



SIF BANAT-CRIȘANA

SOCIETATE DE INVESTIȚII FINANCIARE

QUARTERLY REPORT

— AS OF MARCH 31, 2021 —

prepared pursuant to the provisions of
Law no. 24/2017, Law no. 74/2015, ASF Regulation no. 10/2015,
ASF Regulation no. 5/2018, and ASF Rule no. 39/2015
*this report is provided as a free translation from Romanian, which is
the official and binding document*



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1. GENERAL INFORMATION

CORPORATE NAME	Societatea de Investiții Financiare Banat-Crișana S.A. (hereinafter referred to as "SIF Banat-Crișana" or "the Company")
COMPANY TYPE	<ul style="list-style-type: none"> ▪ joint stock company, established as self-managed investment company, authorized by the Financial Supervisory Authority as Alternative Investment Fund Manager (AIFM) - Authorization no. 78 / 09.03.2018, classified as per the provisions of Law no. 243/2019 as closed-ended alternative investment fund, diversified, addressed to retail investors (AIFRI) ▪ Romanian legal entity with entire private capital
SHARE CAPITAL	<ul style="list-style-type: none"> ▪ RON 51,542,236.30 – subscribed and paid-in capital ▪ 514,422,363 shares issued; 514,542,363 outstanding shares ▪ RON 0.10 per share nominal value
REGISTRATIONS	<ul style="list-style-type: none"> ▪ Number in Trade Register J02/1898/1992 ▪ Tax Identification Code RO 2761040 ▪ Number in ASF AFIAA Register PJR07.1AFIAA / 020007 / 09.03.2018 ▪ Number in ASF SIIRS Register PJR09SIIR/020002/2006 ▪ Legal Entity Identifier (LEI) 254900GAQ2XT8DPA7274
MAIN ACTIVITY	<p>Main activity is, as per the classification of economic activities in the national economy (CAEN): financial intermediation, except for insurance and pension funds (CAEN code 64), and the main object of activity: Other financial intermediation n.c.a. (CAEN code 6499):</p> <ul style="list-style-type: none"> ▪ portfolio management ▪ risk management; ▪ other activities carried out within the collective management of an investment fund, allowed by the legislation in force.
TRADING MARKET	The company is listed since November 1, 1999 on the regulated market of Bucharest Stock Exchange (BVB) – Premium category - ticker SIF1
FINANCIAL AUDITOR	Deloitte Audit S.R.L. starting with financial year 2019
DEPOSITARY BANK	Banca Comercială Română (BCR) starting with November 2019
SHARES AND SHAREHOLDERS' REGISTRY	Depozitarul Central S.A. Bucharest
HEADQUARTERS	Arad , 35A Calea Victoriei 310158, Romania TEL +40257 304 438 FAX +40257 250 165 EMAIL sifbc@sif1.ro WEB www.sif1.ro
BRANCH OFFICE	SIF Banat-Crișana SA Arad-Bucharest Branch-Rahmaninov 46-48 S. V. Rahmaninov Str., 3rd floor, sector 2, 020199, Bucharest

CONTACT Investor Relations: email investitori@sif1.ro tel +40257 304 446

2. MAIN FINANCIAL AND OPERATIONAL INFORMATION

MAIN BALANCE SHEET ITEMS [RONm]		
	31.12.2020	31.03.2021
Total assets, of which	2,883.77	3,087.22
Total financial assets	2,859.53	3,069.90
Equity (own capital)	2,729.90	2,914.20
Total liabilities	153.87	173.02

FINANCIAL PERFORMANCE [RONm]		
	31.03.2020	31.03.2021
Operating income	18.71	0.87
Gain/(Loss) on investments	(87.63)	100.84
Operating expenses	3.65	5.32
Gross profit / (Loss)	(72.58)	96.39
Net profit / (Loss)	(72.58)	94.76

PERFORMANCE OF SHARES AND NET ASSET		
	31.12.2020	31.03.2021
Share price (end of period, RON)	2.2000	2.4900
NAV/S* (RON)	5.6051	5.9899
Accounting net asset / share (RON)	5.3055	5.6637
Nominal value of share (RON)	0.1	0.1
Number of shares issued	515,422,363	515,422,363
Number of outstanding shares	514,542,363	514,542,363

* calculated acc. to ASF regulations

OPERATIONAL DATA		
	31.12.2020	31.03.2021
Number of permanent employees	34	34
Branch offices	1	1

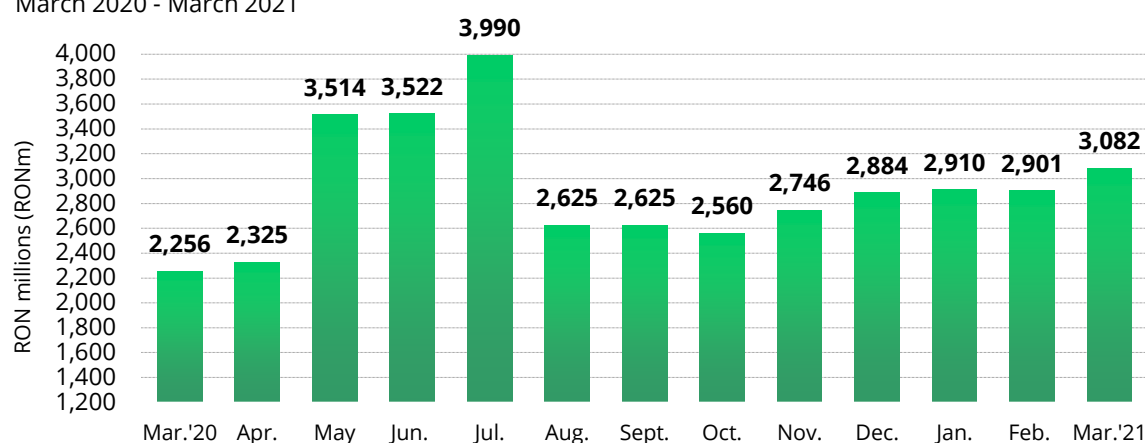
3. PORTFOLIO AS OF MARCH 31, 2021

Net Asset Value

SIF Banat-Crișana's net asset value (NAV) was of **RON 3,082.08m** as of March 31, 2021, up 6.87% vs. 2020-year end (December 31, 2020: RON 2,884.04m) and 36.62% higher as compared to Q1 2020 (March 31, 2020: RON 2,255.99m). Net asset value per share (NAV/S) was of **RON 5.9899** as of March 31, 2021 (December 31, 2020: RON 5.6051/share, and March 31, 2020: RON 4.3845/share).

NET ASSET VALUE

March 2020 - March 2021



Monthly values for net asset are calculated by SIF Banat-Crișana and certified by the depositary bank Banca Comercială Română (BCR). Throughout Q1 2021, the valuation of assets for the calculation of SIF Banat-Crișana's net asset value was performed pursuant to the regulations issued by The Financial Supervisory Authority (ASF).

The monthly reports for the net asset value were submitted to the Bucharest Stock Exchange and ASF – Financial Investments and Instruments Sector and published on SIF Banat-Crișana's website www.sif1.ro no later than 15 calendar days from the end of the reporting month, as per the regulations in force.

Net asset statement as of March 31, 2021, prepared pursuant to annex 16 of the Regulation no. 15/2004, is presented as annex to this report.

