

# **MONTHLY REPORT JANUARY 2021**

## THE ROMANIAN CAPITAL MARKET OUTGROWS 2020 IN THE FIRST MONTH OF THIS YEAR TO SET NEW ALL-TIME HIGHS

- All the indices of the Bucharest Stock Exchange (BVB) ended in positive territory in January.
- The Romanian capital market went up by 5% last month as the BET-TR index reached a new all-time high of 17,500 points.
- Liquidity for all the financial instruments broke the RON 1-billion ceiling, +6% versus January 2020.
- Radu Hanga, BVB President:
  - We are pleased with the recent decision of the Romanian Government to pave the way for the listing of minority stakes in companies in which the Romanian state is a shareholder. Resuming listings does not mean privatization, but transparency and access to finance, while the state can still retain the majority control in the companies from its portfolio.
  - It is in the interest of the Romanian state to have as many companies listed on the stock exchange as possible because the capital market ensures a climate of performance and transparency, thus contributing to the development of the national economy.
  - We, at the Bucharest Stock Exchange, position ourselves as long-term partners of the Romanian state, and together we have a long and positive experience in using capital market mechanisms both through issues of government securities and through equity listing on the stock exchange, as the last 20 years show for the most important companies in the state's portfolio: starting with OMV Petrom in 2001, a company in which the state has a significant stake of over 20.6%, and continuing with six other companies included in the BET index in which the state is the most important shareholder (Romgaz, Nuclearelectrica, Transgaz, Electrica, Transelectrica, Conpet). The stock exchange thus offers multiple examples testifying that the companies in which the state is a shareholder have become an economic success.
- Adrian Tanase, BVB CEO:
  - The advantages the companies can reap from going public are manifold. Through the rules imposed by corporate governance, The capital market ensures increased transparency in the way the listed companies carry out their activity, efficient management that is accountable to the shareholders, and also a correct evaluation of the companies according to the demand-supply dynamic.
  - For the state budget, the presence of state-owned companies on the stock exchange can create opportunities for additional cash flows to the budget. At the same time, it reduces the pressure on the budget to ensure possible financing because the capital market offers the possibility to companies to finance themselves by issuing shares or bonds that cover the much-needed investments, which allow the Romanian companies to develop.
  - For Romanians, the increase in the number of companies listed on the stock exchange means increased participation in the economic activity of Romania, either through direct investments by buying shares in these companies, or through indirect investments, such as investment funds or pension funds, especially since 7.6 million Romanian employees contribute to the Pillar II pension funds.

The Bucharest Stock Exchange (BVB) kickstarted 2021 with all stock indices in positive territory, as the Romanian capital market posted significant increases, which exceeded in one month the level achieved throughout the entire 2020. The BET-TR index, which also includes the dividends, went up by 5.1% in January as compared to the December last year. Moreover, BET-TR closed the last trading session in January of this year at a record level of 17,350 points, setting a new all-time high after previously breaking another high of 16,500 points, reached at the end of December last year. The evolution of the BET-TR index can be seen in Table 1.

