



SIF BANAT-CRIȘANA

SIF BANAT-CRIȘANA

CONSOLIDATED HALF YEAR REPORT

JANUARY 1 – JUNE 30, 2022

prepared pursuant to Law no. 24/2017, Law no. 74/2015,
Law. no. 243/2019, ASF Regulation no. 5/2018, ASF Regulation no. 10/2015,
ASF Regulation no. 7/2020, and ASF Rule no. 39/2015

this report is provided as a free translation from Romanian, which is the official and binding version

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ANNEX 1	Condensed interim consolidated financial statements as of June 30, 2022, prepared pursuant to Rule no. 39/2015 for the approval of the Accounting Regulations compliant to the International Financial Reporting Standards, applicable to entities authorized, regulated, and supervised by the Financial Supervisory Authority (ASF) – Financial Instruments and Investments Sector – unaudited

1. GENERAL INFORMATION ON SIF BANAT-CRIȘANA GROUP

1.1 PRESENTATION OF THE GROUP

This report presents SIF Banat-Crișana's consolidated financial results as of the end of first semester, ended on June 30, 2022, prepared in accordance with the International Financial Reporting Standards adopted by the European Union, and ASF Rule no. 39/2015 for the approval of the Accounting Regulations compliant with the International Financial Reporting Standards, applicable to entities authorized, regulated, and supervised by ASF from the Financial Instruments and Investments Sector.

The Company's consolidated financial statements prepared for the H1 2022 include the Company and its subsidiaries (hereinafter referred to as "Group"). For H1 2022, the Group comprises SIF Banat-Crișana (parent company), SAI Muntenia S.A. and Administrare Imobiliare S.A..

1.2 ENTITIES INCLUDED IN THE CONSOLIDATION

Subsidiaries

Subsidiaries are entities controlled by the Company. The control exists when the Company is exposed or has rights to the variable return based on its participation in the investee entity and could influence those revenues through its authority over the entity in which it invested. When assessing control, potential voting rights that are exercisable or convertible at that time are considered.

The financial statements of subsidiaries are included in the consolidated financial statements from the moment the exertion of control begins and until its termination. Accounting policies of subsidiaries have been changed to align them with those of the Group.

The list of investments in subsidiaries as of June 30, 2022, and December 31, 2021, is as follows:

No.	Company name	Stake held (%)	
		June 30, 2022	December 31, 2021
1	(SIF Imobiliare PLC Nicosia)	99.99	99.99
2	(SIFI SPV TWO)	99.99	99.99
3	SAI Muntenia Invest SA Bucharest	99.98	99.98
4	(SIF1 IMGB)	99.92	99.92
5	(Napomar SA Cluj Napoca)	99.43	99.43
6	(SIF Hoteluri SA Oradea)	98.99	98.99
7	(Azuga Turism SA Bucharest)	98.94	98.94
8	Administrare Imobiliare SA	97.40	97.40
9	(Silvana SA Cehu Silvaniei) – bankruptcy	96.28	96.28
10	(IAMU SA Blaj)	76.70	76.70
11	(Vrancart SA Adjud)	75.50	75.06
12	(Central SA Cluj)	74.53	74.53
13	(SIFI Uniteh SA Timișoara)**	36.34	36.34
14	(SIFI CJ Logistic)**	5.53	5.53
15	(Ario SA Bistrița) – bankruptcy	93.64	93.64

Note: the subsidiaries shown in brackets in the table above are reflected at fair value through profit and loss in the consolidated statements

*Bankruptcy / ** the companies SIFI Uniteh SA and SIF CJ Logistic are subsidiaries by the direct control and indirect through SIF Imobiliare Plc

The subsidiaries shown in brackets in the table above were excluded from the consolidation following the periodic analysis of the status of investment entity according to IFRS 10.

The companies Ario SA Bistrița and Silvana SA Cehu Silvaniei are in bankruptcy, so the voting rights held by SIF Banat-Crișana do not give authority over the investee entity and were therefore excluded from the consolidation.

Associated entities

Associated entities are those companies in which the Company can exercise significant influence, but not the control on the financial and operating policies.

The entities in which the Company holds stakes between 20% and 50% as of June 30, 2022, is of 17 (December 31, 2021: 18), of which:

- two entities (Gaz Vest SA Arad, Biofarm SA Bucharest), on which the Company exerts a significant influence, removed from the consolidation beginning January 1, 2018, following the classification of the Company as an investment entity;
- 4 entities (December 31, 2021: 4) that do not qualify as associates because the Company does not exercise significant influence in those companies;
- 11 entities (December 31, 2021: 12) in insolvency / liquidation / bankruptcy.

Transactions excluded on consolidation

Settlements and transactions within the Group, and unrealized profits arising from intragroup transactions, are fully eliminated from the consolidated financial statements.

The accounting policies disclosed in the consolidated financial statements as of December 31, 2021 (and in condensed form in the consolidated financial statements as of June 30, 2022) have been consistently used over all the periods presented in the consolidated financial statements and have been consistently applied by all entities within the Group.

2. PRESENTATION OF THE ENTITIES WITHIN THE GROUP

2.1 INFORMATION ON SIF BANAT-CRIȘANA

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 a 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-up capital▪ 515,422,363 shares issued; 507,510,056 outstanding shares as of 30.06.2022▪ RON 0.10 per share nominal value
REGISTRATIONS	<ul style="list-style-type: none">▪ J02/1898/1992 at Trade Registry▪ Unique Registration Code 2761040▪ Number in ASF AFIAA Register PJR07.1AFIAA / 020007 / 09.03.2018▪ Number in ASF FIAIR Register PJR09FIAIR / 020004 / 01.07.2021▪ Legal Entity Identifier (LEI Code) 254900GAQ2XT8DPA7274
MAIN ACTIVITY	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): <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.
DEPOSITARY BANK	Banca Comercială Română (BCR)
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

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KEY FINANCIAL AND OPERATIONAL INFORMATION FOR SIF BANAT-CRIȘANA

MAIN BALANCE SHEET ITEMS [RONm]			
	30.06.2021	31.12.2021	30.06.2022
Total assets, of which	3,353.02	3,607.39	3,364.05
Total financial assets	3,323.63	3,579.13	3,335.99
Equity	3,153.95	3,416.13	3,164.20
Total liabilities	199.07	191.26	199.85

FINANCIAL PERFORMANCE [RONm]			
	30.06.2021	31.12.2021	30.06.2022
Income	31.07	135.55	130.38
Gain / (Loss) on investments	207.59	288.29	(99.30)
Expenses	10.55	27.50	9.62
Gross profit / (Loss)	228.10	396.34	21.46
Net profit / (Loss)	216.93	387.00	12.38

FINANCIAL INDICATORS [%]			
	30.06.2021	31.12.2021	30.06.2022
ROE (net profit / equity)	7.23	11.33	0.39
ROA (net profit / total assets)	6.80	10.73	0.37
Gross profit margin (gross profit / total revenues)	95.16	73.32	10.7

PERFORMANCE OF SHARES AND NET ASSET			
	31.12.2021	30.06.2022	
Share price (end of period, RON)	2.5400	2.4500	
NAV/S* (RON)	6.7170	6.2238	
Accounting net asset / share (RON)	6.7311	6.2348	
Nominal value of share (RON)	0.1	0.1	
Number of shares issued	515,422,363	515,422,363	
Number of outstanding shares	507,510,056	507,510,056	

* calculated acc. to ASF regulations

OPERATIONAL DATA			
	31.12.2021	30.06.2022	
Number of permanent employees, end of period	33	30	
Branch offices	1	1	

SHAREHOLDING STRUCTURE as of June 30, 2022			
	number of shareholders	holdings	
Romanian individuals	5,740,486	40.01%	
Non-resident individuals	2,104	0.34%	
Romanian legal entities	115	38.37%	
SIF Banat-Crișana (treasury stock)	1	1.54%	
Non-resident legal entities	25	19.74%	
TOTAL	5,742,731	100%	

MILESTONES IN SIF BANAT-CRIȘANA'S ACTIVITY IN H1 2022

Portfolio management

SIF Banat-Crișana's investment strategy aims to maximize the portfolio performance to increase the value of the assets under management and the investment income. The financial objective is to reap an aggregate return on the portfolio generated from dividend and capital gains.

