

TOPIC 3 OF THE EGM AGENDA

Approval of the reduction of SIF Banat-Crișana's share capital following the cancellation of 7,912,307 own shares.

Concerning the cancellation of the repurchased shares and the corresponding reduction of the share capital.

(1) By Resolutions no. 3 of April 27, 2020, published in the Official Gazette of Romania, Part IV, no. 1682 of 12.05.2020 and no. 4 of April 27, 2020, published in the Official Gazette of Romania, Part IV, no. 1611 of 06.05.2020, the Extraordinary General Meeting of Shareholders approved the execution of two buyback programs:

- (i) Program 1 for the repurchase of 15,000,000 shares, to reduce the Company's share capital,
- (ii) Program 2 for the repurchase of 880,000 shares for their distribution free of charge to members of Company's management.

By Resolution no. 3 of November 2, 2020, published in the Official Gazette of Romania, Part IV, no. 4256 of 03.12.2020, the Extraordinary General Meeting of Shareholders approved the execution of a buyback program (Program 3) aimed at repurchasing 15,000,000 shares, in order to reduce the share capital of the Company.

In accordance with the resolutions of the aforementioned general meeting, the acquisition of shares under the buyback programs was to be carried out through all market operations permitted by law, including through public tender offers initiated by the Company, in compliance with legal provisions.

Also, by the same resolutions of the general meeting mentioned above, the Board of Directors of the Company was empowered to adopt all the necessary measures and to fulfill all the necessary formalities, in order to implement the approved buyback programs.

Based on the mandate received from the general meeting of shareholders, the Board of Directors approved the cumulative execution, for a total of a maximum of 30,880,000 shares, of the Buyback Programs no. 1, 2 and 3, mentioned above, SIF Banat-Crișana launching a public offer to purchase its own shares, in compliance with the requirements approved by the EGMS resolutions no. 3 / 27.04.2020, no. 4 / 27.04.2020 and no. 3 / 01.11.2020. SSIF SWISS CAPITAL S.A. was appointed as an intermediary of the Public Tender Offer with respect to the shares issued by SIF Banat-Crișana.

The public tender document with respect to the shares issued by SIF Banat-Crișana was approved by the Financial Supervisory Authority by Decision no. 1166 / 22.09.2021. In accordance with the decision of the authority, the public offer took place between 29.09.2021 - 12.10.2021, through the exclusive use of market systems in which the shares of the Company are traded, thus allowing unrestricted and unlimited access of all potential sellers, individuals and legal persons, without determining in any way the persons to whom it is addressed, ensuring equal reception possibilities.

On October 15, 2021, the intermediary SSIF SWISS CAPITAL S.A. communicated to the Bucharest Stock Exchange the notification on the results of the public with respect to the shares issued by SIF Banat-Crișana, according to which, within the public offer, a number of 8,792,307 SIF1 shares were purchased, representing 1.7058% of SIF Banat-Crișana's share capital.

Given that, following the buyback programs, the total number of 30,880,000 targeted shares could not be acquired, the Board of Directors of SIF Banat-Crișana submitted for approval the extraordinary general meeting of shareholders convened for November 25 (26), 2021, the

manner of allocating the 8,792,307 treasury shares in order to reduce the Company's share capital, respectively in order to distribute free of charge to the members of the Company's management, considering the purpose of the three buyback programs approved by the shareholders.

By Resolution no. 3 of November 25, 2021, the extraordinary general meeting of SIF Banat-Crişana's shareholders approved the method of allocating the 8,792,307 treasury shares repurchased by the Company based on the buyback programs previously approved by the general meeting of shareholders in order to reduce capital social and for free distribution to the members of the Company's management, programs carried out by executing the public tender offer approved by the Financial Supervisory Authority by Decision no. 1166 / 22.09.2021, in the following variant: allocation of a number of 7,912,307 shares to reduce the share capital of the Company, and allocation of a number of 880,000 shares to be distributed free of charge to the members of Company's management.