**BET-TR index: A new all-time high, and a growth rate of over 250% since inception**

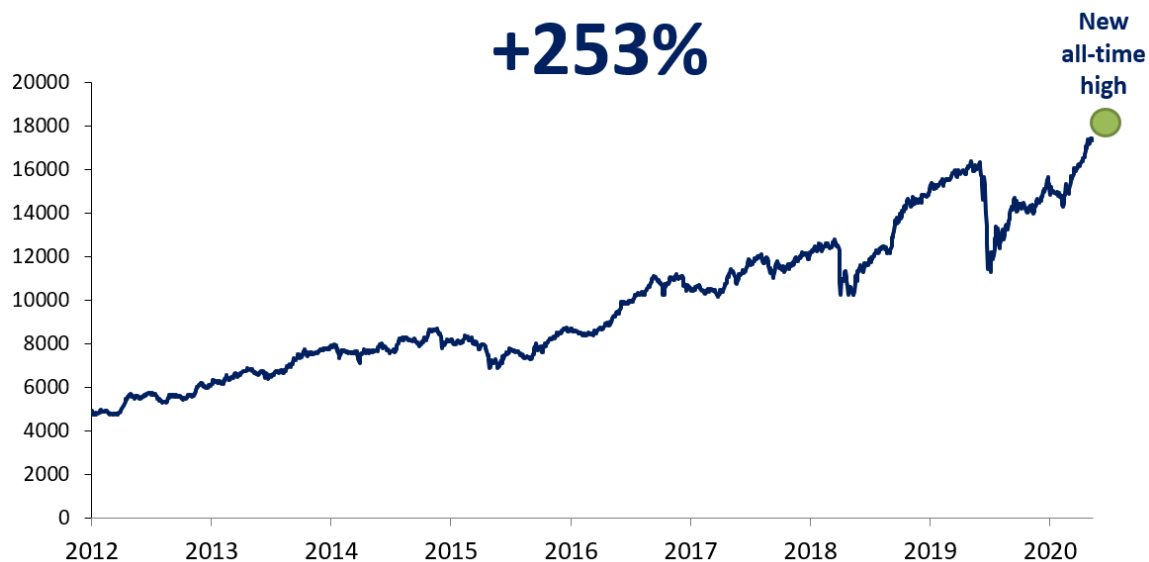


Table 1: The evolution of the BET-TR index since inception (September 21, 2012 – January 31, 2021). Source: BVB

The Romanian capital market demonstrates that it is an essential pillar of financing the local economy, and that both the state and Romanian investors can increase their well-being by participating in the stock market phenomenon.

"We are pleased with the recent decision of the Romanian Government to pave the way for the listing of minority stakes in companies in which the Romanian state is a shareholder. Resuming listings does not mean privatization, but transparency and access to finance, while the state can still retain the majority control in the companies from its portfolio. It is in the interest of the Romanian state to have as many companies listed on the stock exchange as possible because the capital market ensures a climate of performance and transparency, thus contributing to the development of the national economy. We, at the Bucharest Stock Exchange, position ourselves as long-term partners of the Romanian state, and together we have a long and positive experience in using capital market mechanisms both through issues of government securities and through equity listing on the stock exchange, as the last 20 years show for the most important companies in the state's portfolio: starting with OMV Petrom in 2001, a company in which the state has a significant stake of over 20.6%, and continuing with six other companies included in the BET index in which the state is the most important shareholder (Romgaz, Nuclearelectrica, Transgaz, Electrica, Transelectrica, Conpet). The stock exchange thus offers multiple examples testifying that the companies in which the state is a shareholder have become an economic success," said Radu Hanga, President of the Bucharest Stock Exchange.

In the case of the Romanian state, the listing of minority stakes on the stock exchange has a number of advantages, both for the issuer and for investors.

"The advantages the companies can reap from going public are manifold. Through the rules imposed by corporate governance, The capital market ensures increased transparency in the way the listed companies carry out their

activity, efficient management that is accountable to the shareholders, and also a correct evaluation of the companies according to the demand-supply dynamic. For the state budget, the presence of state-owned companies on the stock exchange can create opportunities for additional cash flows to the budget. At the same time, it reduces the pressure on the budget to ensure possible financing because the capital market offers the possibility to companies to finance themselves by issuing shares or bonds that cover the much-needed investments, which allow the Romanian companies to develop. For Romanians, the increase in the number of companies listed on the stock exchange means increased participation in the economic activity of Romania, either through direct investments by buying shares in these companies, or through indirect investments, such as investment funds or pension funds, especially since 7.6 million Romanian employees contribute to the Pillar II pension funds," stated Adrian Tanase, CEO of BVB.

The investment activity at BVB increased by 6.1% last month as compared to January 2020. Thus, the total trading value registered at the level of all types of financial instruments reached RON 1.08 billion (equivalent to EUR 221 million). Of this value, the transactions performed on the shares segment represented RON 783 million (EUR 160 million), while on the fixed income instruments segment the transactions totaled RON 235 million (EUR 48 million). The rest of the transactions were performed on the segment of structured products, fund units, ETFs. The average daily trading value performed in January with all types of financial instruments was RON 53.88 million (EUR 11.07 million), an increase of six percent compared to the first month of the previous year.