SIF Banat-Crișana's objective is the efficient management of a diversified portfolio comprised of high-quality assets, capable of providing a steady flow of revenues, the preservation and medium-long term capital growth, to increase the value for shareholders and obtain as high yields for the invested capital.

The strategic allocations by asset classes and within each class are based on assessments of the individual attractiveness of investment opportunities, under the conditions of the macroeconomic and market environment at the time.

Investments are performed over a certain period, complying to the regulated prudential terms, under appropriate risk monitoring and control, to ensure a steady balance of risk and expected return. The investment decision-making process is formalized through internal procedures and the levels of competence approved by the company's Board of Directors. The company applies an exit strategy tailored to the specifics of each investment, defined based on the applied strategy, the investment objectives, the conditions of the exit transaction.

During the reporting period, SIF Banat-Crișana had under management a complex portfolio, consisting of the following main categories of financial instruments: shares, bonds, and fund units.

Analysing the factors and elements generating effects on the investment activity and on the areas in which SIF Banat-Crișana has exposures, the objectives pursued during H1 2022 continued the investment strategy approved by the shareholders, having as major lines of action:

- calibration of the portfolio on financial assets / instruments that benefit from an inflationary context
- continuing the portfolio restructuring by reducing minority interests that do not fit the Company's investment strategy
- active management in majority interests do develop the business and their performance
- maintaining a diversified portfolio
- integrating the sustainability risk
- maintaining transparency and good corporate governance

SIF Banat-Crișana's net asset value (NAV) reached **RON 3,159m** at the end of the H1 2022, 7.34% lower as compared to RON 3,409m at 2021-year end. Net asset value per share (NAV/S) was of **RON 6.2238** at the end of H1 2022, lower as compared to RON 6.7170, the value recorded as of December 31, 2021.

The calculation of NAV and NAV/S is performed by SIF Banat-Crișana with a monthly frequency, the values being certified by the depositary bank Banca Comercială Română (BCR). During H1 2022, the evaluation of assets for the calculation of the net asset of SIF Banat-Crișana was carried out in full compliance with the regulations issued by the Financial Supervision Authority.

The monthly reports on NAV have been communicated to the Bucharest Stock Exchange and the Financial Supervisory Authority - Financial Instruments and Investments Sector, being published on the website of SIF Banat-Crișana, www.sif1.ro, within the regulated term (15 days from the end the reporting period).

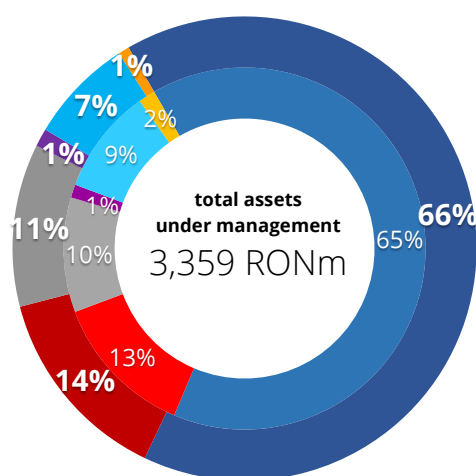
During H1 2022, the valuation of assets for the calculation of the SIF Banat-Crișana net asset value (NAV) was performed according to the regulations issued by the Financial Supervisory Authority (ASF), complying with the provisions of ASF Regulation no. 10/2015 and of ASF Regulation no. 9/2014 (art. 113-122) with subsequent amendments and completions.

In the matter of investment policy, during the reporting period, for the company are incidental the provisions of Law no. 243/2019 on the regulation of alternative investment funds, applicable to SIF Banat-Crișana classified as a closed, diversified Alternative Investment Fund, addressed to retail investors (AIFRI, ro: FIAIR).

During the first half of 2022, the regulated prudential investment limits were observed.

ASSETS UNDER MANAGEMENT as of June 30, 2022

breakdown on classes (weight on total assets)



■ listed shares

value **2,197.04 RONm**
(31.12.2021: 2,328.99 RONm)

■ unlisted shares

value **466.31 RONm**
(31.12.2021: 466.21 RONm)

■ unlisted fund units

value **380.84 RONm**
(31.12.2021: 369.18 RONm)

■ corporate bonds

value **42.53 RONm**
(31.12.2021: 42.38 RONm)

■ bank deposits + cash available

value **246.24 RONm**
(31.12.2021: 339.36 RONm)

■ receivables and other assets

value **25.77 RONm**
(31.12.2021: 54.07 RONm)

Note: values calculated as of June 30, 2022 (the outer ring), and December 31, 2021 (the inner ring), as per ASF Regulations no. 9/2014, no. 10/2015, and no. 7/2020

Total assets value¹ (assets under management) of SIF Banat-Crișana, as of June 30, 2022, was of **RON 3,359m**, 7.17% lower as compared to the value recorded at 2021-year end, when it reached RON 3,600m.

The value of the stock portfolio (listed and unlisted shares) accounted for **80%** of SIF Banat-Crișana's total assets as of June 30, 2022, amounting to **RON 2,663m²** (December 2021: RON 2,795m).

Detailed information on SIF Banat-Crișana's activity in H1 2022 is presented in the company's report for the period January 1 – June 30, 2022, and in the Condensed Standalone Financial Statements as of 30.06.2022, available on the Company's website at www.sif1.ro.

¹ calculated pursuant to the provisions of ASF Regulation no. 9/2014 (art. 113-122), ASF Regulation no. 10/2015, and no. 7/2020

² calculated pursuant to the provisions of ASF Regulation no. 9/2014, and no. 20/2020

2.2 INFORMATION ON THE ENTITIES INCLUDED IN THE CONSOLIDATION

SAI MUNTENIA INVEST SA Bucharest

SIF Banat-Crişana stake as at 30.06.2022: 99.98%

IFRS indicators (in RON)	H1 2022	2021	H1 2021
Total assets	34,717,105	49,803,920	18,333,499
Equity	31,616,066	41,113,534	13,017,368
Total Income	17,110,143	54,949,454	14,976,651
Net Profit / Loss	8,762,532	35,864,742	7,768,576

Societatea de Administrare a Investițiilor (Investment Management Company) Muntenia Invest SA ("SAI Muntenia Invest") was established in 1997, as a joint stock company, and entered in SIF Banat-Crişana's portfolio in 2013.

The company's main activity is the management of collective investment undertakings in transferable securities (UCITS, Ro: OPCVM) established in Romania or in another Member State, and the activity of management of alternative investment funds (AIF), in compliance with the provisions of the relevant legislation. SAI Muntenia Invest is registered at ASF as Alternative Investment Fund Manager since December 2017.

SAI Muntenia Invest does not have subsidiaries, branches, or places of business.

