisions of art. 51 of Law no. 24/2017 on issuers of financial instruments and market operations.

4.9

There are no takeovers made by third parties on the share capital of SIF Banat-Crișana, in the current financial year or during the previous financial years.

SECTION 5 TERMS AND CONDITIONS OF THE OFFER

not the case

SECTION 6 ADMISSION TO TRADING AND DEALING ARRANGEMENTS

not the case

SECTION 7 SELLING SECURITIES HOLDERS

not the case

SECTION 8 EXPENSE OF THE ISSUE/OFFER

not the case

SECTION 9 DILUTION

not the case

SECTION 10

ADDITIONAL INFORMATION

10.1

There are no advisors referred to in the Securities Note connected with an issue, as it is not the case.

10.2

In the share capital reduction operation approved by the resolution of the extraordinary general meeting of shareholders of SIF Banat-Crișana dated April 27, 2020, and authorized by the Financial Supervisory Authority by Authorization no. 189 / 27.11.2020, the Company's auditor, Deloitte Audit SRL, prepared an independent report (following a limited assurance engagement, in accordance with ISAE 3000 - *Assurance engagements, other than audits or reviews of historical financial information*), concerning the share capital reduction transaction carried out by SIF Banat-Crișana SA, concluding that, based on the procedures performed and the evidence obtained, the financial information included in the Statement prepared by the Company was presented faithfully, in all material respects.

SIF BANAT-CRIȘANA**Chairman – CEO (General Director)**

Bogdan-Alexandru DRĂGOI