The methodology for calculating the net asset value

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

Per these regulations:

- Financial instruments admitted to trading or traded in the last 30 trading days on a regulated market or under systems other than the regulated markets including under an alternative trading system in Romania, in a member or non-member state, are valued:

- a) at the closing price on the market section considered as main market or at the reference price provided on trading systems others than the regulated markets including the alternative systems by the operator of the respective trading system as of day for which the calculation is made;
- b) By way of exception from the provisions of section i) above, in the case of joint stock companies admitted to trading on a regulated market or a multilateral trading system with a liquidity considered by SIF Banat-Crișana, based on a prudential value judgment regarding the active market defined by International Financial Reporting Standard 13 - Fair value measurement (IFRS 13), as irrelevant for the application of the mark to market valuation method, the shares of those

companies will be measured in SIF Banat-Crișana' assets in accordance with the evaluation standards in force, according to the law, based on an evaluation report. Starting with August 2020, SIF Banat-Crișana applied this valuation method in the case of the following companies in the portfolio: SIF Imobiliare PLC (symbol SIFI), SIF Hoteluri SA (symbol CAOR), and IAMU SA (symbol IAMU) also maintaining this valuation method during Q1 2021.

- Securities not admitted to trading on a regulated market or not traded during last 30 trading days are valued at the book value per share as it results from the latest annual financial statement, respectively the equity value as entered in the monthly reports submitted to the National Bank of Romania for credit institutions.
- For joint stock-companies not admitted to trading on a regulated market or an alternative system, where SIF Banat-Crișana owns more than 33% of the share capital, the respective shares are valued in SIF Banat-Crișana's net asset value exclusively as per the international valuation standards based on an evaluation report, updated at least annually. These companies are presented in a separate annex within the Detailed statement for the portfolio.
- Fixed income financial instruments are evaluated by the method based on the daily recognition of the interest and the amortization of the discount / premium for the period passed from the date of the placement.
- The shares of companies in insolvency, judicial liquidation or reorganization procedure are evaluated at zero value until the end of the procedure.
- The values of the non-portfolio items considered in the calculation of the net asset are in accordance with the International Financial Reporting Standards ("IFRS").

The valuation methods applied by the Company to evaluate the financial assets in the portfolio are presented on Company's website, www.sif1.ro, in the section *Investments > Net Asset > Net asset value calculation methodology*.

Portfolio structure

The strategy for asset allocation aims to maximize the performance of the portfolio under the prudential requirements established by the regulations.

The investment limits and restrictions incidental to the operations carried out by SIF Banat-Crișana during Q1 2021 complied with the applicable legal provisions, established by Law no. 243/2019 on the regulation of alternative investment funds, given that in accordance with the provisions of this law SIF Banat-Crișana is classified as a Closed, Diversified Alternative Investment Fund addressed to retail investors (AIFRI).

During Q1 2021, no violations of the regulated prudential investment limits were registered.

The detailed statement of SIF Banat-Crișana's investments as of March 31, 2021, prepared pursuant to Regulation no. 15/2004 (Annex 17), is presented as annex to this report.

Total assets value¹ under SIF Banat-Crișana management as of March 31, 2021 was of **RON 3,094.15 million**, 36.98% higher than the value recorded for December 31, 2021, when reached RON 2,258.83 million.

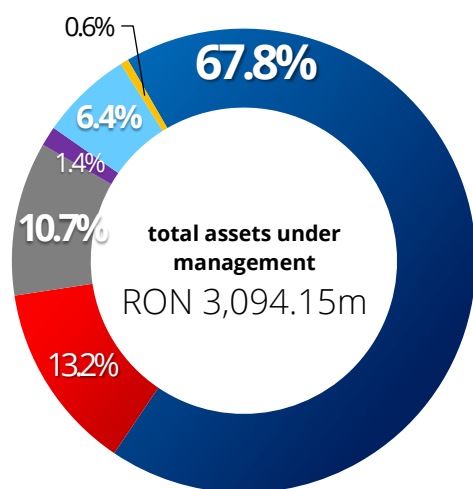
The value of the stock portfolio (listed and unlisted shares) accounted for **81%** of SIF Banat-Crișana's total assets as of March 31, 2021, amounting to **RON 2,504 million**.

At the end of Q1 2021, SIF Banat-Crișana held *majority stakes* - over 50% of the issuer's share capital - in 13 companies, with a total value of RON 993 million, representing 39.6% of NAV.

¹ calculated pursuant to the provisions of ASF Regulation no. 9/2014 (art. 113-122), amended and supplemented by ASF Regulation no. 2/2018 and ASF Regulation no. 20/2020, and those of ASF Regulation no. 10/2015

ASSETS UNDER MANAGEMENT as of March 31, 2021

breakdown on classes (weight on total assets)

■ **listed shares**value **RON 2,097.02m**

(31.12.2020: RON 1,951.14m)

■ **unlisted shares**value **RON 407.03m**

(31.12.2020: RON 407.03m)

■ **fund units**value **RON 332.11m**

(31.12.2021: RON 305.38m)

■ **corporate bonds**value **RON 42.37m**

(31.12.2020: RON 53.60m)

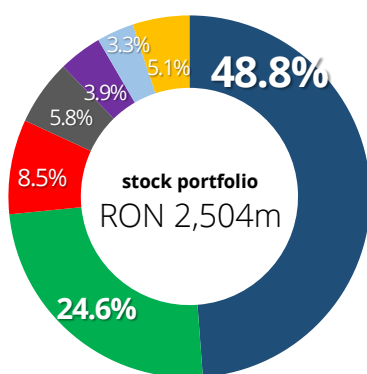
■ **bank deposits and cash available**value **RON 198.29m**

(31.12.2020: RON 150.69m)

■ **receivables and other assets**value **RON 17.33m**

(31.12.2020: RON 23.38m)

values calculated as of March 31, 2021, and December 31, 2020 pursuant to the provisions of ASF Regulations no. 9/2014, no. 10/2015, no. 2/2018; the amounts for fixed income financial instruments include interest receivables

STOCK PORTFOLIO - breakdown by sector■ **banking - financial**stakes in **15** companies, worth **RON 1,222.40m**

(31.12.2020: RON 1,151.26m)

■ **commerce - real estate**stakes in **14** companies, worth **RON 616.21m**

(31.12.2020: RON 617.32m)

■ **pharmaceuticals**stakes in **2** companies, worth **RON 211.67m**

(31.12.2020: RON 161.86m)

■ **cardboard and paper**stakes in **5** companies, worth **RON 146.43m**

(31.12.2020: RON 122.43m)

■ **hospitality (hotels and restaurants)**stakes in **4** companies, worth **RON 97.29m**

(31.12.2020: RON 100.03m)

■ **energy - utilities**stakes in **7** companies, worth **RON 82.97m**

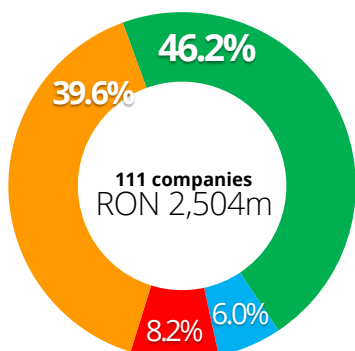
(31.12.2020: RON 72.33m)

■ **other industries and activities**stakes in **64** companies, worth **RON 127.06m**

(31.12.2020: RON 132.94m)

percentages in the chart represent the stake of the category in the stock portfolio; values calculated as of March 31, 2021 and December 31, 2020, acc. to ASF Reg. no. 9/2014, no. 10/2015, no. 2/2018.