By the same resolution, the general meeting instructed the Board of Directors to convene an extraordinary general meeting of shareholders, which will have on the agenda the proposal to reduce the share capital of the Company, by canceling a number of 7,912,307, allocated for this purpose.

(2) By the Current Report dated 17.08.2020, SIF Banat-Crişana informed the shareholders on the approval by the Board of Directors of the "Share-based Payment Plan" (Stock Option Plan), through which 880,000 SIF1 shares were offered to the members of the Company's management, in accordance with the resolutions adopted by the extraordinary general meetings of shareholders, namely the EGM Decision no. 4 of April 27, 2020, approving the execution of a buyback program (Program II), in accordance with applicable law, for a maximum number of 880,000 shares for their free distribution to members the management of the Company, respectively the EGMS Decision no. 5 of April 27, 2020, approving the use of the shares purchased under the Buyback Program 2, mentioned above, for their distribution under a "Stock Option Plan".

At the same time, the same current report published the "Disclosure document on the offer of shares to the members of the management structure of SIF Banat-Crişana" prepared according to Annex no. 4 to Regulation no. 5/2018.

In the Current Report dated 02.08.2021, SIF Banat-Crişana informed the shareholders that, during the meeting of July 30, 2021, the Board of Directors approved the prolonging of the duration of the Share-based Payment Plan (Stock Option Plan) to 14 months, compared to the initial duration of 12 months. The same current report published the "Disclosure document concerning the shares offered or allotted to members of SIF Banat-Crişana leadership", prepared according to Annex no. 4 to Regulation no. 5/2018, updated according to the decision of the Board of Directors dated July 30, 2021.

By the Current Report of December 7, 2021, SIF Banat-Crişana informed the shareholders that at the end of the 14-month period from the signing of the share-based payment agreements, the members of the management structure exercise their right to receive (vesting) a number of 880,000 SIF1 shares, representing 0.1707% of the share capital, the Company initiating the steps to the Central Depository regarding the direct transfer of shares in accordance with the regulations in force, the information provided in art. 19 of the EU Regulation no. 596/2014 being available on the company's website, in the *Investor Relations* section.

Following the completion of the Stock Option Plan, the Company still owns a number of 7,912,307 treasury shares.

(3). The buyback programs had as financing source the company's own funds, in compliance with the provisions of art. 103 ^ 1 section d) of Law no. 31/1990 on trading companies: *"the payment*

of the shares thus acquired will be made only from the distributable profit or from the available reserves of the company, recorded in the last approved annual financial statement, except for the legal reserves." The two coverage sources invoked by law are elements of equity, i.e. shareholders' equity.

In accordance with the objectives of the programs approved by the shareholders, some of the shares were repurchased in order to reduce the company's share capital, and the difference between the value of the repurchased shares (total acquisition cost) and the amount by which the share capital is reduced is covered in retained earnings.

The costs related to the Buyback Programs no. 1, 2 and 3 are shown in the following table:

Public Tender Offer – September - October 2021	Total Value, of which	Amounts related to share capital decrease	Shares granted in SOP
1.No. of repurchased shares	8,792,307	7,912,307	880,000
2.Price in the offer (RON/share)	2,7000	2,7000	2,7000
3.Value of repurchased shares (RON)	23,739,229	21,363,229	2,376,000
4.Costs related to program (RON), of which:	367,811	330,998	36,813
- ASF quota – representing 1% value of the offer (RON)	237,392	213,632	23,760
- transaction commissions * (RON)	65,164	58,642	6,522
- intermediary fee ** (RONi)	65,255	58,724	6,531
Total value related to repurchase (3 + 4)	24,107,040	21,694,227	2,412,813
Reduction of share capital (7,912,307 shares x 0.1 RON/share nominal value) (RON)	791,231		
Sources for covering the difference between repurchase value and nominal value			
Retained earnings for 2020 FY (RON)	18,874,346		
Other reserves own sources	2,028,650		

* include brokerage commissions, BVB and Depozitarul Central

** include costs with the preparations of prospect and advertising

As for the accounting of buyback operations, the Company applies the provisions of ASF 39/2015 for the approval of Accounting Regulations compliant with International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector.