As of June 30, 2022, the subscribed and paid-up share capital of SAI Muntenia Invest is of RON 1,200,000 divided into 120,000 shares with a nominal value of RON 10. During the reporting period, the value of the share capital of SAI Muntenia Invest did not change. SAI Muntenia Invest must comply with the requirements regarding the classification of the initial capital, in accordance with the provisions of art. 8 of GEO no. 32/2012 and the requirements regarding own funds, in accordance with the provisions of art. 22 paragraph (4) of ASF Regulation no. 9/2014.

In H1 2022, the Company's activity was carried out in compliance with the provisions of Law no. 31/1990 on trading companies, Law 24/2017 on the issuers of financial instruments and market operations, Law no. 74/2015 on the managers of alternative investment funds, of applicable ASF/EU regulations and rules, as well as in accordance with the provisions of its articles of incorporation and its own internal regulations.

The current activity of SAI Muntenia Invest SA carried out during H1 2022 was the management of SIF Muntenia S.A. and of closed-end investment fund FDI Plus Invest.

By ASF Authorization no. 151 / 09.07.2021 SIF Muntenia was authorized as an Alternative Investment Fund addressed to Retail Investors (AIFRI, ro: FIAIR), having as depositary bank BRD - Groupe Société Générale S.A. and being under the management of by SAI Muntenia Invest S.A. At the same time, according to Authorization no. 151 / 09.07.2021, ASF authorized the amendments in the Articles of Association of SIF Muntenia in accordance with the EGMS Decision no. 2 / 07.01.2021. The documents related to the AIFRI (ro: FIAIR) category are available on the website of SIF Muntenia, www.sifmuntenia.ro, in the dedicated section.

FDI Plus Invest operates under the authorization issued by ASF and it is registered in the ASF Registry. FDI Plus Invest has as its primary objective the long-term growth of the capital invested, using an integrated asset allocation and an optimization of the investment structure.

The auditor of the company is KPMG Audit S.R.L.

SAI Muntenia Invest does not meet the criteria for classification as an investment entity in accordance with IFRS 10.

Administrare Imobiliare SA Bucharest

SIF Banat-Crişana stake as at 30.06.2022: 97.40%

IFRS indicators* (in RON)	H1 2022	2021	H1 2021
Total assets	90,533,133	90,771,747	91,424,147
Equity	42,282,501	42,546,293	43,703,280
Total Revenues	1,622,470	4,668,907	2,260,991
Net Profit / Loss	-268,201	-1,037,406	119,581

*restated under IFRS for consolidation purposes

The company was established in 2007 under the name of "Dacia Meridian Expres", having a portfolio of assets with which SIF Banat-Crişana withdrew its contribution from various trading companies located in the counties of Arad and Bihor.

In 2013, the company changed its corporate name to Administrare Imobiliare SA ("AISA") and its headquarters was relocated to Bucharest and the company was incorporated into the holding SIF Imobiliare Plc., holding a stake of 98.9% of AISA share capital.

The main activity of AISA is the business and management consulting activity, providing investment management services to all SIFI group companies: investment management, investment opportunities consultancy, management, and administrative consultancy services.

As per its Articles of Incorporation, besides its main activity, AISA could provide other secondary activities, such as: real estate development (promotion), purchase and sale of own real estate properties, renting and sub-renting own or rented real estate properties.

In December 2018, as an investment opportunity in the real estate field emerged, a capital increase of AISA was operated, with cash contribution. SIF Banat-Crişana is co-opted as shareholder, the cash contribution being of RON 40.12m. Following this operation, SIF Banat-Crişana becomes majority shareholder with a stake of 97.4% in the share capital of AISA while the stake of SIF Imobiliare Plc decreases to 2.6%.

For the financial years 2016 – 2020, the financial auditor for AISA was the firm *JPA Audit și Consultanță SRL*. Starting with financial year 2021 the financial auditor is the firm *ARYA Consulting SRL*.

3. SUMMARY OF CONSOLIDATED FINANCIAL DATA FOR THE GROUP AS AT 30.06.2022

The condensed interim consolidated financial statements as of June 30, 2022, enclosed, were prepared pursuant to ASF Rule no. 39/2015 for the approval of Accounting Regulations applicable to entities authorized, regulated, and supervised by the Financial Supervisory Authority (ASF) in the Sector of Financial and Investment Instruments, and are not audited.

3.1 BASES OF PRESENTATION OF CONSOLIDATED STATEMENTS

The Group has adopted a presentation based on liquidity in the consolidated statement of financial position and a presentation of revenues and expenses by their nature in the consolidated statement of comprehensive income.

As per IFRS 9 and IFRS 10, starting with financial year 2018, the Company measures all its subsidiaries at fair value through profit or loss, except for the subsidiaries providing investment-related services, that are consolidated by global integration method.

3.2 CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

(extract from the accompanying consolidated financial statements)

[in RON]	June 30, 2022	June 30, 2021
Revenues		
Dividend income	109,015,457	22,490,675
Interest income	3,384,306	2,111,560
Other operating revenues	16,439,867	15,448,909
Gain/(Loss) on investment		
Gain / Loss) on foreign exchange differences	(303,883)	622,712
Gain / Loss) on financial assets at FVTPL	(99,005,512)	207,017,003
Gain / Loss) on investment property	-	874
Expenses		
Interest expenses	(215,672)	(216,533)
Commissions expenses	(2,146,619)	(2,783,101)
Other operating expenses	(15,660,941)	(15,104,817)
Reversals / (adjustments) of provisions and impairment adjustments	2,118,383	1,147,271
Profit before tax	13,625,386	230,734,552
Income tax	(10,745,868)	(12,577,534)
Net profit for the period	2,879,518	218,157,019
Profit/(Loss) is attributed to:		
Parent company	2,877,842	218,155,431
Non-controlling interests	1,676	1,588
Other comprehensive income	(224,615,543)	204,122,171
Total comprehensive income for the period	(221,736,025)	422,279,190

Significant changes in revenues, expenses, and other comprehensive income vs. the same period of the previous year are mainly due to events that had a mixed impact on the financial performance of the parent company, namely:

- the significant increase in recurring revenues in H1 2022, on the background of the strong increase in dividend income of the parent company;
- the unfavourable impact on the *Investment Gain (Loss)* in the first part of 2022 of the fair value measurement of the assets included in the fair value through profit or loss category (shares in deconsolidated subsidiaries and associated entities, bonds issued by subsidiaries, fund units in closed-end funds and to alternative open-ended ones), in the amount of RON 99m, compared to a positive variation in the fair value of this category in the corresponding period of the previous year amounting to RON 207m.

Structurally, the revenues of the Group in H1 2022 are the result of dividends collected from the shareholdings of the parent company (84.6% of total operating income), respectively of the revenues of the subsidiaries from the investment management activity (12.8%, representing management fees).

Operating expenses comprise the total operating expenses incurred by the investment management activity carried out by the Group. Their level is about RON 1m below H1 2021, mainly due to the reversal of provisions and value adjustments established in previous years. Their structure and details are presented the specific notes to the consolidated financial statements that accompany this report.

The category *Other comprehensive income* contains both the gain on transaction recognized directly in equity (retained earnings) and the effect of the fair value measurement of the Group's portfolio of financial securities. Both the result of transactions and the change in the fair value of financial assets are largely attributable to the parent company. The unfavourable change of this component compared to the previous year is the effect of including in other comprehensive income the amounts resulting from the fair value measurement of the portfolio, classified as Assets at fair value through other comprehensive income, during the first 6 months of 2022.

