



**SIF BANAT-CRIȘANA**

**PRELIMINARY FINANCIAL RESULTS**

— AS OF DECEMBER 31, 2021 —

# CONTENTS

1	Company presentation	2
2	Statement of main items of the financial position and the preliminary results as of December 31, 2021	3
<b>Annexes:</b>		
Annex 1	Standalone Statement of Financial Position as of December 31, 2021 <i>(preliminary unaudited)</i>	5
Annex 2	Standalone Statement of Profit and Loss and Other Comprehensive Income as of December 31, 2021 <i>(preliminary unaudited)</i>	6
Annex 3	Statement of changes in equity as of December 31, 2021 <i>(preliminary unaudited)</i>	7
Annex 4	Cash flow statement as of December 31, 2021 <i>(preliminary unaudited)</i>	9

*This report presents the preliminary unaudited financial results of SIF Banat-Crișana as of December 31, 2021, prepared in compliance to the Norm 39/2015 issued by the Financial Supervisory Authority (ASF). The financial results presented herein are preliminary and subject to subsequent adjustments.*

*This English version of the report is a convenience translation of the "Preliminary financial results as of December 31, 2021" issued in Romanian. The Romanian version of the report is the official document.*

## 1. COMPANY PRESENTATION

---

COMPANY NAME	<b>Societatea de Investiții Financiare Banat-Crișana S.A.</b> (hereinafter referred to as "SIF Banat-Crișana" or "the Company")
COMPANY TYPE	<ul style="list-style-type: none"> <li>▪ joint stock company, Romanian legal entity with entire private capital</li> <li>▪ established as a self-managed investment company, authorized by the Financial Supervisory Authority as Alternative Investment Fund Manager (AIFM) - Authorization no. 78 / 09.03.2018, and as closed-ended alternative investment fund, diversified, addressed to retail investors (AIFRI) - Authorization no. 130 / 01.07.2021</li> </ul>
SHARE CAPITAL	<ul style="list-style-type: none"> <li>▪ RON 51,542,236.30 – subscribed and paid-in capital</li> <li>▪ 515,422,363 shares issued; 507,510,056 outstanding shares</li> <li>▪ RON 0.10 per share nominal value</li> </ul>
REGISTRATIONS	<ul style="list-style-type: none"> <li>▪ Number in Trade Register J02/1898/1992</li> <li>▪ Tax Identification Code RO 2761040</li> <li>▪ Number in ASF AFIAA Register PJR07.1AFIAA / 020007 / 09.03.2018</li> <li>▪ Number in ASF FIAIR Register PJR09FIAIR / 020004 / 01.07.2021</li> <li>▪ Legal Entity Identifier (LEI) 254900GAQ2XT8DPA7274</li> </ul>
MAIN ACTIVITY	<p>Main business 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"> <li>a) portfolio management</li> <li>b) risk management;</li> <li>c) other activities carried out within the collective management of an investment fund, allowed by the legislation in force.</li> </ul>
TRADING MARKET	The company is listed since November 1, 1999, on the regulated market of Bucharest Stock Exchange (BVB or BSE) – Premium category - ticker <b>SIF1</b>
FINANCIAL AUDITOR	<b>Deloitte Audit S.R.L.</b>
DEPOSITARY BANK	<b>Banca Comercială Română (BCR)</b>
SHARES AND SHAREHOLDERS' REGISTRY	<b>Depozitarul Central S.A. Bucharest</b>
HEADQUARTERS	<b>Arad</b> , 35A Calea Victoriei, 310158, Romania TEL +40257 304 438 FAX +40257 250 165 EMAIL <a href="mailto:sifbc@sif1.ro">sifbc@sif1.ro</a> WEB <a href="http://www.sif1.ro">www.sif1.ro</a>
BRANCH	<b>Bucharest</b> 46-48 S. V. Rahmaninov Str., 3rd floor, sector 2, 020199, Bucharest

CONTACT *Investor Relations*: **email** [investitori@sif1.ro](mailto:investitori@sif1.ro) **tel** +40257 304 446 **www.sif1.ro**

## 2. STATEMENT OF MAIN ITEMS OF THE FINANCIAL POSITION AND THE PRELIMINARY RESULTS AS OF DECEMBER 31, 2021

---

SIF Banat-Crișana publishes the preliminary unaudited financial results as of December 31, 2021, prepared according to the Norm 39/2015 for the approval of the Accounting Regulations compliant with IFRS adopted by European Union, applicable to entities authorized, regulated, and supervised by the Financial Supervisory Authority (ASF) of Financial Instruments and Investments Sector.