Rule 39/2015 contains specific provisions regarding the repurchase of shares. Thus, the treasury shares are presented in the balance sheet as a correction of equity.

At the time of cancellation of the own shares, any differences between the repurchase value and the nominal value of the canceled shares are also presented in equity accounts. Therefore, losses (as the difference between the higher repurchase value of the shares and their nominal value) are reflected in account 149 "Losses related to the issue, repurchase, sale, free transfer or cancellation of equity instruments".

As shown in the table above, the difference of RON 20,902,996 between the total value related to the repurchase (of RON 21,694,227) and the value with which the share capital is reduced (of RON 791,231) is partially covered from the retained earnings for the financial year 2015, respectively RON 18,874,346 and from other reserves own sources, the amount of RON 2,028,650.

Although in terms of the accounting impact on equity the effect is negative due to the difference between the average purchase price and the nominal value, from a financial point of view the

effect is positive for shareholders due to the fact that the shares were repurchased at a lower net value than the NAV per share (which on 31.10.2021 was of RON 6.5008 / share).

Detailed presentation of the costs related to the buyback programs

Buyback program costs or transaction costs are defined by IFRS 9 "Financial Instruments" as those costs *"that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability"* and that *"include fees and commissions paid to agents (including employees acting as sales agents), advisers, brokers and dealers, fees paid to regulatory agencies and stock exchanges, as well as taxes and transfer fees."* (IFRS 9, section B 5.4.8.)

The data in the table show that the Company has complied with the requirements of IFRS 9 regarding the cost structure, being incurred only those costs that directly concern the transactions of repurchasing own shares.

Regarding the registration in the Company's accounting of the repurchase of own shares and of the costs related to this operation, these were carried out based on the provisions of ASF Rule no. 39/2015, as follows:

a. the repurchase of (own) shares was registered in account 109 "Treasury shares", with the help of which the own shares are highlighted, repurchased in accordance with the legal provisions.

Out of the total shares repurchased during 2021 in the amount of RON 23,739,229 (no. of repurchased shares 8,792,307 x 2.70 RON / share), as of December 31, 2021 in the Company's standalone financial statements, audited, within the Statement of financial position it is presented the amount of RON 21,363,229 in *Equity*, the position *"Treasury shares"*, which decreases the value of Equity. The difference amounting to RON2,376,000 represents the equivalent value of the shares distributed within the SOP program, through which free shares were distributed to the managers. Note 24 to the financial statements details the number of shares repurchased and their total value.

Following the cancellation of the treasury shares, the unfavorable difference resulting from their cancellation will be recorded in account 149 *"Losses related to the issue, repurchase, sale, free transfer or cancellation of equity instruments"*, to be covered by reserves or retained earnings.

The payment of the equivalent value of the repurchased shares, in the amount of RON 23,739,229, was provided from the own funds resulting from the management of the Company's assets according to the investment policy (dividends collected, bank deposits and short-term cash available).

b. the costs related to the buyback program were recorded according to the ASF Rule no. 39/2015, respectively in the debit of account 149 *"Losses related to the issue, repurchase, sale, free transfer or cancellation of equity instruments"* by presenting the content of each cost separately (commissions, fees). According to the said Norm, the debit of this account records the expenses related to the issue and repurchase of equity instruments, including the unfavorable differences resulting from the cancellation of equity instruments.

The credit of the account records losses related to the issue, repurchase, sale, free transfer or cancellation of equity instruments, covered by reserves or the retained earnings.

The costs related to the redemption program carried out in 2021 are highlighted in the Standalone Financial Statements of the Company for 2021, prepared according to IFRS, audited, in the Statement of financial position, in Equity, item *"Losses on repurchase of own shares"*, position that diminishes the value of Equity. The costs related to the buyback program were paid from own sources.

We mention that the weight of costs incurred in the total value related to the buyback is 1.55%.