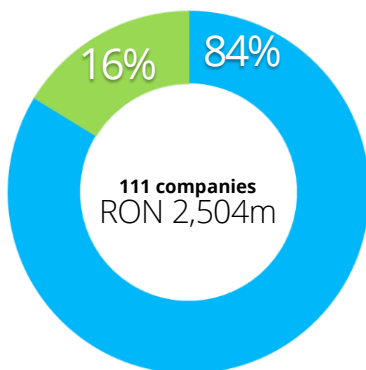
STOCK PORTFOLIO - breakdown by stake held



- up to 5% stakes in **37** companies worth **RON 1,156.88m** (31.12.2021: RON 1,025.35m)
- 5-33% stakes in **58** companies worth **RON 149.44m** (31.12.2020: RON 208.71m)
- 33-50% stakes in **3** companies worth **RON 205.07m** (31.12.2020: RON 144.46m)
- above 50% majority stakes in **13** companies worth **RON 992.65m** (31.12.2020: RON 968.65m)

percentages in the chart represent the stake of the category in the stock portfolio; values calculated as of March 31, 2021 and December 31, 2020, acc. to ASF Reg. no. 9/2014, no. 10/2015, no. 2/2018

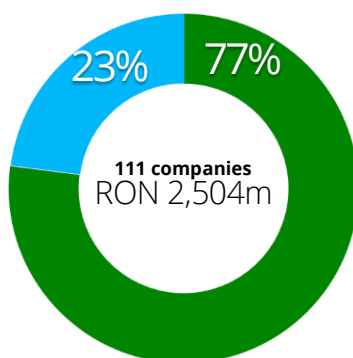
STOCK PORTFOLIO - on liquidity



- listed companies **RON 2,097m** (31.12.2020: RON 1,951.14m) value of stakes in **37** companies (31.12.2020: 42)
- unlisted companies **RON 407.03m** (31.12.2020: RON 407.03m) value of stakes **74** companies (31.12.2020: 74)

percentages in the chart represent the stake of the category in the stock portfolio; values calculated as of March 31, 2021 and December 31, 2020, acc. to ASF Reg. no. 9/2014, no. 10/2015, no. 2/2018

STOCK PORTFOLIO - geographical exposure



- Romania **RON 1,929.45m** (31.12.2020: RON 1,813.91m) value of stakes in **109** companies (30.06.2020: 121)
- foreign **RON 574.59m** (31.12.2020: RON 544.27m) value of stakes in **2** companies (31.12.2020: 2): Austria (1 company – Erste Bank), Cyprus (1 company – SIF Imobiliare)

percentages in the chart represent the stake of the category in the stock portfolio; values calculated as of March 31, 2021 and December 31, 2020, acc. to ASF Reg. no. 9/2014, no. 10/2015, no. 2/2018

TOP 10 COMPANIES IN SIF BANAT-CRIȘANA PORTFOLIO as of March 31, 2021

Company (symbol)	Sector	Stake	Value of holding* [RON]	% of NAV
1 Banca Transilvania (TLV)	banking - financial	4.56%	628,566,429.60	20.39%
2 SIF Imobiliare Plc (SIFI)	real estate	99.99%	368,782,153.86	11.97%
3 BRD Groupe Société Générale (BRD)	banking - financial	1.95%	215,941,782.42	7.01%
4 SIF1 IMGB	real estate	99.92%	214,789,506.77	6.97%
5 Erste Group Bank AG (EBS)	banking - financial	0.34%	205,816,973.94	6.68%
6 Biofarm București (BIO)	pharmaceuticals	36.75%	204,584,571.66	6.64%
7 Vrancart (VNC)	cardboard and paper	75.06%	146,364,634.21	4.75%
8 SIF Hoteluri (CAOR)	hospitality	98.99%	57,535,380.14	1.87%
9 SAI Muntenia Invest	fund management	99.98%	51,969,608.00	1.69%
10 CONPET (COTE)	energy - utilities	6.50%	51,546,984.00	1.67%
TOTAL			2,145,898,025	69.62%

* calculated pursuant to ASF Reg. no. 9/2014, no. 10/2015, no. 2/2018

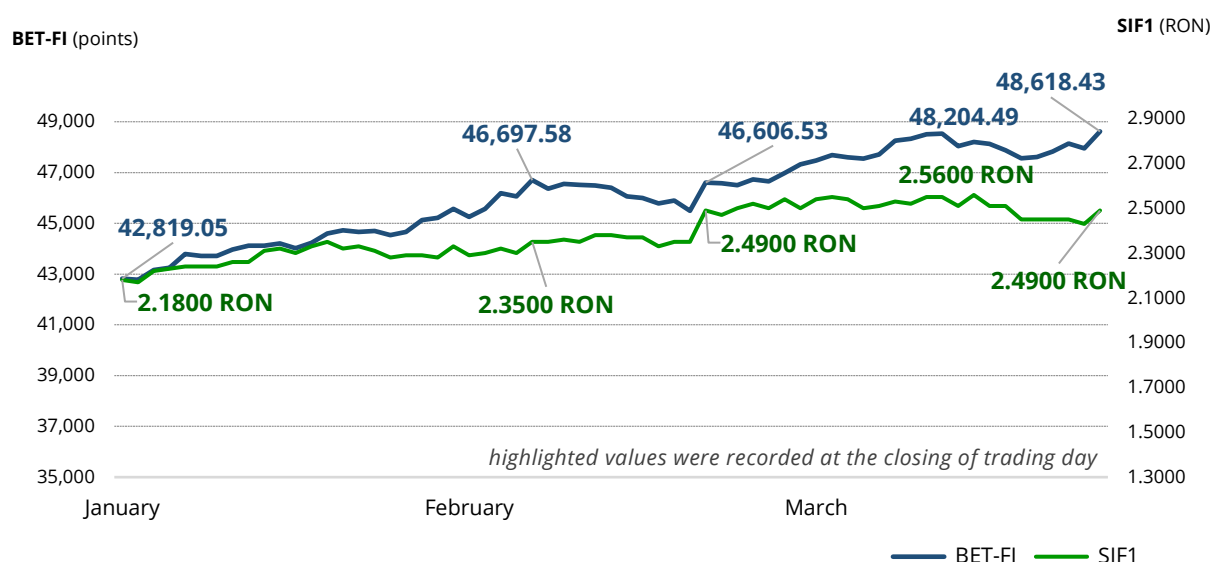
4. THE SHARES ISSUED BY BANAT-CRIȘANA

CHARACTERISTICS OF THE SHARES ISSUED BY SIF BANAT-CRIȘANA

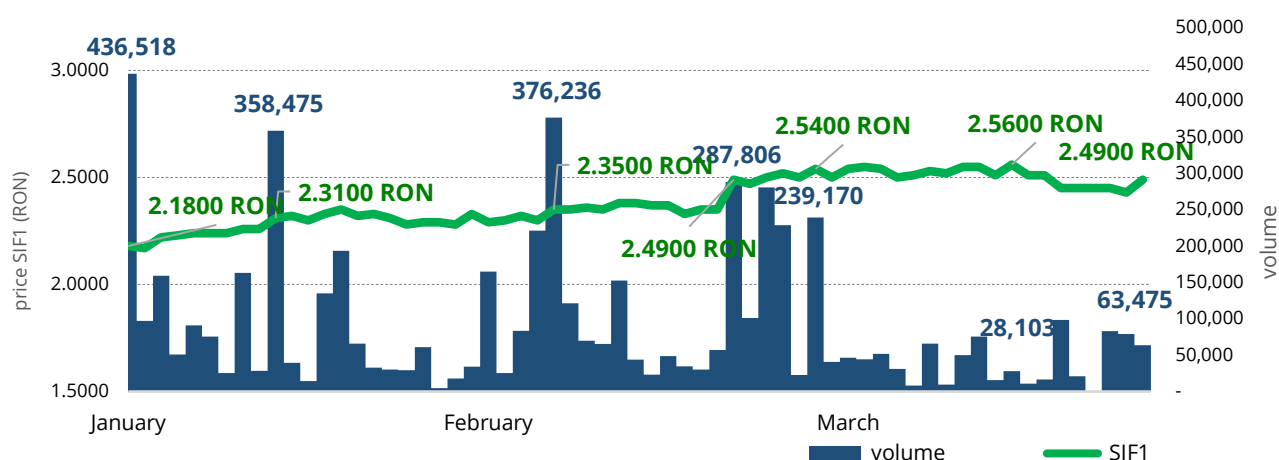
Total number of issued shares (March 31, 2021)	515,422,363
Outstanding shares* (March 31, 2021)	514,542,363
Nominal value	RON 0.1000 / share
Type of shares	common, ordinary, registered, dematerialized, indivisible
Trading market	Regulated spot market of Bucharest Stock Exchange (BVB or BSE), Premium category, listed since November 1, 1999
Trading venue (MIC)	XBSE
BVB (BSE) symbol (ticker)	SIF1
Bloomberg BBGID	BBG000BMN388
ISIN	ROSIFAACNOR2
Reuters	SIF1.BX
Part of indices	BVB (BSE) indices: BET-XT, BET-FI, BET-BK and BET-XT-TR