*Total assets* held by SIF Banat-Crișana as of December 31, 2021, amounting to RON 3,607.4 million, are 25.1% higher vs. 2020, in the context of a significant upsurge of investments in listed shares (banking and pharmaceutical companies).

Within the total assets, the financial assets have the dominant share, standing at a level comparable to 2020. These mainly consist of financial assets measured at fair value through profit and loss (shareholdings in subsidiaries and associates, bonds issued by subsidiaries, and fund units), and the financial assets measured at fair value through other comprehensive income (shares and corporate bonds). Measurement at fair value is carried out in accordance with the provisions of IFRS 13, using either the available market quotation for listed assets (which meet active market conditions) or valuation reports prepared by authorized valuers, as per International Valuation Standards (for unlisted or listed shareholdings but without an active market). The increase in the item *Financial assets measured at fair value through profit and loss* compared to 2020 is due firstly to the recognition of fair value differences as of December 31, 2021 (level 1 final values and those estimated at the preliminary reporting date for assets having level 3 values) and, to a lesser extent, to investments made in 2021 in assets classified (under IFRS 9 and IFRS 10) within this category. The item *Financial assets measured at fair value through other comprehensive income (shares)* is mainly influenced by: (1) the effect of the movements of the stock prices during 2021 on the Company's minority interest portfolio (mainly the rises of listed companies having financial and pharmaceutical profile) and (2) the net divestments made within this category of assets during 2021.

*Cash and cash equivalents* comprise mostly short-term placements in bank deposits with maturity of up to 3 months. The increase versus 2020, *Bank deposits* (with initial maturity over 3 months) item included, is a consequence of steering the proceeds from dividends and net surplus from disinvestments made during the year from several minority interests (highlighted in *Financial assets measured at fair value through other comprehensive income*).

*Total liabilities* are 24.3% above those existing at 2020 year-end, a level comparable to that of the advance of total assets, evolution explained by the adjustment of debt with deferred income tax, related to favourable differences of fair value (taxable), recognized under other comprehensive income, as a result of the fair value measurement of financial assets during 2021.

As of December 31, 2021, *equity* amounted to RON 3,416.1 million, up 25.1% vs. the previous year, on the back of a significant upsurge of main components of comprehensive income in 2021, as follows:

- The rise of retained earnings is mainly determined by gain on transactions recognized directly in retained earnings and the difference between the current result of 2021 (RON 387 million) and the result of the previous year (RON 92 million), transferred to *Other reserves*, following the decision of the General Meeting of Shareholders to capitalize it as own funding sources. (see page 7 *Statement of changes in equity* - Retained earnings column);
- The item *Difference in changes in the fair value of financial assets measured by other comprehensive income*, up 28.4% compared to the end of 2020, reflects the impact of the recognition of favourable fair value differences related to financial assets recorded in this category (shares in

minority interests held by SIF Banat-Crișana, shares in the two consolidated subsidiaries, corporate bonds), influenced both by the net difference in fair value resulting from the MTM (mark to market) and by the net result from the sale of financial assets at fair value through other comprehensive income, transferred to retained earnings.

*Dividend income, interest income and other income* as of December 31, 2021 (preliminary) amounted to RON 135.55 million, up 43% vs. 2020. Their upsurge is mainly due to the dividends collected from portfolio companies, given that in the previous year the dividend policy of many companies was impacted by the pandemic situation. Structurally, is remarkable the largest part (61%) the dividends distributed by the companies where SIF Banat-Crișana holds the majority stake had in 2021. Interest income related to assets at fair value through profit and loss is up 26% vs. 2020, mainly due to the recognition in the item of the financing component related to the sale of financial assets from the portfolio. Interest income related to assets at amortized cost and assets at fair value fair value assets through comprehensive income is declining, given the maturity of high-yield investments in 2020 and early 2021.

*Gain on investment* in the financial year 2021 is significantly higher as compared to 2020 and it is mainly the positive effect of fair value differences related to financial assets measured at fair value through profit and loss (mainly the shareholdings in listed companies with a liquid market).

Total expenses of the Company are in a slight decrease compared to the previous year. Structurally, the item *Other operating expenses*, which includes operating expenses, is up 14% compared to 2020, a growth inferior to both the dynamics of assets under management and net result. This increase is offset by a 42% reduction in the level of *Commission expenses*.