## NEWS TO INVESTORS: JANUARY

- The construction materials retailer MAMBricolaj (MAM) debuted on the Bucharest Stock Exchange (BVB) on January 21st, on the AeRO market within the Multilateral Trading System (SMT) of BVB. The company carried out a private placement in September 2020, assisted by SSIF TradeVille, through which it attracted almost RON 8.5mn. Within the private placement, 744,418 shares were subscribed, which led to a 76% oversubscription of the number of shares put up for sale, of 423,000. The shares were bought by 65 investors, at a price of RON 20/ share, which offered MAMBricolaj an anticipated market capitalization of almost RON 33.9mn. The funds attracted through the private placement will be used by the company to open new stores in Bucharest and other cities such as Brasov, Cluj-Napoca or Iasi.  
Since its establishment and until now, MAMBricolaj has registered a continuous and accelerated growth of the turnover, rising from RON 1.4mn in 2011 to RON 29.4mn in 2019. At the same time, the company registers substantial net profit margins: 11.18% in 2018, 9.4% in 2019, 13.6% in the first half of last year. In 2019, MAMBricolaj recorded a net profit of almost RON 2.8mn, compared to just over RON 3mn in 2018.  
Further details are available at this [link](#).
- The Romanian cybersecurity company Safetech Innovations (SAFE) debuted on the Bucharest Stock Exchange (BVB) on January 29th, on the AeRO market within the Multilateral Trading System (SMT) of BVB. Safetech Innovations was founded in 2011 and is the only company dedicated exclusively to information security in the Romanian market, which offers both services in the field of security and for the implementation of cybersecurity solutions. Safetech Innovations provides 24/7 cybersecurity monitoring and response, security audits, penetration testing, security risk management, and security governance services. Safetech Innovations is the only company in Romania accredited as a partner in the NATO Industry Cyber Partnership (NICP). The company has a vast portfolio of clients, collaborating with over 10 key institutions in the domestic financialbanking sector, with multinational companies, as well as local companies in the energy, FMCG, telecommunications, IT&C and transport sectors.  
In 2019, Safetech Innovations recorded a turnover of RON 10.5mn, with an increase of 56.4% compared to the result of 2018 and a net profit of RON 1.25mn, with an increase of 26.3% compared to 2018. In 2019, the company had a net profit margin of 11.8%. In the first half of 2020, Safetech Innovations recorded a turnover of RON 5.3mn (+ 60.7% compared to H1 2019) and a net profit of RON 450,246 (+ 61.5% compared to H1 2019). For the entire year 2020, the management estimates revenues of RON 15.6mn and a net profit of RON 2mn. The company currently has 43 employees.  
Further details are available at this [link](#).

# BVB Monthly Report

## Trading value on BVB Regulated Spot Market JANUARY 2021

### A. Summary of Main Indicators

#### 1. Trading value on the BVB's Regulated Spot Market for January 2021 compared with December 2020

	Total trading value January 2021		Total trading value December 2020		% Change	
	RON mil.	EUR mil.	RON mil.	EUR mil.	RON	EUR
<b>Financial instruments already issued / registered</b>	1,077.59	221.18	1,224.65	251.44	-12.01	-12.03
➤ Equities	783.36	160.78	1,039.21	213.36	-24.62	-24.64
➤ Bonds	235.34	48.31	143.49	29.46	64.01	63.99
➤ Unit funds, ETF	1.48	0.30	1.09	0.22	35.78	36.36
➤ Structured products	57.40	11.78	40.85	8.39	40.51	40.41
<b>New Issues and further issues</b>			2,735.72	561.52		
➤ Equities						
➤ Bonds			2,735.72	561.52		
<b>Total Regulated Spot Market, out of which:</b>	1,077.59	221.18	3,960.37	812.96	-72.79	-72.79
➤ Total Equities	783.36	160.78	1,039.21	213.36	-24.62	-24.64
➤ Total Bonds	235.34	48.31	2,879.21	590.98	-91.83	-91.83

#### 2. Trading value on the BVB's Regulated Spot Market for January 2021 compared with January 2020 (YoY)

	Total trading value January 2021		Total trading value January 2020		YoY % Change
	RON mil.	EUR mil.	RON mil.	EUR mil.	RON
<b>Financial instruments already issued / registered</b>	1,077.59	221.18	1,006.30	210.59	7.08
➤ Equities	783.36	160.78	974.06	203.84	-19.58
➤ Bonds	235.34	48.31	1.19	0.25	19,676.47
➤ Unit funds, ETF	1.48	0.30	1.52	0.32	-2.63