* As of March 31, 2021, SIF Banat-Crișana holds 880,000 own shares, purchased in the buyback programs approved by GMS

SIF1 vs. BET-FI PERFORMANCE DURING JANUARY - MARCH 2021



SIF1 PRICE AND VOLUME DURING JANUARY - MARCH 2021

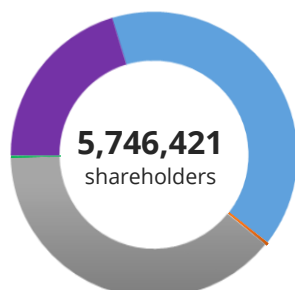


highlighted values for SIF1 price were recorded at the closing of trading day

As of March 31, 2021, SIF Banat-Crișana has 5,746,421 shareholders, according to the data reported by Depozitarul Central SA Bucharest, the company keeping the shareholders registry.

SHAREHOLDERS' STRUCTURE

as per holdings, as at 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%
treasury stock
(880,000 shares)

5. SIGNIFICANT RISKS MANAGEMENT

Risk management system

SIF Banat-Crișana acknowledges its exposure to financial and operational risks resulting from daily activities, and the achievement of its strategic objectives. In this context, SIF Banat-Crișana's policy on significant risk management provides the framework for the identification, assessment, monitoring and control of these risks, in order to maintain them at acceptable levels depending on the Company's risk appetite and its ability to cover, absorb or mitigate these risks.

The significant risk management policy of SIF Banat Crișana comprises all the elements necessary for risk management operations associated with each investment position to be properly identified, assessed, managed, and monitored, including using appropriate crisis simulation procedures. The company has implemented a documented procedure for *pre-investment verification*, which monitors whether the investment / divestment process is carried out according to the investment strategy, objectives and risk profile chosen.

Risk profile and risk limits

By the nature of the object of activity, the Company is exposed both to the risks associated with the financial instruments and to the markets on which it has exposures, as well as to certain operational risks, which can materialize in loss of capital or low investment performance in relation to the chosen risks.

The strategy of management of significant risks assumed by the Board of Directors is based on risk management objectives and pursues three parameters: risk appetite, risk profile and risk tolerance.

Risk appetite

According to the Policy on the management of significant risks, SIF Banat-Crișana's Board of Directors has assumed a medium risk appetite, representing the level of risk that the Company accepts for new exposures, in addition to the risk arising from existing exposures in its portfolio.

This objective considers the fact that, in conditions of economic difficulties, the Company will objectively accept a higher level of risk from the existing exposures of the Company's portfolio but will take all necessary measures to reduce the risk appetite for new (future) exposures.

The company's risk appetite is clearly connected to the overall business strategy and business plan.

Risk profile

Represents all the risks to which the Company is estimated to be exposed depending on the strategic objectives and the defined risk appetite. By risk management, the risk profile is not considered as a static measure, but a dynamic assessment of the evolving risks, at a predetermined frequency that would protect as solidly as possible the Company's investment portfolio exposed to risk. The role of the risk profile is to determine the size of each significant risk and the overall level of risk, based on relevant, qualitative, and quantitative indicators.

The Board of Directors approved the classification of the global risk of the Company at MEDIUM level in 2021, corresponding to a medium risk appetite.

The risk management policy is based on a system of limits used to monitor and control significant risks, in accordance with the risk profile and the approved investment strategy.

The risk profile is assessed annually and monitored against the established risk level objectives. Depending on the progress of the risk profile in relation to these objectives, as well as the temporal dimension of a certain evolution, corrective or control measures of the risk factors may be ordered.

The assessment of the global risk profile and the establishment of risk limits was performed based on the information included in the periodic risk reports and stress tests from 2019 to 2020 and the

stress tests performed in 2018 and 2019. In addition, assessments were performed at other intermediate dates, when large fluctuations of SIF Banat-Crișana's NAV were ascertained,

The objectives of the Risk Management department for 2021 will address both the identification of risk-generating situations in the activity associated with the management of SIF Banat-Crișana portfolio and its secondary risks, as well as the risk assessment with strict observance of the regulations specific to the field of activity (both local and European directives and regulations) and the adequacy of working procedures to the new regulations on the activity of AIFM / AIF.

Main risks for the Company

The significant risks to which SIF Banat-Crișana is exposed are **market risk**, comprising the sub-categories: price / position risk, interest rate risk, foreign exchange risk and concentration risk, **liquidity risk, credit and counterparty risk, operational risk** including the sub-categories: risk related to technical resources / IT systems, professional risk, model / process risk, risk associated with outsourced activities, **other risks** including sub-categories: reputational risk, strategic risk, regulatory risk, tax-related risk, business-related risk.

The Company's exposure to each of the aforementioned risks is detailed in *Note 4 to the Financial Statements*.

In the analysis of risks and their materialization potential, all significant holdings of the Company were structured according to the relevant portfolios of financial instruments 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.

For the risks associated with each class of instruments mentioned, the rules of identification, assessment and monitoring described in the approved specific risk procedures shall apply.

a) Market risk

Market risk is the risk resulting from the unfavourable variation in the value or revenues attained from the assets held or from changes in exchange rates or interest rates.

The objective of market risk management is to control and manage market risk exposures in acceptable parameters to the extent that profitability is optimized against the associated risk.

The Company's strategy on managing market risk is conducted within the investment objective, and market risk is managed in accordance with policies and procedures considered most appropriate.

The Company is exposed to the risk that the fair value of the financial instruments held will fluctuate as a result of changes in market prices caused either by factors specific to the activity of issuers or by factors affecting all instruments traded on the market.

The four subcategories of market risk specific to financial instrument portfolios are: *price / position risk, interest rate volatility risk, currency risk and concentration risk*.

PROXI-85 risk portfolio, a reference for price risk in the traded stock portfolio, is analysed compared to the total risk of the BET-BK index as a forecast of future volatilities.

With the annual assessment of the risk limits, it was decided that the risk indicator used, the VaR risk value (99%, 1M), should be monitored both for the portfolio, for a benchmark (BET-BK index) or active portfolio / difference.

On 31.03.2021 VaR for the PROXI-85 portfolio was 11.83% of the market value of RON 1,706.405 million. *Tracking-error*, indicating active management and representing the risk for the part of the PROXI-85 portfolio other than the BET-BK benchmark, was 6.5% and *Expected shortfall (Conditional VaR)*, which indicates the potential loss of the portfolio in extreme cases of exceeding the 99% confidence level, was of 14.32%, lower as compared to 2020 year-end.

With respect to interest-bearing financial instruments, the Company's policy is to invest in short-term financial instruments in general, thus partially reducing both the risk of fluctuation and the risk of maturity differences (the Company has no liabilities with maturities over 1 year).

Only small stake of net assets (1.37%) is placed in corporate bonds, whose interest rates are unlikely to vary significantly. Thus, the Company is subject to limited exposure to changes in fair value or future cash flows due to fluctuations in prevailing market interest rate levels.

The company did not use derivative financial instruments for hedging against interest rate fluctuations.

Financial instruments denominated in euro: shares and corporate bonds, as well as monetary instruments: deposits and current accounts, are subject to currency risk. The amounts representing the balance of current accounts opened in currencies other than EURO (GBP and USD) are of the level of thousands of RON, irrelevant for the currency risk analysis.