*The preliminary net profit for the financial year 2021* is of RON 387 million, vs. the result for the previous year of RON 92.1 million, mainly as the effect of the influences detailed above.

The item *Other comprehensive income* includes changes in fair value related to the financial assets measured at fair value through other comprehensive income, significantly higher as compared to the previous year, mainly as an effect of the progress of the fair value of the portfolio of financial assets listed on the Stock Exchange.

**Bogdan-Alexandru DRĂGOI**

Chairman and CEO

**Dorel BABA**

Financial Reporting Manager

**Standalone statement of financial position**  
- preliminary unaudited -

in RON

	December 31, 2021	December 31, 2020
<b>Assets</b>		
Cash and cash equivalents	260,126,530	150,710,816
Bank deposits	79,232,230	-
Financial assets at fair value through other comprehensive income (bonds)	5,283,259	5,111,504
Other financial assets	10,514,505	5,973,797
Other assets	225,875	189,805
Financial assets at fair value through profit and loss	1,680,415,609	1,394,390,304
Financial assets at fair value through other comprehensive income (shares)	1,554,069,140	1,309,319,391
Assets representing rights of use of underlying assets in a leasing contract	725,329	889,240
Investment property	12,953,334	13,180,199
Tangible assets	3,840,248	4,006,587
<b>Total assets</b>	<b>3,607,386,059</b>	<b>2,883,771,643</b>
<b>Liabilities</b>		
Other financial liabilities	10,219,192	6,673,694
Other liabilities and deferred revenues	293,418	26,797
Debts from leasing contracts	789,288	934,521
Deferred income tax	179,957,876	146,231,940
<b>Total liabilities</b>	<b>191,259,774</b>	<b>153,866,952</b>
<b>Equity</b>		
Share capital	51,542,236	51,542,236
Treasury shares	(21,363,229)	(2,199,867)
Loss on repurchase of own shares	(330,998)	(40,659)
Benefits granted in equity instruments	-	1,867,063
Retained earnings	1,140,789,898	743,318,231
Other reserves	1,249,578,037	1,157,455,631
Reserves from revaluation of tangible fixed assets	1,176,569	1,176,569
Legal reserves	10,308,447	10,308,447
Reserves from revaluation of financial assets designated at fair value through other comprehensive income	984,425,325	766,477,039
<b>Total equity</b>	<b>3,416,126,285</b>	<b>2,729,904,691</b>
<b>Total liabilities and equity</b>	<b>3,607,386,059</b>	<b>2,883,771,643</b>

**Bogdan-Alexandru DRĂGOI**  
Chairman and CEO

**Dorel BABA**  
Financial Reporting Manager

**Standalone statement of profit and loss and other comprehensive income**  
- preliminary unaudited -

<i>in RON</i>	<b>Dec. 31, 2021</b>	<b>Dec. 31, 2020</b>
<b>Revenues</b>		
Dividend income	130,451,726	85,778,801
Interest income (related to assets at fair value through other comprehensive income, assets at amortized cost)	1,601,660	6,410,296
Interest income (related to assets at fair value through profit and loss)	3,135,548	2,478,903
Other operating revenues	359,001	172,715
<b>Gain/(Loss) on investment</b>		
Gain / (Loss) on investment property	699,195	2,769,835
Gain / (Loss) on foreign exchange	2,274,798	2,156,143
Gain / (Loss) on financial assets at fair value through profit and loss	285,316,488	22,890,072
<b>Expenses</b>		
Commissions, fees, and charges	(5,109,130)	(8,794,811)
Other operating expenses	(22,388,962)	(19,678,132)
<b>Profit before income tax</b>	<b><u>396,340,324</u></b>	<b><u>94,183,822</u></b>
Income tax	(9,339,219)	(2,061,416)
<b>Net profit for the period</b>	<b><u>387,001,105</u></b>	<b><u>92,122,406</u></b>
<b>Other comprehensive income</b>		
<b>Amounts that are or may be transferred to profit or loss</b>		
Amounts that may be transferred to profit or loss (debt instruments)	73,975	(29,465)
Amounts transferred to profit or loss (debt instruments)	-	-
<b>Amounts that are or may be transferred to retained earnings</b>		
Change in fair value of shares measured through other comprehensive income	373,791,887	(135,855,548)
Change of reserve from revaluation of tangible assets	-	-
The effect of income tax on items above	(53,324,608)	23,596,781
<b>Other comprehensive income</b>	<b><u>320,541,254</u></b>	<b><u>(112,288,232)</u></b>
<b>Total comprehensive income for the period</b>	<b><u>707,524,359</u></b>	<b><u>(20,165,826)</u></b>
<b>Earnings per share</b>		
Basic	0.754	0.179
Diluted	0.754	0.179