3.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(extract from the accompanying consolidated financial statements)

[in RON]	June 30, 2022	December 31, 2021
ASSETS		
Cash and cash equivalents	270,629,057	268,254,328
Bank deposits	18,686,619	114,910,692
Other financial assets	13,717,562	34,583,936
Other assets	379,336	308,166
Assets held for sale	45,798,797	45,522,520
Financial assets at fair value through profit and loss	1,592,413,845	1,680,565,630
Financial assets at fair value through other comprehensive income	1,385,571,005	1,427,008,234
Investment property	30,848,781	30,840,716
Tangible assets	6,967,795	6,820,615
Total assets	3,365,012,798	3,608,814,837
Liabilities		
Dividends payable	30,450,603	-
Other financial liabilities	63,794,166	42,082,799
Other liabilities (including deferred income and leasing liabilities)	297,699	321,990
Borrowings	16,092,679	15,878,238
Provisions for risks and expenses	953,932	2,329,196
Deferred income tax liabilities	137,099,454	180,597,407
Total liabilities	248,688,533	241,209,630
Equity		
Share capital	51,542,236	51,542,236
Treasury shares, including losses from repurchase	(21,694,227)	(21,694,227)
Benefits granted in equity instruments	909,335	-
Other reserves	1,606,128,538	1,249,578,037
Differences form changes of fair value of financial assets measured through OCI	683,536,782	910,357,994
Retained earnings	784,137,813	1,166,055,407
Other equity elements	11,745,418	11,745,417
Total	3,116,305,895	3,367,584,864
Non-controlling interests	18,370	20,343
Total equity	3,116,324,265	3,367,605,207
Total equity and liabilities	3,365,012,798	3,608,814,837

Significant changes in patrimonial items over the previous year are due to structural changes of the assets of the parent company, effect of:

- making significant investments in listed shares in H1 2022, classified in the category of assets at fair value through other comprehensive income, an operation that explains the reduction of only 3% of this patrimonial position compared to the end of 2021 (negatively affected by the unfavourable impact of marking on the market in the interval January - June 2022);
- recording of unfavourable fair value differences for the portfolio of financial assets on June 30, 2022, which explains the decrease in the items *Financial assets at fair value through profit and loss*, respectively *Financial assets at fair value through comprehensive income* within *Assets*, respectively *Deferred income tax Liabilities* and *Equity* in the *Liabilities* section.

3.4 PRESENTATION ON SEGMENTS

In H1 2022, the Group operated on a single segment, namely the financial activity (2021: 1 segment - financial activity).

4. DESCRIPTION OF MAIN RISKS FOR THE GROUP

The most significant financial risks the Group is exposed to are credit risk, liquidity risk and market risk. Market risk includes currency risk, interest rate risk and the price risk of equity instruments.

The Group uses a variety of policies and procedures for managing and evaluating the types of risk to which it is exposed, both at the parent company and subsidiary levels. These policies and procedures are detailed in the sub-chapters dedicated to each type of risk under *Note 6* of the attached Consolidated Financial Statements as of June 30, 2022.

4.1 Financial risks

Market risk

Market risk is the risk that changes in market prices, such as price of shares, interest rates and exchange rates to have impact on Group's revenues or the value of financial instruments held. Market risk of (own) equity instruments represent the risk that the value of such instrument to vary following the changes of prices on the market, either due to factors specific to the issuer's activity or factors affecting all instruments traded on the market.

The market risk of (own) equity instruments arises from the Group's investments in shares classified as financial assets at fair value through other comprehensive income, and respectively financial assets at fair value through profit and loss, and from investments in units of closed-end funds (through their holdings in shares). The entities in which the Group holds shares operate in various industries. The objective of market risk management is to control and manage market risk exposures within acceptable parameters, while optimizing returns. The Group's market risk management strategy is driven by its investment objective, and the market risk is managed in accordance with its policies and procedures.

The Group is exposed to the following market risk categories:

Price risk is the risk of losses both on balance sheet and off-balance sheet positions due to asset price movements.

The Group is exposed to the risk that the fair value of the financial instruments held may fluctuate following the changes in market prices, whether due to factors specific to the issuer's activity or factors impacting all instruments traded on the market.

A positive 10% change in the price of financial assets at fair value through profit and loss (shares in subsidiaries, associates, corporate bonds, and fund units) would lead to a profit increase after tax, by RON 152,334,094 (December 31, 2021: RON 161,515,907), a negative variation of 10% having an equal net impact of the opposite sign.

A positive 10% change in prices of financial assets measured at fair value through other comprehensive income, investments in shares and corporate bonds, would lead to an increase in equity, net of profit tax, of RON 116,739,827 (December 31, 2021: RON 120,191,670), a negative variation of 10% having an equal net impact of the opposite sign.

Interest rate risk is the risk that the Group's revenues or expenses, or the value of the Group's assets or liabilities fluctuate following the changes in market interest rates.

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 that of the interest-bearing debt.

Regarding the fixed interest-bearing assets or tradable assets, the Group is exposed to the risk that fair value of future cash-flows related to financial instruments to fluctuate following the

changes in market interest rates. The Group does not use derivative financial instruments for hedging against interest rate fluctuations.

Impact on the Group's net profit (interest income/expenses) of a change of $\pm 1.00\%$ in the interest rate on variable-yield assets and liabilities denominated in other currencies corroborated by a change of $\pm 1.00\%$ in the interest rate related to assets and liabilities carrying variable interest rate and denominated in RON is of RON 1,590,326 (December 31, 2021; RON 2,096,670).

For the bonds recorded at fair value (level 1) held, a variation of $\pm 5\%$ of their market price determines a net impact in the amount of \pm RON 1,579,716 (December 31, 2021: \pm RON 1,579,616) in the profit and loss account respectively in the amount of \pm RON 218,463 (December 31, 2021: \pm RON 221,484) in other comprehensive income.

Currency risk is the risk of loss or not achieving the expected profit due to unfavourable fluctuations in the exchange rate. The Group invests in financial instruments and performs transactions denominated in currencies other than its functional currency and is thus exposed to the risk that the exchange rate of the domestic currency in relation to another currency will have adverse effects on fair value or future cash flows of that portion of the financial assets and liabilities denominated in another currency.

The Group performed transactions in the reporting periods in both the Romanian currency (Leu) and in foreign currency.

Financial assets exposed to currency risk (in RON)

	June 30, 2022
Cash and cash equivalent	129,510,603
Bank deposits	3,953,574
Financial assets at fair value through profit and loss*	42,949,343
Financial assets at fair value through profit and loss – loans granted	10,036,125
Financial assets at fair value through other comprehensive income**	125,335,718
TOTAL	311,785,363
Loans and other liabilities (leasing)	(1,167,145)
Total liabilities	(1,167,145)
Net financial assets	310,618,218

* Financial assets at fair value through profit and loss include foreign currency holdings of closed-end investment funds, in proportion to the Group's holding in their net assets.

** Financial assets through other comprehensive income in EUR include investments held abroad, namely Austria - Erste Bank and corporate bonds issued by Impact.

Credit risk

Credit risk is the risk that a counterparty of a financial instrument fails to meet an obligation or financial engagement in which it has entered into a relationship with the Group, resulting in a loss for the Group.

The Group is exposed to credit risk as a result of investments in bonds issued by trading companies, current accounts and bank deposits and other receivables. The management of the Group closely and consistently monitors the exposure to credit risk so that it does not suffer losses because of the concentration of credit in a particular sector or business.

Below we present the financial assets with exposure to credit risk:

<i>(in RON)</i>	June 30, 2022
Current bank accounts	137,773,923
Bank deposits	151,047,272
Bonds issued by companies (at FVTOCI)	5,210,496
Bonds issued by companies (at FVTPL)	38,067,36
Loans granted (at FVTPL)	10,036,125
Other financial assets	13,717,562
TOTAL	355,853,214

Liquidity risk

Liquidity risk is the risk that the Group encounters difficulties in meeting the obligations arising from short-term financial liabilities that fall due by cash or other financial means, or that such obligations are extinguished in an unfavourable manner for the Group.