The company traded in both Romanian currency (Leu) and foreign currency (Euro) in Q1 2021, the Romanian currency fluctuated compared to foreign currencies, the average value of EURRON rate for Q1 2021 was of 4.8782 vs. 4.8371, the average for 2020. The value of Company's portfolio exposure (shares, bonds and current accounts) represents a weight of 17.58% of total assets as of March 2021.

The company did not make any derivative transactions on the exchange rate during the financial year presented.

The Company's exposure diversification policy applies to the structure of the portfolio, the structure of the business model, as well as the structure of exposures to financial risks. This diversification policy implies: diversifying the portfolio by avoiding excessive exposure to a debtor, issuer, country or geographical region; the diversification of the structure of the business plan aims at the level of the Company to avoid excessive exposure to a certain line of business / sector of activity; diversifying the structure of financial risks aims at avoiding excessive exposure to a certain type of financial risk.

Due to the specifics and history of its portfolio, the exposure on the banking sector remains significant, issuers in the banking sector and issued financial instruments (equity instruments, deposits, and current accounts) have a share of 38.94% in TA at 31.03.2021. Banks are most exposed to systemic and contagion risk in crisis situations, a positive aspect of these holdings is the liquidity of the investment.

b) Liquidity risk

The company carefully maintains a level of liquidity appropriate to its underlying obligations, based on an assessment of the relative liquidity of the assets on the market, taking into account the period required for liquidation and the price or value at which those assets can be liquidated, as well as their sensitivity to market risks or other market factors.

In the risk management process, the liquidity of the financial instruments portfolio is analysed separately from the liquidity risk related to the Company's payment obligations.

The liquidity risk related to the company's payment obligations is very low, as current debts can be immediately covered by the current account balance and short-term deposits. The liquidity indicator (LCR) is 19.03, calculated on the value of assets having high liquidity.

The Company systematically monitors the liquidity profile of assets, considering the marginal contribution of each asset that may have a significant impact on liquidity, as well as significant liabilities and commitments, contingent or otherwise, that the Company may have in relation to its underlying obligations.

The Company has implemented procedures and policies that establish appropriate actions to measure liquidity in order to assess the quantitative and qualitative risks of the positions and expected investments that have a significant impact on the liquidity profile of the asset portfolio, in

order to properly measure their effects on the global liquidity profile, including by simulating liquidity crisis situations (LST).

In order to limit / avoid liquidity risk, the Company systematically monitors the liquidity profile of assets and liabilities and will continuously adopt a prudent cash outflow policy.

c) Credit risk

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

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

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

Cash held by the Company, which is not invested in portfolio companies or government securities, may be placed in short-term bank deposits. The credit risk is also diminished by placing the Company's cash in several banks. In Q1 2021, bank deposits were made at the highest ranked banking institutions in the system, with a rating similar to or close to the country rating (BBB- and BB +).

Credit risk management is performed by closely and constantly monitoring credit risk exposures so that the Company does not suffer losses as a result of the concentration of credit in a certain sector or field of activity.

The decrease in credit risk for the corporate bond portfolio, as of March 31, 2021, comes from the collecting the principal for SIFI BH Retail bonds.

The assessment of the counterparty's credit risk indicators based on exposure to unlisted or unrated issuers and based on exposure by business sectors leads to the conclusion that they fall within the approved risk limits for a medium risk appetite.

The company did not trade derivative financial instruments (listed or OTC) so it is not subject to counterparty risk.

d) Operational risk

Operational risk is the risk of direct or indirect losses resulting from deficiencies or weaknesses in procedures, personnel, the Company's internal systems or from external events that could impact its operations. Operational risks arise from all Company's activities.

The Company's objective of managing operational risk in such a way as to limit financial losses, to not damage its reputation, to achieve its investment objective and to generate benefits for investors was met throughout the year.

The risk limits for the operational risk subcategories (legal, professional, process / model and associated with outsourced activities) are established as a result of the risk indicator assessment (KRI), the appetite for operational risk being medium.

During Q1 2021, there were no incidents of an operational risk arising from IT systems. All the important IT systems comply with the requirements of art. 16 of the ASF Rule no. 4/2018, ensuring the integrity, confidentiality, authenticity, and availability of data in accordance with the risk category of the important computer system internally defined.

In view of the maintain the incidence of pandemic risk on the health and safety of employees, measures have been further been taken within the Company to combat this risk, being observed, and strictly applied the measures provided in the Business Continuity Plan so that the situations of contamination (spread) of the SARS COV2 virus can be prevented in time.

Risk of money laundering and terrorist financing (ML/TF)

The Company shall ensure that it takes appropriate measures to identify and assess the risks related to money laundering and terrorist financing, considering the risk factors, including those relating to customers, countries or geographical areas, products, services, transactions, or distribution channels, in proportion to the nature and size of its activity. The assessment of ML / TF risks associated with the clientele of SIF Banat-Crișana is performed both at the initiation of a business relationship and after the transaction, if during it one of the risk factors changes.

Following the ML / TF risk assessment for the interval 2019 - March 2021, it resulted that all business partners have an inherently low risk (score obtained between 0-5 points). Simplified customer awareness and normal business relationship monitoring measures were applied. The total residual risk remaining after the internal controls have been applied to the inherent risk leads to the conclusion that the exposure of SIF Banat-Crișana to the risk of ML / TF is low.

e) Other risks the Company is exposed to

The internal assessment of other types of risks not included in the main categories (market, credit, liquidity, operational) consists in their qualitative assessment depending on the impact it could cause on the income, expenses, and value of Company's assets.

From a risk management perspective, *reputational risk* can be divided into two important classes: (i) the belief that the Company can and will deliver on its promises to shareholders and investors; (ii) the belief that the Company conducts its business properly and follows ethical practices.

Regarding the efficient management of events that may give rise to reputational risk, the Risk Management department monitored the image of the Company in the media in order to identify any events/rumours that could generate reputational risk and link them with the course of SIF1 stock on BVB.

From this analysis it can be concluded that there is a connection between the evolution of the price of SIF1 stock on BVB and the articles in the media, it is possible that small investors (speculators who give liquidity to the market) withdraw at that time, analyse the events, and wait for their conclusion. Thus, the reputational risk assessment within the low risk level for Q1 2021, and the measures to mitigate the increase in reputational risk, communication and transparency, adopted at Company level can keep the reputational risk low.

The Company's policy on *strategic risk* addresses the establishing of rational long-term strategic objectives, the management structure constantly adopting a prudential policy to mitigate / avoid strategic risk and will continuously monitor the progress of the market in relation to budgeted operations.

According to the internal evaluation methodology, the strategic risk is low for the Company.

Regulatory (compliance) risk is uncontrollable and unquantifiable in that neither the triggering event nor the level of impact can be anticipated. The regulatory risk assessment is part of the medium risk appetite, in Q1 2021 several procedures were updated, pending the approval of SIF Banat-Crișana as AIFRI and the application of legal regulations in this regard. From a qualitative point of view, the management of regulatory risk will be achieved by permanently adapting policies, rules, and procedures to changes occurred and by reducing or increasing the level of activities where appropriate.

Compliance risks are considered as parts of the risk management framework. The compliance function monitors all aspects of compliance with legal and regulatory provisions and provides reports to directors on a regular basis, if necessary, in cooperation with the risk management function.

The taxation risk remains medium, the interpretation of texts and the 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 from the Company's.

The business environment risk is high due to the volatile evolution of the main macroeconomic variables in the current context of the COVID-19 pandemic. The macroeconomic influences could impact the business of the companies in the company's portfolio and implicitly on the investment / disinvestment activity.

SIF Banat-Crișana takes the necessary measures for the sustainability and development of the Company in the existing conditions on the financial market, by monitoring the cash flows and the adequacy of the investment policies.