**Bogdan-Alexandru DRĂGOI**  
Chairman and CEO

**Dorel BABA**  
Financial Reporting Manager

*Denominated in RON*

	Share capital	Treasury shares	Losses from the repurchase of own shares	Legal reserves	Reserves from value changes in financial assets at fair value through other comprehensive income	Reserves from revaluation of tangible assets	Benefits granted in equity instruments	Other reserves	Retained earnings	Total
<b>Balance on January 1, 2021</b>	<b>51,542,236</b>	<b>(2,199,867)</b>	<b>(40,659)</b>	<b>10,308,447</b>	<b>766,477,039</b>	<b>1,176,569</b>	<b>1,867,063</b>	<b>1,157,455,631</b>	<b>743,318,231</b>	<b>2,729,904,691</b>
Profit for the period	-	-	-	-	-	-	-	-	387,001,105	387,001,105
Reserve from revaluation of financial assets transferred to profit and loss	-	-	-	-	-	-	-	-	-	-
Reserve from revaluation of financial assets transferred to retained earnings	-	-	-	-	(117,660,625)	-	-	-	117,660,625	-
Change of reserve	-	-	-	-	373,879,953	-	-	-	-	373,879,953
Revaluation of tangible assets	-	-	-	-	-	-	-	-	-	-
Related deferred tax	-	-	-	-	(38,271,042)	-	-	-	(15,067,657)	(53,338,699)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>217,948,285</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>489,594,073</b>	<b>707,542,359</b>
Other reserves – own sources	-	-	-	-	-	-	-	92,122,406	(92,122,406)	-
Dividends written-off	-	-	-	-	-	-	-	-	-	-
Change in benefits granted	-	4,575,867	77,472	-	-	-	(1,867,063)	-	-	2,786,276
Repurchase of own shares	-	(23,739,229)	(367,811)	-	-	-	-	-	-	(24,107,040)
<b>Total transactions with shareholders recognized directly in equity</b>	<b>-</b>	<b>(19,163,362)</b>	<b>(290,339)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,867,063)</b>	<b>92,122,406</b>	<b>(92,122,406)</b>	<b>(21,320,764)</b>
<b>Balance on December 31, 2021</b>	<b>51,542,236</b>	<b>(21,363,229)</b>	<b>(330,998)</b>	<b>10,308,447</b>	<b>984,425,324</b>	<b>1,176,569</b>	<b>-</b>	<b>1,249,578,037</b>	<b>1,140,789,898</b>	<b>3,416,126,285</b>

**Bogdan-Alexandru DRĂGOI**  
Chairman and CEO

**Dorel BABA**  
Financial Reporting Manager



*Denominated in RON*

	Share capital	Treasury shares	Losses from the repurchase of own shares	Legal reserves	Reserves from value changes in financial assets at fair value through other comprehensive income	Reserves from revaluation of tangible assets	Benefits granted in equity instruments	Other reserves	Retained earnings	Total
<b>Balance on January 1, 2020</b>	<b>51,746,073</b>	<b>(7,295,461)</b>	<b>(134,837)</b>	<b>10,349,214</b>	<b>882,094,444</b>	<b>1,176,569</b>	-	<b>997,961,099</b>	<b>812,306,354</b>	<b>2,748,203,454</b>
Profit for the period	-	-	-	-	-	-	-	-	92,122,406	92,122,406
Reserve from revaluation of financial assets transferred to profit and loss	-	-	-	-	-	-	-	-	-	-
Reserve from revaluation of financial assets transferred to retained earnings	-	-	-	-	(3,942,196)	-	-	-	3,942,196	-
Change of reserve	-	-	-	(40,767)	(135,890,625)	-	-	-	40,767	(135,890,625)
Revaluation of tangible assets	-	-	-	-	-	-	-	-	-	-
Related deferred tax	-	-	-	-	24,215,417	-	-	-	(613,024)	23,602,393
<b>Total comprehensive income for the period</b>	-	-	-	<b>(40,767)</b>	<b>(115,617,405)</b>	-	-	-	<b>95,492,346</b>	<b>(20,165,826)</b>
Other reserves – own sources	-	-	-	-	-	-	-	159,494,532	(159,494,532)	-
Dividends written-off	-	-	-	-	-	-	-	-	-	-
Change in benefits granted	-	-	-	-	-	-	1,867,063	-	-	1,867,063
Repurchase of own shares	-	-	-	-	-	-	-	-	-	-
Cancelation of own shares	(203,836)	5,095,594	94,179	-	-	-	-	-	(4,985,937)	-
<b>Total transactions with shareholders recognized directly in equity</b>	<b>(203,836)</b>	<b>5,095,594</b>	<b>94,179</b>	-	-	-	<b>1,867,063</b>	<b>159,494,532</b>	<b>(164,480,469)</b>	<b>1,867,063</b>
<b>Balance on December 31, 2020</b>	<b>51,542,236</b>	<b>(2,199,867)</b>	<b>(40,659)</b>	<b>10,308,447</b>	<b>766,477,039</b>	<b>1,176,569</b>	<b>1,867,063</b>	<b>1,157,455,631</b>	<b>743,318,231</b>	<b>2,729,904,691</b>