The Group monitors the evolution of the liquidity level to be able to pay its obligations at the date when they become due and continuously analyses the assets and liabilities, depending on the remaining period up to the contractual maturities.

The structure of assets and liabilities was analysed based on the remaining period from the balance sheet date to the contractual maturity date as of June 30, 2022, and is presented in the table below:

<i>In RON</i>	Accounting value	Under 3 months	Between 3 and 12 months	Over 1 year	Without pre-established maturity
Total financial assets	3,282,349,207	300,866,323	19,200,195	37,612,296	2,924,670,392
Total financial liabilities	110,354,495	94,250,631	16,103,864	-	-
Liquidity excess	3,171,994,712	206,615,692	3,096,331	37,612,296	2,924,670,392

Other risks

By the nature of its activity, the Group is exposed to various types of risks associated with the financial instruments and the market it invests. The main types of risks to which the Group is exposed are:

- taxation risk;
- business environment risk;
- operational risk.

Taxation risks

The interpretation of the texts and the practical implementation of the procedures of the new applicable tax regulations may vary and there is a risk that in certain situations the tax authorities will adopt a different position from that of the Group. From the corporate tax point of view, there is a risk that the tax authorities will interpret the accounting treatment that is determined by the transition to IFRS as a basis for accounting.

In addition, the Romanian Government has various agencies authorized to carry out the audit (control) of companies operating in Romania. These controls are similar to tax audits in other countries and can cover not only tax issues but also other legal and regulatory issues of interest to these agencies. The Group may be subject to tax controls as new tax regulations are issued.

Business environment risks

SIF Banat-Crişana's management cannot predict all the effects of the international economic developments impacting on the financial sector in Romania but considers that in the first six months of 2022 has adopted the necessary measures for the sustainability and development of the Company under the conditions existing on the financial market, by monitoring cash flows and suiting the investment policies.

During the first 6 months of 2022, the global economic and financial environment was significantly influenced by geopolitical developments in Eastern Europe and significant disruptions in global supply flows, both with energy products and raw materials. Although global index developments have stabilized recently, volatility remains high due to investors' lack of visibility both in terms of geopolitical developments and in terms of central banks' reaction to these events, with a direct influence on inflation and the possibilities of counteracting it.

Operational risk

Operational risk is the risk of incurring direct or indirect losses resulting from shortfalls or deficiencies in the Group's procedures, personnel, internal systems, or external events that may impact on its operations. Operational risks arise from all Group activities.

The Group's objective is to manage operational risk to limit its financial losses, not to damage its reputation and to achieve its investment objective to generate benefits for investors.

Capital adequacy

The management's policy on capital adequacy focuses on maintaining a solid capital base to support the Group's continued development and investment objectives.

The Group's equity includes its share capital, various types of reserves, retained earnings and minority interests. The equity amounted to RON 3,116,324,265 as of June 30, 2022.

5. THE MARKET OF SECURITIES ISSUED BY THE GROUP

CHARACTERISTICS OF THE SHARES ISSUED BY SIF BANAT-CRIȘANA

Total number of issued shares (June 30, 2022)	515,422,363
Outstanding shares (June 30, 2022)	507,510,056
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
BVB (BSE) symbol (ticker)	SIF1
Bloomberg BBGID	BBG000BMN388
ISIN	ROSIFAACNOR2
Part of indices	BVB (BSE) indices: BET-FI, BET-XT, BET-XT-TR, BET-XT-TRN, BET-BK

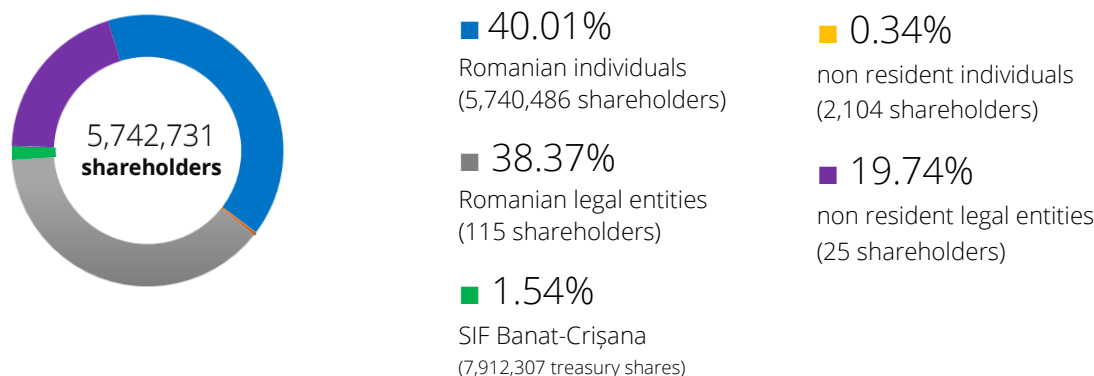
Shares issued by SIF Banat-Crișana grant all shareholders equal rights.

Since its set-up, SIF Banat-Crișana has not issued bonds or other debt instruments.

The shares issued by the Company are traded freely on the regulated market of the Bucharest Stock Exchange, according to the rules established by the market operator, any person could acquire SIF1 shares.

As of June 30, 2022, SIF Banat-Crișana has 5,742,731 shareholders, according to the data reported by Depozitarul Central SA Bucharest, the company that keeps the shareholders registry.

SHAREHOLDERS STRUCTURE as per holdings as of June 30, 2022



SIF1 shares on Bucharest Stock Exchange (BVB/BSE)

SIF1 shares were traded on Bucharest Stock Exchange (BVB or BSE) in 124 trading sessions during H1 2022.

SIF1 share price declined 2.39%, from RON 2.5100 (closing price on January 3, 2022, the first trading session of the year), to RON 2.4500 (closing price on June 30, 2022). The highest price recorded in 2022 was of RON 2.5400 recorded during the trading session of January 4, while the lowest was in the trading session of March 4, when the price was of RON 2.1000 per share (closing price), the spread during the period was 21% (considering the values recorded at the close of trading sessions).

The highest daily volume of SIF1 shares traded on the main regular market (REGS) during 2022 was of 5,553,521 shares, recorded on January 17.

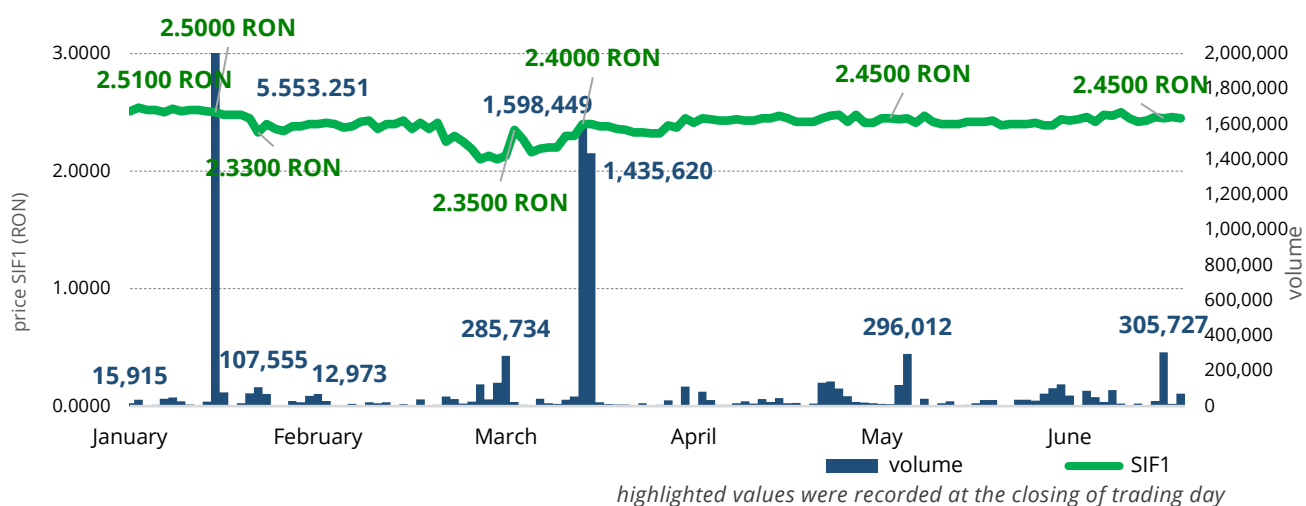
Liquidity for SIF1 title was higher than in the previous year, in H1 2022 were traded a total of 13,319,316 shares on the main regular market, representing 2.58% of the total shares issued, while