The avoidance of risks, the mitigation of their effects is ensured by the Company through an investment policy that respects the prudential rules imposed by the applicable legal provisions and regulations in force.

No exceedances of the risk limits at the level of the global risk profile were reported during Q1 2021.

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

Risk of exceeding the prudential limits of holding

Compliance with the holding limits regulated by the supervisory authority is one of the main lines of action for managing and controlling the risk associated with the asset portfolio. The analysis of the compliance with the holding limits is performed both monthly with the approval of the net asset calculation reports, as well as part of the pre-investment verification procedure. In accordance with SIF Banat-Crișana's investment risk management policy, the portfolios it was pursued the compliance of the portfolio with the limits of ownership provided by Law no. 24/2017, art. 90 (1) regarding cumulative investments, CNVM Regulation no. 15/2004 and Law no. 297/2004 art. 286¹ until June 30, 2020, and with the implementation of the AIF legislation (AIF Law no. 243/2019 and ASF Regulation no. 7/2020) qualifying SIF Banat-Crișana as an alternative investment fund addressed to retail investors (AIFIR), the investments allowed and investing limits are those mentioned in art. 35 paragraph (1) of Law no. 243/2019. The compliance term for the adjustment of the investment portfolio for the inclusion in the new limits of the allowed investments is of 6 months from the date of authorization, according to art. 72, paragraph (2) of the ASF regulation no. 7/2020.

As of March 31, 2021, the portfolio compliance with the holding limits provided by Law no. 24/2017, Law 243/2019 is presented in the following table:

No.	Category of legal limit	Legal basis	Total assets	Legal limit		Accomplished		Status
			RON	RON	%	RON	%	
1	Cumulated investments	Law 24/2017, Art. 90 (1)	2,889,847,592	577,969,518	20%	40,895,894	1.42%	✓
2	Instruments issued by the same issuer	Law 243/2019, Art.35 par (2) sec. a)	3,094,153,826	309,415,383	10%	0	0.00%	✓
				1,237,661,531	40%	628,566,430	20.31%	
				2,475,323,061	80%	997,348,583	32.23%	
3	Instruments issued by a group	Law 243/2019, Art.35 par. (2) sec. b)	3,094,153,826	1,547,076,913	50%			
				1,237,661,531	40%			
3.a	Banca Transilvania Group: shares issued by the bank shares of BT Asset Management					634.132.530	20,49%	✓
3.b	SIFI Group: shares of SIFI, AISA, UNIT and CACU, bonds issued by SIFI BH Retail					415.885.377	13,44%	✓
3.c	Erste Group: shares issued by Erste Bank and BCR					205.816.975	6,65%	✓
3.d	Vrancart Group: shares and bonds issued by the company					183.479.474	5,93%	✓
3.e	BVB Group: shares of BVB, CCP.RO and Depozitarul Central					5.485.673	0,18%	✓
4	Derivatives – not the case							
5	Current accounts / Cash	Law 243/2019, Art.35 par. (2) sec. e)	3,094,153,826	618,830,765	20%	47,621,579	1.54%	✓
			3,094,153,826	1,547,076,913	50%		0.00%	
6	Deposits at the same bank	Law 243/2019, Art.35 par. (2) sec. f)	3,094,153,826	928,246,148	30%	127,459,495	4.12%	✓
7	Equity securities by UCITS or AIF			3,094,153,826		436,503,964	14,11%	
7.a	- non-traded issued by a single AIFRI	Law 243/2019, Art.35 par. (2) sec. g)	3,094,153,826	618,830,765	20%	0	0.00%	✓
7.b	- non-traded issued by a single AIFPI	Law 243/2019, Art.35 par. (2) sec. h)	3,094,153,826	309,415,383	10%	178,158,458	5.76%	✓
7.c	- non-traded issued by other open type AIF	Law 243/2019, Art.35 par. (2) sec. i)	3,094,153,826	1,547,076,913	50%	71,192,393	2.30%	✓
			3,094,153,826	1,237,661,531	40%		0.00%	✓
7.d	- issued by a single UCITS member state	Law 243/2019, Art.35 par. (2) sec. j)	3,094,153,826	1,237,661,531	40%	0	0.00%	✓
	- issued by a single traded OPC		3,094,153,826	1,237,661,531	40%	45,028,515	1.46%	✓
8	Loans of financial instruments	Law 243/2019, Art.35 par. (2) sec. k)						
9	Cash loans, syndicated loans, cash loan guarantee in favour of a third party for group entities	Law 243/2019, Art.35 par. (2) sec. l)						
10	Securities, money market instruments – non-traded	Law 243/2019, Art.35 par. (2) sec. m)	3,094,153,826	1,237,661,531	40%	407,030,420	13.15%	✓
11	Shares in LLC	Law 243/2019, Art.35 par. (2) sec. n)						
12	Greenhouse gas emission certificates	Law 243/2019, Art.35 par. (2) sec. o)						

Exposures higher than 10% on instruments issued by the same issuer are in Banca Transilvania (highest weight in TA: 20.31%) and SIF Imobiliare (weight in TA: 11.92%). Together, these holdings represent an exposure of 32.23% of the TA without exceeding the upper limit of 80%.

In Q1 2021, SIF Banat-Crișana's portfolio of assets complied with the legal provisions in force regarding the holding limits stated by Law 243/2019 Law 24/2017, and CNVM / ASF Regulation no. 15/2004.

Leverage

Leverage means any method by which the Company increases the exposure of the portfolio it manages either by borrowing cash or securities, or by derivative financial positions or by any other means. The leverage effect is expressed as the ratio between the global exposure of the portfolio of financial instruments and the value of the net asset. The calculation of the exposure 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” and the approved internal procedures.

The leverage indicator on March 31, 2021, by the gross method is 95.48% (excluding cash and cash equivalents as per the requirements of AFIM regulations), and by the commitment method is of 100%.

Through the investment policy for 2021, the Company plans not to use financing operations through financial instruments (SFTs) and not to invest in *total return swap* instruments, defined by EU Regulation 2365/2015, and in the process of managing portfolio of financial instruments, not to use methods to increase the exposure of the portfolio, to fit the average risk profile decided. Throughout Q1 2021, the Company did not use the leverage effect for the portfolio under management, not having the tools to generate such an effect.

6. SIGNIFICANT EVENTS DURING Q1 2021

Ordinary General Meeting of Shareholders of January 6, 2021

On January 6, 2021, the Ordinary General Meeting of Shareholders took place, deciding upon:

- the election of the members of the Board of Directors of the company for a term of office of 4 years, starting with April 25, 2021 and until April 25, 2025, in the following composition: Bogdan-Alexandru Drăgoi, Radu Răzvan Străuț, Ionel Marian Ciucioi, Marcel Heinz Pfister, and Sorin Marica.
- the approval of the Remuneration Policy in accordance with the provisions of art. 92¹ of Law no. 24/2017 on issuers of financial instruments and market operations.
- the approval of the remuneration due to the members of the Board of Directors for the financial year 2021, at the level established by the Resolution of the OGM held on April 26, 2016.
- the approval of the general limits of all the additional remunerations of the members of the board of directors and the general limits of the directors' remuneration, for the financial year 2021, at the level established by the Resolution no. 7 of OGM held on April 27, 2020.

The Resolutions adopted by the OGM of January 6, 2021 in full are available for consultation on Company's website, at www.sif1.ro, in the *Investor Relation* section.

Publication of preliminary financial results for 2020

On February 26, 2021, SIF Banat-Crișana published the preliminary financial results for the year ended on December 31, 2020, prepared in accordance with IFRS, by communicating to the market (BVB) and posting on Company's website, www.sif1.ro.

Authorization of administrators

By Authorization no. 44 of March 18, 2021, the Financial Supervisory Authority authorized the members of the Board of Directors of SIF Banat-Crișana, in accordance with the resolution no. 3 of the Ordinary General Meeting of Shareholders of 06.01.2021, for a term of office of 4 years, starting with 25.04.2021.