Regarding the costs related to the buyback program, we can conclude:

1. The Company has complied with the requirements of IFRS 9 on the cost structure of the buyback program, with only the costs directly related to the buyback transactions being incurred and recorded;
2. The registration in the Company's accounting of the repurchased shares and of the related costs were carried out based on the provisions of art. 75 of ASF Rule no. 39/2015;
3. The payment of the costs incurred and the value of the repurchased shares were made from the Company's own sources.

Analysis regarding the correlation between the purchase price and the market capitalization of SIF Banat-Crişana

Market analysis: price, capitalization and trades in 2020 and 2021

The management has analyzed the impact of the buyback executed through the three programs approved by the shareholders in terms of the stock market evolution of SIF1 shares in 2020 and 2021, corroborated with the corporate events that took place during this period (GMS Resolutions, ASF Decisions approving public offer prospectuses, Conclusion of the Public Tender Offer).

The buyback programs P1, P2 and P3 were executed by conducting a Public Tender Offer at the price of RON 2.70 / share between September 29 and October 12, 2021 for a number of 30,880,000 shares.

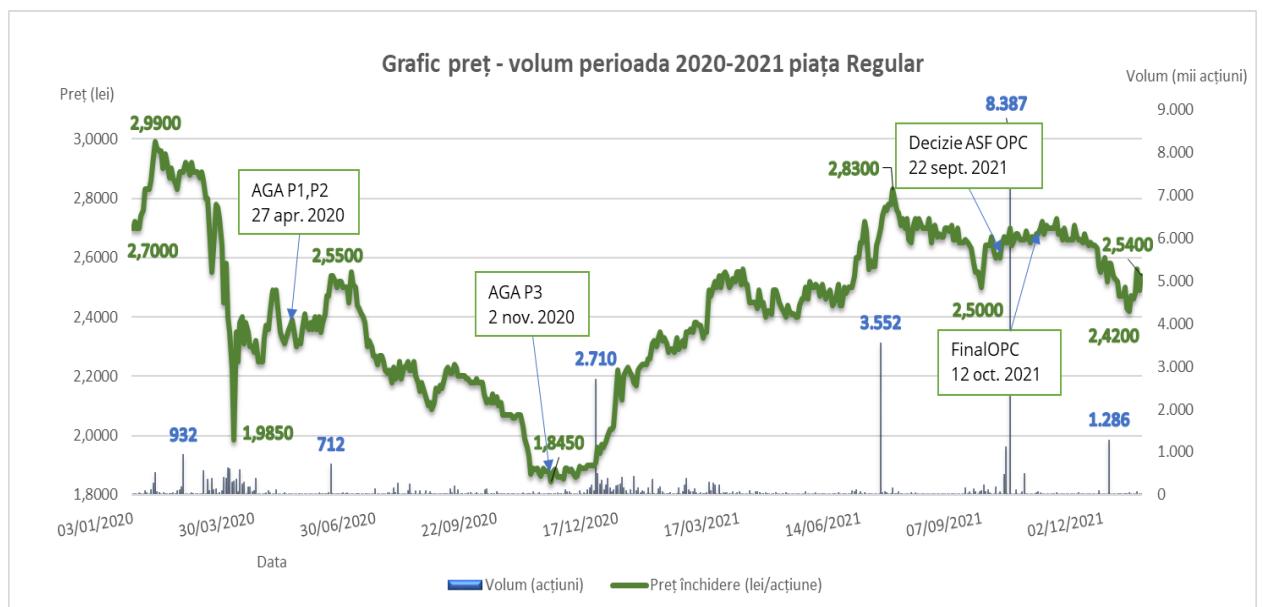


Chart no. 1 - Evolution of SIF1 symbol in the years 2020-2021: price and volume.

To mitigate the impact of stock price volatility, average trading prices were used to determine the market capitalization at various specific dates, to the detriment of closing prices. The number of shares outstanding at the EGMS date for the P1, P2 and P3 programs was of 514,542,363 shares and at the date of the PTO was of 515,422,363 shares, the difference of 880,000 shares being allocated for the execution of the Stock Option Plan, according to EGM decisions.