during 109 of the 124 trading sessions the transferred volume was below 100,000 units. The total value of shares traded in 2022 on the Regular market was of RON 32,421,342.

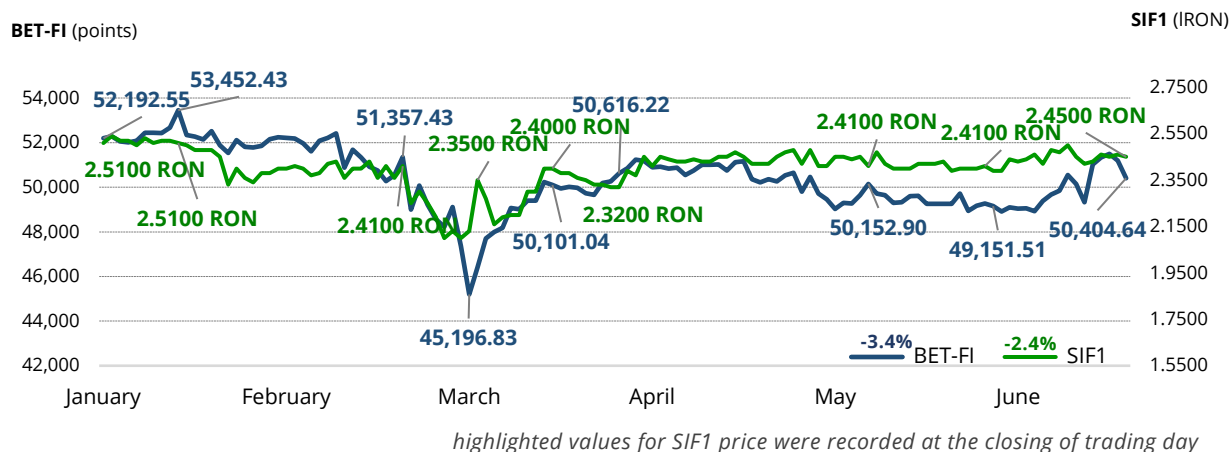
On „DEAL” market 3 transactions were performed, with a total of 7,384,559 shares, worth RON 18.32m.

Market capitalization for SIF1 was of RON 1,262.78m on June 30, 2022, (calculated using the closing price for all the shares issued).

SIF1 PRICE AND VOLUME DURING JANUARY - JUNE 2022



SIF1 vs. BET-FI PERFORMANCE DURING JANUARY - JUNE 2022



The two subsidiaries included in the consolidation, SAI Muntenia Invest and Administrare Imobiliare, are not listed on an organized capital market or an alternative trading system.

6. CORPORATE GOVERNANCE

SIF Banat-Crișana is committed to upholding and developing the best practices of corporate governance, thus ensuring an efficient decision-making process, leading to the long-term viability of the business, achieving the objectives of the company, and creating sustainable value for all stakeholders (shareholders, management, employees, partners, and authorities).

The Corporate Governance Regulation of SIF Banat-Crișana is available for consultation on company's website, at www.sif1.ro, in the Corporate Governance section.

The status of compliance with the provisions of the Corporate Governance Code issued by Bucharest Stock Exchange Code was presented in the Board of Directors' annual report for 2021, available on company's website, in Corporate Governance section. The same section hosts SIF Banat-Crișana's statement on the application of corporate governance principles, prepared pursuant to the annex of the ASF Regulation no. 9/2019, settling the unitary regulatory framework for the implementation of corporate governance principles to entities authorized, regulated, and supervised by ASF.

SIF Banat-Crișana subsidiaries, in the scope of consolidation, apply principles and policies of internal governance similar to those of the parent company.

Company leadership

Pursuant to its Articles of Association, SIF Banat-Crișana is administrated under a unitary system, capable of ensuring an efficient operation of the Company, in accordance with the objectives of good corporate governance and the protection of the shareholder's legitimate interests.

The Board of Directors

SIF Banat-Crișana is under the management of a Board of Directors (i.e. administrators) comprised of five members, elected by the ordinary general meeting of shareholders for a mandate (term of office) of four years, with the possibility of being re-elected, having decision-making powers regarding the administration of the Company in the period between the general meetings of shareholders, except for the decisions that the law or company's Articles of Association provide exclusively for the general meeting.

There were no changes in the composition of SIF Banat-Crișana's Board of Directors during H1 2022.

During January 1 - June 30, 2022, the following were members of the Board of Directors: Mr. Bogdan Alexandru DRĂGOI - Chairman and CEO, Mr. Radu Răzvan STRĂUȚ - Vice Chairman, Mr. Sorin MARICA - Member, Mr. Marcel Heinz PFISTER - member and Mr. Ionel Marian CIUCIOI - member.

Advisory committees

In H12022, the Board of Directors was assisted in carrying out its responsibilities by the following advisory committees:

The Audit Committee, running in the following composition: Mr. Marcel PFISTER - Chairman of the Committee, Mr. Sorin MARICA - member, and Mr. Ionel Marian CIUCIOI - member. In H1 2022, the Audit Committee prepared the *Report on the activity of the Audit Committee for the year 2021* accompanied by the *Evaluation of the risk management and internal control system for the year 2021*, the documents submitted to ASF in accordance with the provisions of the ASF Rule no. 13/2019.

The Nomination and Remuneration Committee, operating in the following composition: Mr. Sorin MARICA - Chairman of the Committee, Mr. Marcel PFISTER - member and Mr. Ionel Marian CIUCIOI

– member. *The annual report of the Nomination and Remuneration Committee for the year 2021* was prepared and published in March 2021 together with the 2021 Annual Report of the Board of Directors, being presented to the Ordinary General Meeting of Shareholders on April 28, 2022.

Information on the activity during H1 2022 of the Board of Directors and the committees operating within are presented in the Half-Yearly Report of SIF Banat-Crișana available on company's website, in *Investor Relations* section.

The executive management

The effective management of the Company is performed by Executive Directors appointed by the Board of Directors, in accordance with the Company's bylaws and applicable regulations so that everyday management of the Company to be provided, at any given time, by at least two persons.

During H1 2022 no changes occurred in the composition of executive team.

During January 1 – June 30, 2022, the composition of the executive team of SIF Banat-Crișana is the following: Mr. Bogdan-Alexandru Drăgoi – Chairman - CEO; Mr. Radu Răzvan Străuț – Vice-Chairman, Deputy General Director; Mrs. Teodora Sferdian - Deputy General Director, and Mr. Laurențiu Riviș - Director.