The composition of the Board of Directors of SIF Banat-Crișana, authorized by ASF Authorization no. 44/18.03.2021, is the following: Bogdan-Alexandru Drăgoi, Radu Răzvan Străuț, Ionel Marian Ciucioi, Marcel Heinz Pfister, and Sorin Marica.

Convening of the Ordinary and Extraordinary General Meeting of SIF Banat-Crișana Shareholders for April 26 (27), 2021

The Board of Directors of SIF Banat-Crișana S.A., gathered in the meeting held on March 19, 2021, convened, pursuant to art. 117 of Law no. 31/1990, the Ordinary General Meeting of Shareholders ("OGM") for April 26 (27), 2021, at 10:00 and the Extraordinary General Meeting of Shareholders ("EGM"), for April 26 (27), 2021, at 12:00 at the headquarters of the company in Arad, 35A Calea Victoriei. Starting with March 26, 2021, all the informative materials related to the topics included on the agenda and the draft resolutions subject to the approval of the general meeting, were made available to the shareholders, being published on Company's website, www.sif1.ro, in the *Investor Relation* section.

7. FINANCIAL POSITION AND RESULTS AS OF MARCH 31, 2021

SIF Banat-Crișana has prepared the financial statements as of March 31, 2021 pursuant to Norm no. 39/2015 for the approval of accounting regulations in accordance with the International Financial Reporting Standards applicable to entities authorised, regulated, and supervised by the Financial Supervisory Authority, operating in the Financial Instruments and Investments Sector, and considering the provisions of IFRS 9 – Financial Instruments, standard applicable beginning January 1, 2018.

The interim condensed financial statements as of March 31, 2021 are not audited, as there is no legal or statutory requirement.

The interim condensed financial statements as of March 31, 2021 and the explanatory notes are presented as Annex 1 to this report.

The following are comments on the main elements of the financial position and results of the Company as of March 31, 2021:

Condensed standalone statement of financial position

Standalone statement of financial position - extract		
<i>denominated in RON</i>	31/12/2020	31/03/2021
Cash and cash equivalents	150,710,816	198,306,624
Financial assets at fair value through profit and loss	1,394,390,304	1,483,303,429
Financial assets at fair value through other comprehensive income	1,314,430,895	1,388,292,724
Investment property and tangible assets (property, plant, and equipment)	17,186,786	16,210,504
Other assets	7,052,842	1,105,605
Total assets	2,883,771,643	3,087,218,886
Liabilities	153,866,952	173,021,435
Equity (own capital)	2,729,904,691	2,914,197,451
Total liabilities	2,883,771,643	3,087,218,886

Total assets value held as of March 31, 2021 was of RON 3,087.2 million, 7.05% higher as compared to the value of assets at the end of 2020.

The main patrimonial elements changed compared to the beginning of the period as follows:

- **Cash and cash equivalents** are up by RON 47.6 million compared to 2020-year end, given that the Company adopted an investment policy of divestment during the first 3 months of the year, with full or partial sales of stakes in the equity portfolio in with a view to increasing the liquidity supply.

- **Financial assets at fair value through profit and loss**, amounting to RON 1,483.3 million, are higher compared to December 31, 2020 by RON 88.9 million, due to the effect of recording differences in fair value fund units and listed companies - subsidiaries and associates (with active market) as of March 31, 2021.

- **Financial assets at fair value through other comprehensive income**, amounting to RON 1,388.3 million, are higher than the level recorded on December 31, 2021 by RON 73.9 million, as a result of recording the favourable fair value differences of the financial assets investment portfolio (listed shares) as of March 31, 2021, noting that sales of shares during Q1 2021 were made under this category of assets, their carrying amount (book value) decreasing the value of this item.

- The **Other assets** category decreased compared to the beginning of the period, influenced by the settlement of some sales of shares made at the end of 2020 and settled in January 2021, respectively by the collection of dividends outstanding on December 31, 2020.

- The volume of **equity** (own capital) significantly increased compared to the level recorded on December 31, 2020, mainly due to the favourable fair value differences related to the securities

portfolio, recorded in other comprehensive income as of March 31, 2021 and net income achieved on that date. The increase in the volume of the fair value reserve also explains the increase in the Company's debts compared to the end of the previous year, due to the adjustment of the deferred income tax liability.

Condensed statement of profit and loss and other comprehensive income

Standalone statement of profit or loss and other comprehensive income - extract		
<i>denominated in RON</i>	31/03/2020	31/03/2021
Income		
Dividend income	15,858,518	-
Interest income	2,795,802	851,662
Other operating revenues	50,843	14,495
Gain / (Loss) on investment		
Gain on investment property	2,466,217	874
Gain from foreign exchange differences	907,403	566,188
Gain / (Loss) on financial assets at fair value through profit and loss	(91,004,345)	100,277,137
Expenses		
Commissions expenses	(769,091)	(1,463,971)
Other operating expenses	(2,884,788)	(3,852,508)
Profit / (Loss) before tax	(72,579,442)	96,393,876
Income tax	-	(1,630,655)
Net Profit/(Loss) for the period	(72,579,442)	94,763,222
Other comprehensive income	(358,367,930)	88,541,740
Total comprehensive income for the period	(430,947,373)	183,304,962

Evolution of **income** with significant weight was as follows:

- **Dividend income** is zero in Q1 2021, as no company in the portfolio approved the distribution of dividends until the date of interim reporting. The high level of income recorded in the first 3 months of the previous year is due to the registration of dividends receivables from SAI Muntenia and additional ones distributed by Biofarm, approved at the end of 2019, and having the registration date in March 2020.

- **Interest income** is lower vs. the same period of the previous year, given the collection at maturity of a significant volume of liquidity placed in high yield corporate bonds, which are no longer in the portfolio as of March 31, 2021 (bonds issued by Blue Air, SIFI BH Retail, Banca Transilvania).

Gain / (loss) on investment had the following evolution:

- **Gain on investment property** resulted following the sale during the Q1 2021 of a building located in Timișoara, accounted in the *investment property* category. The low level of reported earnings is due to the recognition even as of December 31, 2020 of the difference between the sale price and the carrying amount (book value) of the property sold. The amount reported above represents the difference between the RON equivalent at the date of the transaction and that as of December 31, 2020.

- **The net result from exchange rate differences** recorded as of March 31, 2021 is a favourable one, related to corporate bonds and cash in foreign currency held. Its level decreased as compared to the same period of the previous year.

- **Gain / (Loss) on financial assets at fair value through profit and loss (FVTPL)** is a favourable one, above that as of March 31, 2020. The gain was mainly due to the valuation at fair value as of March 31, 2021 of the listed shares (subsidiaries and associates), fund units and bonds. The upward progress of global stock markets has positively influenced the market value of shares listed locally and recorded in this category (Vrancart, Biofarm).

Expenses as of March 31, 2021 are above the level of those of the corresponding period of 2020, with a dynamic clearly inferior to the progress of the net result achieved.

Net Profit as of March 31, 2021, amounting to RON 94.8 million, is the effect of the result from the valuation at fair value of the above-mentioned interests.

Total comprehensive income as of March 31, 2021 is positive, amounting to RON 183.3 million, the effect of recognizing in other comprehensive income of the fair value increase of the portfolio of financial assets classified in FVTOCI (assets at fair value assets through other comprehensive income - mainly interests in the banking financial sector).