The timing of the approval of the three buyback programs was different and their period of validity extended to 2021. The assessment of the effects of the buyback operation versus initial estimates were calculated using the following market data on SIF1 shares:

1. The average price on the first trading day of 2020 (03.01.2020): RON 2.7135 / share,
2. Capitalization on the first trading day in 2020: 1,396.23 RONm,
3. Average trading price on EGM P1, P2 (27.04.2020): RON 2.36 / share,

4. Average capitalization of SIF1 at the EGM date P1, P2: 1,214.32 RONm,
5. Average trading price on EGM date P3 (02.11.2020): RON 1.8713 / share,
6. Average capitalization of SIF1 at the EGM date P3: 962.87 RONm,
7. The average price on the first trading day of 2021 (04.01.2021): RON 2.1841 / share,
8. Capitalization on the first trading day of 2021: 1,123.80 RONm,
9. The average price on the last trading day of 2021 (30.12.2021): RON 2.5011 / share,
10. Capitalization on the last trading day of 2021: 1,289.11 RONm.

The stock market in 2020 and 2021 was significantly influenced by the COVID-19 pandemic, only in the second half of 2021 the share prices returned to the pre-pandemic level. Towards the end of 2021, the capital market faced further declines amid concerns about rising inflation caused by rising energy and fuel prices.

In a period of extreme volatility, the Company sought an area of price stability to meet its obligations to shareholders.

At the date of the ASF Decision approving the Public Tender Offer for the repurchase of own shares (September 22, 2021) the average price at which the SIF1 shares were traded was of RON 2.6494 with a capitalization of RON 1,365.58 million, up 2.19% compared to the capitalization on August 31, 2021 (RON 1,336.36 million), 12.46% higher than the capitalization at the EGM date for the P1 and P2 programs, 41.82% higher than the capitalization at the EGM date for the P3 program.

During the PTO (September 29 - October 12, 2021), in the Regular main market, the price of SIF1 shares was traded in the range of RON 2.62 / share lowest price and RON 2.69 / share highest price with an average daily price of RON 2.6417 lei at the end of the PTO.

The volumes of shares traded during the PTO were high, on September 27, 8,386,666 shares were traded (highest in 2021). The average daily volume traded during the TPO period was 74,473 shares compared to 104,796 shares in 2021 and 96,271 shares in 2020.

The short-term effect of the PTO was found in the increase in the main market price and liquidity for the SIF1 symbol.

In the case of buyback programs, although in terms of the accounting impact on the company's equity the effect is negative due to the difference between the average purchase price and the nominal value, the financial effect is positive for shareholders due to the fact that the shares were repurchased at a value net lower than the NAV per share (NAV/S as of 31.08.2021: RON 6.3345 / share).

Market capitalization versus buyback program costs

The progress of the market capitalization during the PTO related to the three buyback programs is presented in table no. 2.

Table no. 2 – Mk. Cap. and purchase price – PTO (2021)

		Value / share	Value (RON)
Mk. Cap. before PTO ¹	a	2.6326	1,356,900,838
Mk. Cap. end of PTO ²	b	2.6417	1,361,602,142
Gain Mk. Cap.	b-a	0.0086	4,701,304
Total value related to PTO OPC ³		2.7418	24,107,040
Costs related to PTO		0.0418	367,811

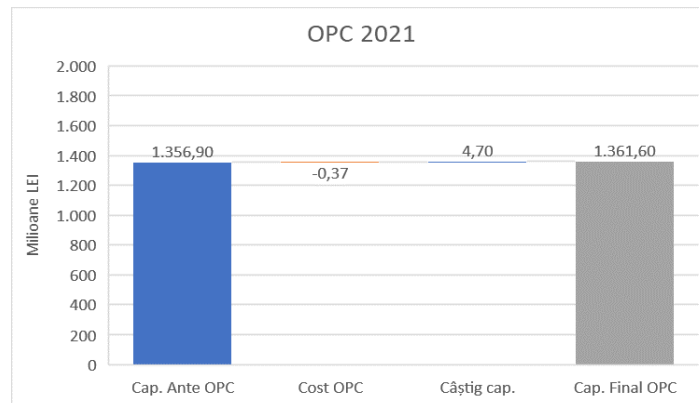
No. of SIF1 outstanding shares = 515,422,363; No. of repurchased SIF1 shares = 8,792,307