➤ Structured products	57.40	11.78	29.54	6.18	94.31
<b>New Issues and further issues</b>			9.56	2.00	
➤ Equities					
➤ Bonds			9.56	2.00	
<b>Total Regulated Spot Market, out of which</b>	1,077.59	221.18	1,015.86	212.59	6.08
➤ Total Equities	783.36	160.78	974.06	203.84	-19.58
➤ Total Bonds	235.34	48.31	10.75	2.25	2,089.21

### 3. The value traded on the BVB's Regulated Spot Market for January - January 2021 compared with January - January 2020 (YTD)

	Total trading value January - January 2021		Total trading value January - January 2020		YTD % Change
	RON mil.	EUR mil.	RON mil.	EUR mil.	RON
<b>Financial instruments already issued / registered</b>	1,077.59	221.18	1,006.30	210.59	7.08
➤ Equities	783.36	160.78	974.06	203.84	-19.58
➤ Bonds	235.34	48.31	1.19	0.25	19,676.47
➤ Unit funds, ETF	1.48	0.30	1.52	0.32	-2.63
➤ Structured products	57.40	11.78	29.54	6.18	94.31
<b>New Issues and further issues</b>			9.56	2.00	
➤ Equities					
➤ Bonds			9.56	2.00	
<b>Total Regulated Spot Market, out of which:</b>	1,077.59	221.18	1,015.86	212.59	6.08
➤ Total Equities	783.36	160.78	974.06	203.84	-19.58
➤ Total Bonds	235.34	48.31	10.75	2.25	2,089.21

### 4. The average daily value on the BVB's Regulated Spot Market for January 2021 compared with December 2020

	Average daily value January 2021		Average daily value December 2020		% Change	
	RON mil.	EUR mil.	RON mil.	EUR mil.	RON	EUR
<b>Financial instruments already issued / registered</b>						
➤ Equities	39.17	8.04	54.70	11.23	-28.39	-28.41
➤ Bonds	11.77	2.42	7.55	1.55	55.89	56.13
➤ Unit funds, ETF	0.07	0.02	0.06	0.01	16.67	100.00
➤ Structured products	2.87	0.59	2.15	0.44	33.49	34.09
<b>New Issues and further issues</b>						
➤ Equities						
➤ Bonds			143.99	29.55		

## 5. The average daily value on the BVB's Regulated Spot Market for January 2021 compared with January 2020 (YoY)

	Average daily value January 2021		Average daily value January 2020		YoY % Change
	RON mil.	EUR mil.	RON mil.	EUR mil.	RON
<b>Financial instruments already issued / registered</b>					
➤ Equities	39.17	8.04	48.70	10.19	-19.57
➤ Bonds	11.77	2.42	0.06	0.01	19,516.67
➤ Unit funds, ETF	0.07	0.02	0.08	0.02	-12.50
➤ Structured products	2.87	0.59	1.48	0.31	93.92
<b>New Issues and further issues</b>					
➤ Equities					
➤ Bonds			0.48	0.10	

## 6. The average daily value YTD on the BVB's Regulated Spot Market

	Average daily value YTD 2021		Average daily value YTD 2020		YTD % Change
	RON mil.	EUR mil.	RON mil.	EUR mil.	RON
<b>Financial instruments already issued / registered</b>					
➤ Equities	39.17	8.04	48.70	10.19	-19.57
➤ Bonds	11.77	2.42	0.06	0.01	19,516.67
➤ Unit funds, ETF	0.07	0.02	0.08	0.02	-12.50
➤ Structured products	2.87	0.59	1.48	0.31	93.92
<b>New Issues and further issues</b>					
➤ Equities					
➤ Bonds			0.48	0.10	

## 7. The evolution of indices

Index	Value for 1/31/2021		% Change January 2021		% YTD		Index values for January 2021	
	RON	EUR	RON	EUR	RON	EUR	minimum	maximum
BET	10,306.47	7,362.27	5.11	5.00	5.11	5.00	9,826.75	10,341.02
BET-TR	17,352.34	16,016.14	5.10	5.00	5.10	5.00	16,545.10	17,410.40
BETPlus	1,538.71	1,387.41	5.05	4.94	5.05	4.94	1,467.84	1,543.87
BET-FI	45,128.61	20,078.28	4.76	4.65	4.76	4.65	42,777.06	45,128.61
BET-XT	917.08	650.68	5.22	5.11	5.22	5.11	872.64	917.69
BET-BK	1,956.92	1,707.62	4.81	4.70	4.81	4.70	1,862.93	1,956.92



