



## SIF BANAT-CRIȘANA

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To,

**THE FINANCIAL SUPERVISORY AUTHORITY**  
FINANCIAL INSTRUMENTS AND INVESTMENTS SECTOR

### **BUCHAREST STOCK EXCHANGE – Regulated Market**

COMMUNIQUÉ

### **Clarifications concerning the information published in the press regarding the value of SIF Imobiliare PLC (SIFI) shares**

**July 30, 2020, Arad** | We bring the following clarifications regarding the inaccurate and biased information published in certain press publications regarding the transactions with SIF Imobiliare PLC (SIFI) shares and their impact on the value of SIF Banat-Crișana's assets, information that is likely to deliberately mislead investors who come in contact with this information.

The information published in a certain part of the media is untrue and is formulated in a deliberately slanderous manner, inconspicuously attempting to induce the idea that SIF Banat-Crișana has anything to do with these transactions. Therefore the management of SIF Banat-Crișana brings, once again clarifications, for a correct information of the investors.

The valuation of the assets in the portfolio reflected in the net asset value calculated and reported monthly in the market by SIF Banat-Crișana is made in accordance with the legal provisions in force, and the net asset value is certified by the Company's Asset Depository bank (until November 2019 BRD, and from that day until now BCR). Thus, the evaluation of SIFI shares complies with the provisions of the ASF Regulation no. 9/2014. SIFI shares are admitted to trading under the alternative trading system of BVB (AeRO market), where the number of transactions with SIFI shares during a year is sporadic and with an insignificant number of shares (one share, maximum 3 shares). For this reason, the valuation of SIFI shares for the calculation of net asset value is performed by different methods, depending on whether some transactions are recorded in the market in the last 30 days or not, as follows:

- If there have been transactions in the last 30 trading days, SIFI shares are evaluated in accordance with the provisions of art. 113 letter (a) point 2 of the ASF Regulation no. 9/2014 *„at the reference price for the day for which the calculation is made, in the case of shares traded in trading systems other than regulated markets, including in other alternative trading systems, provided by the operator of that trading system for each of the segments of that system. The price used as the reference price shall be calculated based on the trading activity on the day for which the asset is calculated, used as a benchmark in the opening of the trading session on the following day“*;

- If for a period longer than 30 trading days there were no transactions recorded, the evaluation of SIFI shares is performed in accordance with the provisions of art. 115 par. (2) and par. (1) letter a), point (1) of the ASF Regulation no. 9/2014, at *„the accounting value per share, as it results from the last approved annual financial statement of the respective entity“*.

Prior to April 2019, the value differences between the two valuation methods were not significant, so as to substantially distort the value of SIF Imobiliare shares. Starting with April 2019, however, a series of transactions with very few SIF Imobiliare shares were carried out in the market, at significantly high prices, without any information in the market justifying such an increase in the value of SIFI shares. In accordance with the legal provisions cited above, the Company had to use the market price as a way of evaluating SIFI shares in calculating the value of SIF Banat-Crișana assets.

Considering that the transaction with SIFI shares made on April 24, 2019, at a price of RON 220 / share cannot be substantiated on real economic rationales, SIF Banat-Crișana notified the Financial Supervision Authority (through letter no. 1112 / 28.05.2019) and requested the authority to verify the transactions with SIFI shares from the perspective of possible violations of art. 120 of Law no. 24/2014 and of art. 12 of the EU Regulation

no. 596/2014 on market abuse. At the same time, the Company requested the authority to approve that, in the case of the issuer SIF Imobiliare PLC, the valuation for calculating the SIF Banat-Crișana net asset to be performed based on the fair value resulting from the valuation in accordance with international valuation standards, performed by a valuer member of ANEVAR (The National Association of Romanian Authorized Valuers).

By letter no. SI / DRA no. 2690.1/18.06.2019, the Financial Supervisory Authority informed the Company that it cannot exempt SIF Banat-Crișana from the application of the valuation method stipulated in art. 113 letter a, pt. 2 of the ASF Regulation no. 9/2014, viz. the reference price for the day for which the calculation is done, as well as the fact that it will verify the concerns regarding a possible incidence of the applicable provisions on market abuse.

SIF Banat-Crișana endeavours to clarify the situation continued after the transaction with SIFI shares carried out on 19.05.2020 at a price of RON 286 / share, when, through letter no. 1050 / 04.06.2020, the Company again addressed the Financial Supervisory Authority, requesting the authority to investigate a possible act of market manipulation, through transactions made with SIFI shares. By the letter no. 6109 / 01.07.2020, the Financial Supervisory Authority informed the Company that the complained aspects are under authority's analysis.

Also, following the transactions with SIFI shares made on July 15, 2020 (at a price of RON 370 / share) and on July 16, 2020 (at a price of RON 400 / share), SIF Banat-Crișana sent again the Financial Supervisory Authority two requests (No. 1335/17 July 2020 and 1336/20 July 2020) demanding the Authority to investigate the transactions with SIFI shares in view of the breach of applicable market abuse provisions, and to issue a decision that would allow the Company to immediately apply the provisions of art. 45 par. (11) and (12) of the ASF Regulation no. 7/2020 on the authorization and operation of alternative investment funds, in order to ensure a correct reflection of the value of SIFI stake in SIF Banat-Crișana net asset value, by measuring illiquid shareholdings (without active market) based on a valuation report prepared in accordance with valuation standards and the elimination of value fluctuations not based on real demand and supply of these issuers' securities, with effect on the net asset value, induced by arbitrary market prices. The authority did not respond to the requests of SIF Banat-Crișana hitherto.

In addition to the endeavours concerning the Financial Supervisory Authority, the Company duly informed the investors on the value differences for the stake held in SIF Imobiliare PLC, in the monthly reports for the net asset value, in the notes to Annex 16 published on the market. Moreover, in the 2019 Annual Report, the significant variations of NAV during April and May 2019, caused by those specific transactions with SIFI shares, were presented and explained.

We also stipulate, as we did every time there were transactions with SIFI shares at unjustifiably high prices, that these transactions were not performed by SIF Banat-Crișana or its affiliates.

In view of the above, we consider that the Company has made all possible endeavours to clarify all aspects related to the transactions with SIFI shares as well as those related to the reflection of the value of these shares in Company's assets.

We inform the investors that SIF Banat-Crișana submitted to the Financial Supervision Authority the documents for compliance with the provisions of Law no. 243/2019 on alternative investment funds, documents allowing the valuation of shareholdings in the portfolio of SIF Banat-Crișana listed on BVB, but without an active market, based on a valuation report prepared in accordance with valuation standards, valuation method that will be used by the Company from the moment the Financial Supervisory Authority authorizes the submitted documentation to avoid unjustified value discrepancies arising from the trading of very small volumes.

We will properly inform the public of any subsequent events, if any.

**Bogdan-Alexandru DRĂGOI**  
**Chairman and CEO**

Compliance Officer, Eugen Cristea