¹Calculation mk. cap. = no. outstanding shares x average price as of 21.09.2021

²Calculation mk. cap. = no. outstanding shares x average price as of 12.10.2021

³Total value related to PTO (Total purchase price) = Value of repurchased shares + Costs related to PTO (transaction costs, commissions, fees)

The following chart shows the evolution of the market capitalization of SIF1 at the beginning and end of the PTO for the buyback programs:



The information presented is analyzed in terms of the costs related to the buyback programs borne by shareholders who did not subscribe to the offer and reveals a gain of market capitalization of RON 4.7 million following the public tender offer.

The stock market capitalization gain was 0.35% and the cost of the PTO was of RON 0.0001 / share for all outstanding shares (0.027% of the total capitalization).

The buyback ratio¹ calculated for the PTO is 1.77%.

We consider that the benefit generated for SIF1 shareholders through the capitalization gain exceeds the cost of the buyback programs.

The buyback programs benefited both the shareholders who sold in the PTO carried out by SIF Banat-Crișana, and also those who decided to further remain shareholders. Shareholders who subscribed were assured of a higher price than the market price and high liquidity. In the case of shareholders who decided not to subscribe to the PTO, the rise of the price of SIF1 shares led to an increase in the value of their shareholdings.

Proposals of the Board of Directors submitted for the approval of the Extraordinary General Meeting of Shareholders

Considering those mentioned above, the Board of Directors submits for the approval of the EGM the reduction of the share capital of SIF Banat-Crișana SA, based on art. 207 par. (1) section c) of Law no. 31/1990, from RON 51,542,236.3 to RON 50,751,005.6 following the cancellation of 7,912,307 own shares acquired by the company, in the buyback programs.

Following the reduction, the share capital of SIF Banat-Crișana SA will have a value of RON 50,751,005.6, divided into 507,510,056 shares with a value of RON 0.10/share. Article 3 par. (1) of the Articles of Association is amended as a result of the reduction of the share capital and shall read as follows:

"The share capital of the company amounts to RON 50,751,005.6 and is divided into 507,510,056 shares of RON 0.10 each, allotted to shareholders as results from the records entered in the shareholders' register."

The operation of the reduction of the share capital shall take place as per the provisions of art. 207 par. (1) section c) of Law no. 31/1990, according to which *the share capital can be reduced by acquiring own shares, followed by their cancellation.*

¹ Buyback Ratio calculated as the ratio between the amount paid by the company to repurchase its common shares during the year and its market capitalization at the beginning of the buyback period

RESOLUTION SUBMITTED FOR THE APPROVAL OF EGM on **topic 3** of the agenda
– proposed by the Board of Directors

Approval of the reduction of the share capital of SIF Banat-Crișana SA, pursuant to art. 207 par. (1) letter c) of Law no. 31/1990, from RON 51,542,236.3 to RON 50,751,005.6, following the cancellation of 7,912,307 own shares acquired by the company, in the buyback programs. Following the reduction, the share capital of SIF Banat-Crișana SA will have a value of RON 50,751,005.6, divided into 507,510,056 shares with a value of RON 0.10/share.

Article 3 par. (1) of the Articles of Association is amended as a result of the reduction of the share capital and shall read as follows:

"The share capital of the company amounts to RON 50,751,005.6 and is divided into 507,510,056 shares of RON 0.10 each, allotted to shareholders as results from the records entered in the shareholders' register."

Bogdan-Alexandru DRĂGOI

Chairman of the Board of Directors

This is an English translation of the Informative materials for the EGM Agenda, approved by the Board of Directors of SIF Banat-Crișana. The Company provides this translation for shareholders' reference and convenience. In the event that the English version of this informative materials differ from the Romanian version, the latter prevails.