Description of the main elements of the internal control systems and risk management

Risk management system

SIF Banat-Crișana acknowledges its exposure to risks resulting from daily operations, and those from the pursuit of achieving its strategic objectives. In this context, SIF Banat-Crișana's policy on the management of significant risks provides the framework for identifying, assessing, monitoring, and controlling these risks, in order to maintain them at adequate levels based on the Company's risk appetite and its ability to cover, absorb or mitigate these risks.

Through the risk management system, SIF Banat-Crișana assigns a central role to the *risk management function, policies and procedures* related to significant and relevant risk management for the investment strategy, *measures, processes, and techniques* related to the measurement and management of the risks the Company uses for the portfolio under its management.

The permanent risk management function has a key role in defining the risk policy, monitoring, and measuring risks, ensuring ongoing compliance of the level of risk with the Company's risk profile assumed by the Board of Directors. The person in charge of the administration has access to all relevant information and provides to senior management up-to-date information on the basis of which prompt remedial actions could be taken, if necessary. Mrs. Adina Eleonora Hodăjeu holds the position Responsible Person for risk management in SIF Banat-Crișana, authorized by ASF with Authorization no. 79/09.03.2018., no in ASF Register: PFR13.2FARA/020053.

At Group level, the significant risk management policy includes all the elements necessary for the risk management operations associated with each investment position to identify, assess, manage and monitor them properly, including through the use of appropriate crisis simulation procedures.

SIF Banat-Crișana, a parent company at group level, constantly monitors the control of risks and how they can manifest or materialize in the value or volatility of the portfolio under management.

At consolidated entities level

SIF Banat-Crișana subsidiaries are exposed to a series of risks that are carefully monitored at the level of each company by complying with the policies and procedures approved by their boards of

directors. Risk management policies and systems are periodically reviewed to reflect changes in the legislative environment, market conditions and activities carried out.

The risk management policies implemented aim at identifying and analysing the financial and operational risks faced by the company in question, as well as analysing and correcting the risk factors associated with the activity carried out. Companies use policies and procedures to identify, manage and assess the types of risk to which they are exposed and take measures to eliminate or reduce the adverse effects of these risks on the business.

SAI Muntenia Invest SA establishes and maintains, permanently and operatively, the risk management function. As a registered AIFM, procedures have been implemented to guide the risk management activity for SAI Muntenia Invest SA and the managed entities. Thus, the company has implemented a risk management system to identify, evaluate, manage, and monitor, accordingly, all relevant risks, in accordance with the provisions of art. 30-37 of the EU Regulation no. 231/2013.

There is increased attention at group level on strengthening internal control systems and adapting procedures to the ever-changing requirements of each entity.

Compliance check function

SIF Banat-Crişana has implemented in its functional structure and permanently and operationally maintains the function of compliance checking, that is carried out independently of other activities, subordinated to the Board of Directors, having as main responsibilities:

- to regularly monitor and evaluate the effectiveness and adequacy of the implementation of the control measures and procedures established, as well as the measures available to resolve any situations of non-fulfilment of company's obligations;
- providing consultancy and assistance to the relevant persons responsible for carrying out the services and activities to comply with the requirements imposed on the company in accordance with the legal provisions and regulations of the Financial Supervisory Authority.

The activity of the Compliance Office was carried out during H1 2022 pursuant to the Plan for Investigation and control for the year 2022 approved by the Board of Directors of SIF Banat-Crişana, of the ASF regulations, the work procedures, and internal regulations. Based on the control activities, the Compliance Officer made recommendations for improving work procedures and activities were made, as no breaches of the laws, regulations and internal procedures in force have been found.

Resolution of petitions. The shareholders might, in case they have any dissatisfaction with the activity of the company, provided based on the legislation in force or the information provided by the company following their requests, to address SIF Banat-Crişana through a petition. The method of solving the petitions submitted by the shareholders is the one established by the ASF Regulation no. 9/2015, and the procedure to be followed is published on company's website. In accordance with the provisions of the regulation, the unique register of petitions in secure electronic format was set up, in which the transmitted petitions, the problems addressed, and the way of solving are recorded. The register of petitions is managed by the representative of the compliance office. During H1 2022, there were no petitions recorded.

Mr Eugen Cristea holds the position of compliance officer, authorized by ASF Authorization no. 80/09.03.2018, no in ASF Register: PFR13.1RCCO/020007.

Internal Audit

Company's activities are subject to a periodic internal audit, in order to provide an independent assessment of its operations, the control and management processes, evaluating the possible risk exposure on various activity segments (asset security, compliance with regulations and contracts, integrity of operational information and financial, etc.), making recommendations for the

improvement of the systems, controls and procedures to ensure the efficiency and effectiveness of the operations, and monitoring the corrective actions proposed and the results obtained.

The activity of internal audit is carried out based on an audit program prepared in accordance with the objectives of the company, endorsed by the Audit Committee and approved by the Board of Directors.

The internal audits missions carried out in the first half of 2022 addressed:

- compliance with the provisions of the collective labour contract; human resources management and payment of personnel;
- compliance with the working procedures, internal regulations and significant risk management policy of SIF Banat-Crişana;
- compliance with working procedures, internal regulations and legislation specific to the compliance office;
- observance of the procedure regarding the conflicts of interests, respectively of the conflicts of interests in which the members of the management of SIF Banat-Crişana and certain categories of employees are involved;
- preparation of the annual report on the internal audit activity.

The audit reports comprising the mission, its findings, conclusions, recommendations, and proposals of the Internal Auditor were presented to the Audit Committee and the Company's Board of Directors. There were no significant situations identified to require the intervention of the Board of Directors.

Internal Audit considers that the activities and operations conducted by SIF Banat-Crişana in the first half of 2022 subject to the audit, are consistent with the policies, programs, and management of the company, pursuant to the legislation and internal regulations.

The activity of internal audit is outsourced to the firm New Audit SRL from Arad – whose legal representative is Mrs Mariana Dumitrescu, notified to ASF.

Observance of shareholders' rights

The shares issued by SIF Banat-Crişana are common, ordinary, nominative, of equal values, issued in dematerialized form and grant equal rights to their holders. The shares are indivisible, and the Company recognizes a single representative for the exercise of the rights resulting from a share. Each share entitles the holder to one vote.

SIF Banat-Crişana provides an equitable treatment for all shareholders, pursuant to the legal provisions and those of Company's Articles of Association, providing them with relevant and up-to-date information enabling them to exercise their rights of a fair manner. Shareholders should exercise their rights in good faith and with respect for the rights and interests of the Company and other shareholders.

Transparency in communication

SIF Banat-Crişana gives great importance to transparency in communication, convinced that public trust is essential for the proper functioning of the company. The company strives to ensure continuous reporting in an objective and comprehensive manner, covering all important aspects of the activity and the results achieved.

The Company's website is a useful platform for communicating with shareholders. In the section dedicated to *Investor Relations*, information of interest to shareholders is available and all communiqués and reports on the company's activity are published in Romanian and English.

Conflict of interest, transactions with related parties and corporate information regime

In SIF Banat-Crișana there is operational an internal procedure, approved by the Board of Directors, on the conflict of interest and personal transactions, as required by ASF regulations and EU regulations applicable to alternative investment fund managers and concerning market abuse. The procedure includes rules on the Company concerning security and confidentiality of information, mainly dealing, and preventing fraudulent practices and refraining from action of market manipulation.