**Bogdan-Alexandru DRĂGOI**  
Chairman and CEO

**Dorel BABA**  
Financial Reporting Manager

**Cash flow statement**  
- preliminary unaudited -

Denominated in RON

	<u>Dec. 31, 2021</u>	<u>Dec. 31, 2020</u>
<b>Operating activities</b>		
Net profit for the period	<b>387,001,105</b>	<b>92,122,406</b>
<i>Adjustments for:</i>		
Depreciation of tangible and intangible assets	516,273	508,825
(Gain)/Loss from disposal of tangible assets	5,369	33,012
(Gain)/Loss from valuation/sale of investment property	(699,195)	(2,769,835)
(Gain)/Loss from financial assets at fair value through profit and loss	(285,316,488)	(22,890,072)
Dividend income	(130,451,726)	(85,778,801)
Interest income	(4,737,208)	(8,889,199)
Interest expense on liability from leasing contract	56,967	68,104
Expense with / (income from) exchange rate differences assets / financial liabilities and other income/expenses	16,254	(1,089,757)
Benefits granted in equity instruments	2,576,937	1,867,063
Income tax	9,339,219	2,061,416
<b>Changes in operating assets and liabilities</b>		
Change in other assets (claims, etc.)	(411,564)	47,345
Change in other financial liabilities	3,792,170	3,630,709
Income tax paid	(30,732,758)	(4,451,293)
<b>Net cash used in operating activities</b>	<b>(49,044,645)</b>	<b>(25,530,077)</b>
<b>Investment activities</b>		
Payments for acquisition of financial assets measured at fair value through other comprehensive income (shares, bonds)	(67,751,279)	(7,459,123)
Proceeds from sales of financial assets measured at fair value through other comprehensive income (shares, bonds)	196,793,416	65,497,597
(Placements) / Proceeds from bank deposits with term greater than three months	(79,198,863)	4,500,000
Proceeds from sale / repurchase of assets at fair value through profit and loss account (fund units, bonds)	16,484,890	9,899,346
Payments for purchase of assets at fair value through profit and loss account (fund units, bonds, shares)	(12,906,934)	(159,436,657)
Proceeds / (Payments) from/for sale of assets measured at amortized cost	-	43,746,000
Proceeds from sale of tangible assets and investment property	926,060	9,636,800
Payments for purchases of tangible assets	(113,688)	(216,528)
Dividends collected	125,033,641	83,779,746
Interest collected	3,581,221	9,364,509
<b>Net cash from investment activities</b>	<b>182,848,463</b>	<b>59,311,690</b>
<b>Financing activities</b>		
Lease payments	(281,064)	(274,603)
Dividends paid	-	-
Repurchase of own shares	(24,107,040)	-
<b>Net cash used in financing activities</b>	<b>(24,388,104)</b>	<b>(274,603)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>109,415,714</b>	<b>33,507,010</b>
Cash and cash equivalents on January 1	150,710,816	117,203,806
<b>Cash and cash equivalents on December 31</b>	<b>260,126,530</b>	<b>150,710,816</b>

**Bogdan-Alexandru DRĂGOI**  
Chairman and CEO

**Dorel BABA**  
Financial Reporting Manager