BET-XT-TR	1,551.41	1,412.54	5.22	5.11	5.22	5.11	1,476.24	1,552.42
BET-NG	757.40	538.02	9.27	9.16	9.27	9.16	702.77	757.40
ROTX	21,468.16		4.42		4.42		20,580.61	21,676.76

## 8. Market Indicators

	RON mil.	EUR mil.
➤ Market capitalization (regulated market)	161,318.57	33,095.74
➤ Market capitalization (domestic market)	107,725.80	22,100.77
➤ Turnover velocity (regulated market)	5.81	5.82
➤ Turnover velocity (domestic market)	8.46	8.47
➤ PER	9.40	
➤ P/BV	0.96	
➤ DIVY	6.13	

## B. Specific Market Indicators

### 1. Trading value and market capitalization by activity sector

Sector	Trading value (RON mil.)	Market capitalization (RON mil.)	PER	PBV	DIVY
➤ FINANCIAL AND INSURANCE ACTIVITIES	335.21	93,232.25	10.30	1.03	6.14
➤ MINING AND QUARRYING	102.62	34,621.85	7.48	0.87	6.89
➤ MANUFACTURING	162.16	9,915.78	10.76	1.25	5.94
➤ ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	48.72	8,258.18	13.07	0.78	6.46
➤ PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	22.01	5,106.82	17.61	1.14	5.35

➤ TRANSPORTATION AND STORAGE	58.23	4,642.77	10.81	0.92	5.35
➤ CONSTRUCTION	2.18	548.56	3.51	0.87	1.95
➤ ACCOMMODATION AND FOOD SERVICE ACTIVITIES	0.64	289.44	11.98	0.48	7.19
➤ HUMAN HEALTH AND SOCIAL WORK ACTIVITIES	22.17	235.85	42.32	1.43	
➤ WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	8.28	212.15	19.60	0.82	2.41
➤ INFORMATION AND COMMUNICATION	7.22	158.96	76.87	7.10	
➤ REAL ESTATE ACTIVITIES		107.97	11.02	1.07	6.85
➤ Other	12.18	3,988.00			

Note: - PER is calculated based on market capitalization of companies which recorded profit  
- P/BV and DIVY are computed for domestic companies

## 2. Top 5 listed shares by turnover – January 2021

Symbol	Security name	Turnover for the month (RON mil.)	Turnover for the month (EUR mil.)	Weight in total turnover shares (%)
<b>CEON</b>	CEMACON SA	123.12	25.29	15.75
<b>TLV</b>	BANCA TRANSILVANIA S.A.	120.80	24.79	15.46
<b>FP</b>	FONDUL PROPRIETATEA	91.19	18.72	11.67
<b>SNP</b>	OMV PETROM S.A.	65.03	13.35	8.32
<b>TGN</b>	S.N.T.G.N. TRANSGAZ S.A.	48.95	10.05	6.26

## 3. Top 5 listed shares with highest increase – January 2021

Symbol	Security name	End of period return (%)	YTD (%)	Low price (RON)	High price (RON)	Last price (RON)
<b>PREB</b>	PREBET SA AIUD	36.75	36.75	1.1700	1.7550	1.6000
<b>BRM</b>	BERMAS S.A.	35.00	35.00	1.6000	2.1600	2.1600

<b>ROCE</b>	ROMCARBON SA	21.31	21.31	0.1525	0.1900	0.1850
<b>NAPO</b>	SOCIETATEA DE CONSTRUCTII NAPOCA SA	20.00	20.00	4.5000	5.4500	5.4000
<b>BRK</b>	SSIF BRK FINANCIAL GROUP SA	19.02	19.02	0.0810	0.1000	0.0976