ESG (Environment, Social, Corporate Governance)

EU Regulation 2019/2088 on Sustainable Finance Disclosure Regulation (SFDR) entered into force on March 10, 2021, and requires financial market participants to publish information on how they integrate ESG risks and opportunities into their investments decisions. Financial institutions need to adapt to meet the new non-financial reporting requirements by 2023.

SIF Banat-Crișana statement prepared as per the provisions of art. 4 par (1) of Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019, on information on sustainability in the financial services sector is published on the company's website, www.sif1.ro, *Corporate Governance* section. Also in this section, the *Policy on integrating ESG risks in the investment decision-making process* is available for consultation.

In a first stage, the challenge for SIF Banat-Crișana is to allocate efforts to identify, collect, analyse and report ESG indicators (*the accuracy and comparability of reported non-financial information, collecting relevant data, allocating IT resources, the expertise needed for understanding and implementing the reporting requirements, and the creation and conduct of stakeholder consultation processes, materiality analysis, identification and reporting of material topics and specific indicators.*)

Assessment of matters related to environment

Although SIF Banat-Crișana, by the nature of its activity, does not have a direct negative impact on the environment, materialized mainly by the consumption of energy and paper, it has a vigilant concern regarding the good management of environmental issues in the course of the processes related to the daily activity carried out, the resources being efficiently used and ensuring the protection of the environment.

The reduction of energy consumption (electricity consumed for the current activity at the headquarters and branch, respectively gas for heating workspaces) was a concern in H1 2022, taking measures to make more efficient use of space and increase energy efficiency.

In order to minimize the impact on the environment, SIF Banat-Crișana aims to save paper in its operations, opting whenever possible for electronic communication instead of the one on paper, the digitization of operations helping to reduce paper consumption. Measures related to the use of low-power electronic equipment, in compliance with higher standards in the field of ergonomics and environmental protection, are also included in the effort to make energy efficiency more efficient.

As an investment fund, SIF Banat-Crișana might have a substantial indirect impact on the environment through its business operations, and awareness of this impact and taking appropriate measures are among the important challenges anticipated by the company, the group and the financial industry.

The SIF Banat-Crișana Group does not have an integrated governance procedure on environment and social matters but covers relevant matters in these area in various corporate documents applicable for each company, specific to their activity.

Both SIF Banat-Crișana and the companies in the consolidated group - SAI Muntenia Invest SA and Administrare Imobiliare SA - do not need special environmental authorizations and do not carry out activities with an impact on the environment.

Social responsibility, social matters, diversity

As companies are no longer judged only by their economic performance, but also by their contribution to the communities in which they operate, SIF Banat-Crișana understands to be an involved and responsible actor, attentive and receptive to community needs and sustainable development.

The role of social actor of SIF Banat-Crișana is to promote professionalism, excellence, innovation, responsibility, team spirit, diversity, commitment.

In applying social responsibility policies, the Company makes every effort to ensure continuous respect for fundamental human rights, encouraging and continuously developing good practices in this field.

SIF Banat-Crișana's policy on corporate social responsibility is published on company's website, www.sif1.ro, in the section dedicated to *Corporate Governance*.

The SIF Banat-Crișana Group does not have a formalized integrated procedure on the diversity policy.

However, at group level there is a commitment to maintaining the highest ethical standards, promoting a culture of respect, collaboration, and performance, in which all employees can perform and develop, under conditions of equality in terms of gender, ethnicity, age, etc. The individual needs and skills of employees are promoted and encouraged to turn them into added value for the organization, at the level of human capital.

Assessment of matters concerning the employees

The central social objective of the group consists in establishing a positive organizational culture, aiming at providing good working conditions for employees, pay and motivating motivation systems, correct systems and evaluation criteria, efficient information and control systems, full use and efficient of working hours, availability for change, commitment, good communication.

The evolution of the Group's number of employees is presented in the table below:

Company name	Average number of employees		
	2020	2021	June 30, 2022
SIF Banat-Crișana	34	34	31
SAI Muntenia Invest	36	30	28
Administrare Imobiliare	5	6	6
TOTAL	75	70	65

Throughout H1 2022 there were no conflicting matters in the relations between management and employees, neither in SIF Banat-Crișana nor in the companies in the consolidation.

All companies in the consolidation have organizational and operational regulations approved by the Boards of Directors, describing how they are organized and regulating the operation of their compartments, setting competences for each compartment, their duties, and responsibilities.

7. OTHER INFORMATION

Events after the reporting period

Payment of the dividends for 2021

On July 11, 2022, SIF Banat-Crișana informed the shareholders by means of the current report published by BVB on the start of payment of the dividends for 2021, as per the Resolution no. 4 of the Ordinary General Meeting of Shareholders of April 28, 2022.

- payment of dividends started on **July 28, 2022 ("Payment Date")** through Depozitarul Central S.A. ("Central Depository") and the Payment Agent - Banca Transilvania.

- **the gross value of the dividend is of RON 0.0600 per share**, and the related dividend tax will be withheld in the quotas provided by law or other specific regulations. Payment commissions are borne by shareholders from the amount of the net dividend.

- the shareholders entitled to receive the amount of the above-mentioned dividend are those registered in the consolidated register of shareholders on **July 12, 2022 ("Registration date")**. **Ex-date is July 11, 2022.**

- in the case of deceased shareholders, dividends are paid at the request of one of the successors, only after Depozitarul Central has transferred the shares on the heirs' name, in accordance with the procedure presented in the current report,

The payment of dividends for 2021 is subject to the general legal limitation period. Thus, the shareholders can request the payment of these dividends only within a period of 3 years calculated from the Payment Date, respectively until July 28, 2025.

The announcement on the payment of dividends is available on SIF Banat-Crișana's website, www.sif1.ro, in the section *Investor Relations*, on the website of BVB³ and on the website of Depozitarul Central⁴.

Collecting the last instalment related to the sale-purchase agreement of Gaz Vest shares

On July 14, 2022, the company confirmed the collecting of the last instalment related to the sale-purchase contract of Gaz Vest (associated entity) shares, thus completing the transaction of the full transfer of the stake held by SIF Banat-Crișana.

Approval acquisition of a qualified participation in SIF Banat-Crișana

SIF Banat-Crișana informed the investors that on August 3, 2022, by letter no. SI/DG/8275.8/03.08.2022, the Financial Supervisory Authority communicated the Decision no. 1040/03.08.2022, approving the project of acquisition and SIF Oltenia S.A. attaining the quality of significant shareholder of SIF Banat-Crișana SA, by purchasing a qualified direct participation representing at least 10% of the share capital and of the total voting rights of SIF Banat-Crișana.

The acquisition of SIF1 shares by SIF Oltenia S.A. to obtain the qualified participation will be completed within a maximum of 60 working days from the date of issuance of the ASF Decision no. 1040/03.08.2022 approving the acquisition project and the quality of significant shareholder.

³ <https://www.bvb.ro/FinancialInstruments/SelectedData/NewsItem/SIF1-Comunicat-privind-plata-dividendelor-afereante-anului-2021/A2E56>

⁴ <https://www.rocLEAR.ro/Emitenti/Dividende>

This report is accompanied by the following annex:

ANNEX 1 Condensed interim consolidated financial statements as of June 30, 2022, prepared pursuant to Rule no. 39/2015 for the approval of the Accounting Regulations compliant to the International Financial Reporting Standards, applicable to entities authorized, regulated, and supervised by the ASF – Financial Instruments and Investments Sector – **unaudited**

The version prepared in Romanian of the consolidated report of the Board of Directors (which is the official and binding version) was approved by the Board of Directors of SIF Banat-Crișana in the meeting held on September 29, 2022.

Bogdan-Alexandru DRĂGOI

Chairman of the Board of Directors and CEO