Financial ratios as of March 31, 2021

(as per pt. A of Annex no. 13 to ASF Regulation no. 5/2018)

Ratio	Calculation	Result as at 31.03.2021
1. Current liquidity ratio ¹⁾	Current assets/Current liabilities	16.43
2. Debt to equity ratio ²⁾	Debt / Equity x 100	not applicable
	Debt / Capital employed x 100	not applicable
3. Accounts receivables turnover ³⁾	Average clients' accounts / Turnover x 90	2.68
4. Non-current assets turnover ⁴⁾	Turnover / Non-current assets	0.0353

¹⁾ **Current liquidity ratio** provides the guarantee of covering current liabilities from current assets. The acceptable recommended value is approximately 2, and the recorded value at the end of the first three months of 2021 was of 16.43. This is due to the high level of current assets as of March 31, 2021, as there were significant amounts of liquidity in bank accounts and deposits.

²⁾ **Debt to equity ratio** indicates the effectiveness of the credit risk management, revealing potential financing or liquidity issues, with impact on fulfilling the assumed commitments. The Company had no borrowings as of March 31, 2021, and therefore this indicator is zero.

³⁾ **The accounts-receivable turnover** indicates the effectiveness of the company in collecting its receivables, respectively the number of days until the debtors pay their debt to the company.

In determining the average balance of clients, the receivables were considered at gross value. The weight in total receivables is held by dividends receivable from portfolio companies and other receivables.

For the turnover, the company's total revenues as of March 31, 2021 was used.

Turnover ratio calculated as of March 31, 2021, was of 3 days.

⁴⁾ **Non-current assets turnover** measures the efficiency in managing the non-current assets, by examining the value of the turnover (for SIF Banat-Crișana - the total operating income) generated by a certain portion of non-current assets. In determining the ratio, the gross value of financial assets was considered. As of March 31, 2021, this ratio has a value of 0.0353.

8. EVENTS AFTER THE REPORTING PERIOD

Resolutions of the Ordinary and the Extraordinary General Meeting of Shareholders of April 26, 2021

The ordinary and the extraordinary general meeting of SIF Banat-Crișana shareholders were held on April 26, 2021, starting with 10:00 (Romanian time) and 12:00 (Romanian time), respectively, at the first call.

The Ordinary General Meeting of Shareholders (OGM) approved the following important topics on the agenda:

- The individual financial statements for the financial year 2020, based on the discussions and reports presented by the Board of Directors, the Chairman and the Financial Auditor.
- Appropriation of the net profit for 2020 in the following option: Appropriation of the amount of RON 92,122,406 lei Other reserves, as own financing sources. By approving this profit distribution option, it became obsolete and was removed from the agenda of EGM April 26, 2021 the proposal to approve a buyback program for the share capital reduction (Program 4), included on topic 3 of the said meeting.
- The consolidated financial statements prepared for the year ended on December 31, 2020, based on the discussions and reports presented by the Board of Directors and the Financial Auditor.
- Discharge of liability of the members of the Board of Directors for the activity carried out during the financial year 2020.
- The Income and Expenses Budget and the Activity Program for 2021.
- Amendment to point 9 of the Remuneration Policy of SIF Banat-Crișana, approved by Resolution no. 4 of the OGM of January 6, 2021, for its correlation with the provisions of art. 5 of the EU Regulation no. 2088/2019 on sustainability-related disclosures in the financial services sector, with the following provisions: *"SIF Banat-Crișana promotes an effective and solid risk management, without the remuneration structure encouraging taking excessive risks, including in relation to risk related to sustainability, being correlated with the risk-adjusted performance."*

The extraordinary general meeting of shareholders approved the first two topics on the agenda, namely the election of the secretaries of the works and the commission for counting the votes.

Considering:

- the provisions of the Convening Notice of the Ordinary General Meeting of Shareholders (OGM) on topic 4 on the agenda of this meeting, according to which in the situation of OGM approving the second option on the distribution of net profit for 2020, it became obsolete, and it was removed from the Agenda of EGM of April 26, 2021 the proposal for the approval of a buyback program for the reduction of share capital (Program 4), included on topic 3 of the agenda of this meeting;
- the resolution no. 4 adopted by the OGM of April 26, 2021, approving the second option of profit appropriation;
- The Extraordinary General Meeting of Shareholders (EGM) of April 26, 2021 ascertained that the proposal from topic 3 of the agenda of the EGM regarding the approval of a buyback program ("Program 4") became obsolete, thus no longer subject to debate and approval by shareholders.

Consequently, in the absence of a decision on topic 3 of the agenda, it was also no longer subject to debate and approval by shareholders the topic 4 of the agenda of the EGM, on the approval of 21.05.2021 as the registration date (20.05.2021 as ex date) in accordance with the provisions of Art. 86 par. 1 of Law no. 24/2017 and ASF Regulation no. 5/2018.

The Resolutions adopted by the OGM and EGM of April 26, 2021 in full are available for consultation on Company's website, at www.sif1.ro, in the *Investor Relation* section.

Decisions of the Board of Directors from April 25, 2021

SIF Banat-Crișana informed the investors that the Board of Directors of SIF Banat-Crișana, gathered on April 25, 2021, in the presence of the five administrators elected by the Ordinary general Meeting of Shareholders of January 6, 2021, and authorized by ASF with ASF Authorization no. 44 of March 18, 2021.

According to the provisions of Art. 7 par. (6), par. (13) section h) and par. (15) of SIF Banat-Crișana's Articles of Associations, the administrators (members of the Board of Directors) adopted the following decisions:

- Mr. Bogdan-Alexandru Drăgoi was re-elected as Chairman of the Board of Directors for a term of office of four years, starting with 25.04.2021 and until April 25, 2025.
- Mr. Radu Răzvan Străuț was re-elected as Vice-Chairman of the Board of Directors for a term of office of four years, starting with 25.04.2021 and until April 25, 2025.
- Elected the Audit Committee for the term of office 2021 – 2025, with the following composition: Mr. Marcel PFISTER – chairman of the committee, Mr. Sorin MARICA – member, Mr. Ionel Marian CIUCIOI – member.
- Elected the Nomination and Remuneration Committee for the term of office 2021 – 2025, with the following composition: Mr. Sorin MARICA – chairman of the committee, Mr. Marcel PFISTER – member, Mr. Ionel Marian CIUCIOI – member.
- The Board of Directors re-elected Mr. Bogdan-Alexandru Drăgoi as CEO (General Director) and Mr. Radu-Răzvan Străuț as Deputy General Director, delegating to them the management of the company in accordance with the provisions of art. 143 of Law no. 31/1990, following that they will exercise their attributions related to the position of CEO, respectively Deputy General Director, only after obtaining the approval decision issued by the ASF.

Authorisation of Company's directors

On April 27, 2021, SIF Banat-Crișana informed the investors that, by ASF Authorisation no. 79 / 26.04.2021, the Financial Supervisory Authority (ASF) authorised Mr. Bogdan-Alexandru Drăgoi and Mr. Radu Răzvan Străuț as directors of SIF Banat-Crișana, in accordance with the Decision of the Board of Directors no. 6/25.04.2021.

The ASF authorisation entered into force on 26.04.2021, the date of its communication to SIF Banat-Crișana.

On May 5, 2021, SIF Banat-Crișana transmitted to ASF the copy of the registration certificate of the new mandates granted issued by the National Trade Register Office.

9. ANNEXES

- Annex 1** **Condensed interim standalone financial statements** as of March 31, 2021, prepared pursuant to the ASF Rule no. 39/2015 for the approval of accounting regulations in accordance with the International Financial Reporting Standards applicable to entities authorised, regulated, and supervised by the Financial Supervisory Authority, operating in the Financial Instruments and Investments Sector - unaudited
- Annex 2** **Net asset statement** as of March 31, 2021, prepared pursuant to Annex 16 of Regulation no. 15/2004
- Annex 3** **Detailed statement of investments** as of March 31, 2021, pursuant to Annex 17 of Regulation no. 15/2004

The quarterly report prepared as of March 31, 2021, was approved by the Board of Directors of SIF Banat-Crișana in the meeting held on May 14, 2021.

Bogdan-Alexandru DRĂGOI
Chairman and CEO