#### 4. Top 5 listed shares by market capitalization 1/31/2021)

Symbol	Security name	Market capitalization			P/BV	PER (RON)	DIVY (RON)
		RON mil.	EUR mil.	% RON			
<b>EBS</b>	Erste Group Bank AG	53,144.77	10,903.06	32.94			
<b>SNP</b>	OMV PETROM S.A.	22,572.68	4,630.96	13.99	0.70	6.33	7.77
<b>TLV</b>	BANCA TRANSILVANIA S.A.	13,168.02	2,701.52	8.16	1.55	8.13	4.55
<b>SNG</b>	S.N.G.N. ROMGAZ S.A.	11,909.55	2,443.34	7.38	1.68	11.38	5.21
<b>FP</b>	FONDUL PROPRIETATEA	10,887.34	2,233.62	6.75	0.92	18.21	4.04

#### 5. Top 5 structured products by turnover – January 2021

Symbol	Security name	Turnover for the month (RON mil.)	Turnover for the month (EUR mil.)	Weight in total turnover structured products (%)
<b>BKDOWTLB2</b>	BRK Dow Turbo Long 28950	11.94	2.45	20.80
<b>EBDAXTS67</b>	DAX INDEX TURBO SHORT 0.01/15,500/15,250	8.43	1.73	14.68
<b>BKDOWTSB1</b>	BRK Dow Turbo Short 31850	4.79	0.98	8.35
<b>EBDAXTL79</b>	DAX INDEX TURBO LONG 0.01/11,400/11,900	4.30	0.88	7.49
<b>EBADSTL7</b>	ADIDAS TURBO LONG 0.10/215/225	3.67	0.75	6.40

## 6. Top 5 bonds products by turnover – January 2021

Symbol	Security name	Turnover for the month (RON thous.)	Turnover for the month (EUR thous.)	Weight in total turnover Bonds (%)
R2512AE	MINISTERUL FINANTELOR PUBLICE	176,942.54	36,323.05	75.18
R2312A	MINISTERUL FINANTELOR PUBLICE	33,127.71	6,798.91	14.08
PMB28	OBLIGATIUNI MUNICIPIUL BUCURESTI (2028)	5,890.49	1,208.60	2.50
R2112A	MINISTERUL FINANTELOR PUBLICE	5,444.84	1,117.23	2.31
R2408A	MINISTERUL FINANTELOR PUBLICE	2,828.06	580.48	1.20

## 7. Unit funds (including ETF) by turnover – January 2021

Symbol	Security name	Turnover for the month (RON thous.)	Turnover for the month (EUR thous.)	Weight in total turnover Unit funds, ETF (%)
TVBETETF	FOND DESCHIS DE INVESTITII ETF TRADEVILLE	1,363.55	279.83	91.84
STK	STK EMERGENT	121.09	24.84	8.16

## 8. IPO, SPO and other offer markets – January 2021

Symbol	Security name	Instrument type	Type of offer	Turnover (RON mil.)
RMAH	FARMACEUTICA REMEDIA SA	Shares	Tender Offer	6.37

## 9. New listings for January 2021

Symbol	Security name	Instrument type	Listing Date
BNETR08	BITTNET SYSTEMS SA - Drepturi Preferinta	Rights	1/14/2021

## Methodological notes

### Section A. Summary of Main Indicators

1. *Financial instruments already issued* – this category includes all the statistical data related to the existing financial instruments, regardless of the type of the operations carried out.

The total values traded as well as the average daily value for this category are based on:

- ◆ trading operations performed on regular, deal;
  - ◆ offers and operations performed with the existing financial instruments such as: buy offer, takeover offer, secondary offer for selling the existing financial instruments, other methods of selling the existing financial instruments, offers without prospectus or with simplified prospectus for currently issued financial instruments.
2. *New issues and further issues* – this category contains the statistical data related to the issuance of new instruments based on the primary / initial offers as well as data regarding the increase of the capital for already listed companies, based on further issues. This category is related to the capital raised by the issuers.
  3. The total value traded is single counted.
  4. The total value traded expressed in EUR is calculated considering the daily EUR value, based on the currency rate available for each trading session.
  5. Equities includes shares and rights.
  6. Bonds includes all types of bonds available for trading at BVB (municipal, corporate, government securities).

### Section B. Specific Market Indicators

Trading value displayed in this section for a financial instrument includes the turnover registered in all market in which the respective financial instrument is traded.

*Bucharest Stock Exchange undertakes all the reasonable efforts to ensure that data included in this document was correct at the time of publication. However, Bucharest Stock Exchange shall not be responsible or liable for decisions taken or system-related or other activity performed by any part based on this report.*