



**BUCHAREST
STOCK
EXCHANGE**

BVB 1H23

Half year Results



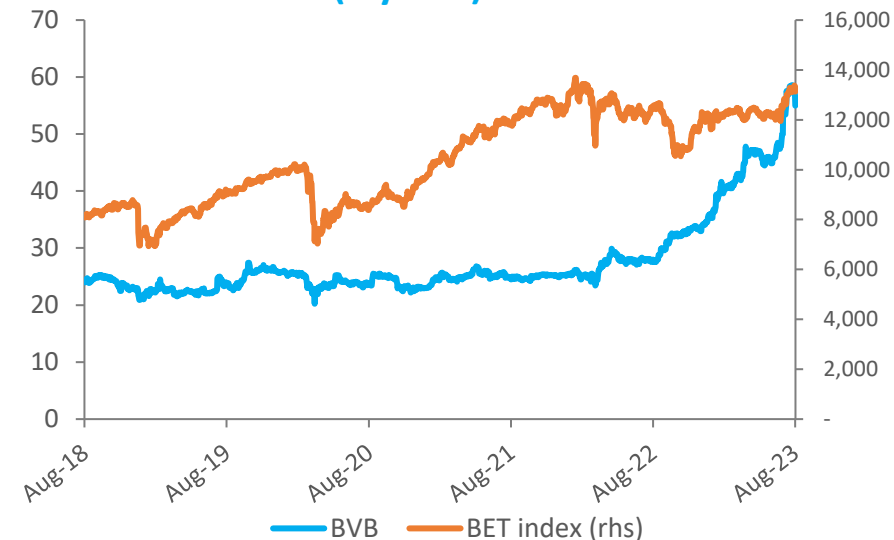
Own the future. Invest in it.

Bucharest Stock Exchange (BVB) Stock



Indicator	BVB
ISIN	ROBVBAACNORO
Refinitiv	ROBVB.BX
Bloomberg	BVB.RO
Share price (June 30, 2023)	EUR 10.1 / RON 50
Market Cap (June 30, 2023)	EUR 81.3 mn/ RON 402 mn
No. of outstanding shares	8,049,246
ADT 12TM	RON 0.16 mn
P/E (price as of June 2023, 12TM EPS)	80x
P/BV (price as of June 2023)	3.9x
Dividend Yield	2.7%
52 wk Low - High	22.70 – 47,9
Turnover velocity (12 TM)	19%

BVB vs BET Index (5 years)



100% free-float, listed on its own floor since 2010
20% ownership threshold, majority institutional shareholders



Significant investors > 5%: SIF Banat Crisana & SIF Muntenia, SIF Transilvania, NN Group N.V., Aegon Pensions, SIF Oltenia



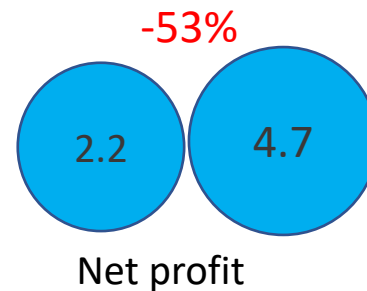
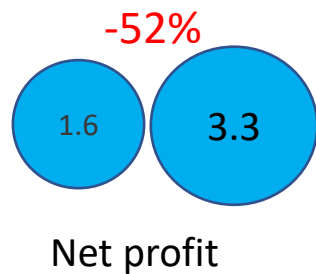
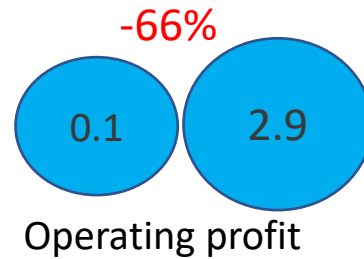
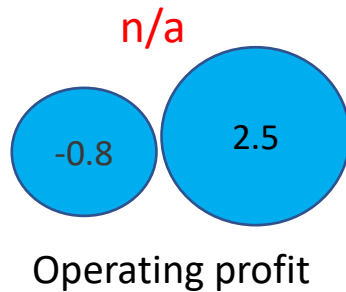
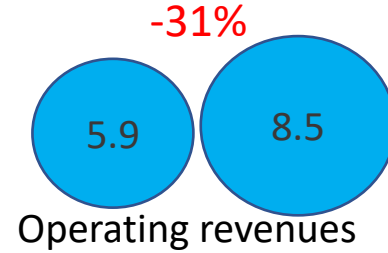
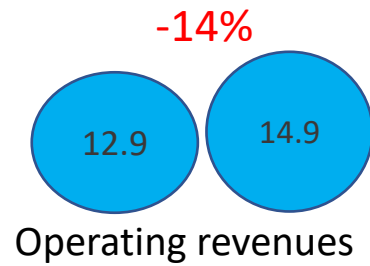
Shareholding structure as of June 2023:
Romanian institutional investors – 81.6%
Foreign institutional investors – 0.54%
Romanian private investors – 16.54%
Foreign private investors – 1.20%
Bucharest Stock Exchange – 0.12%

Number of shareholders 4027, +20% q/q

Highlights – Q2 Financials

Consolidated Q2 23 vs Q2 22 (RON mn)

Standalone Q2 23 vs Q2 22 (RON mn)

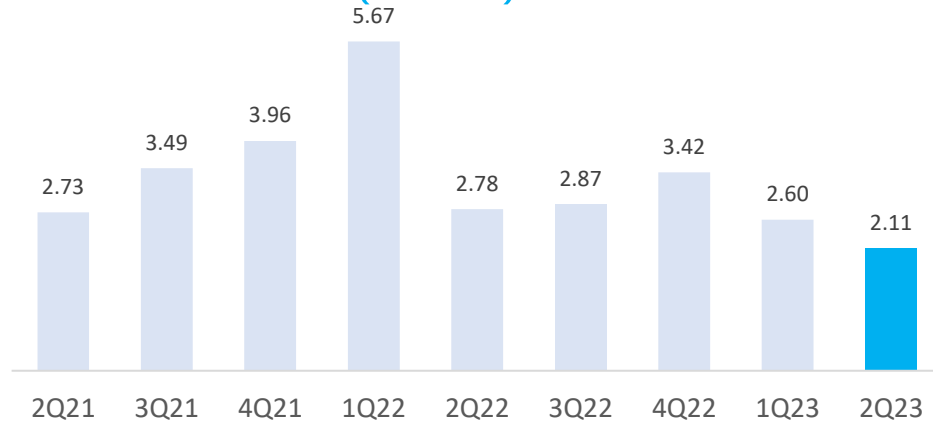


★ No impact from Hidroelectrica IPO as the offer was processed and the listing took place in July (Q3)

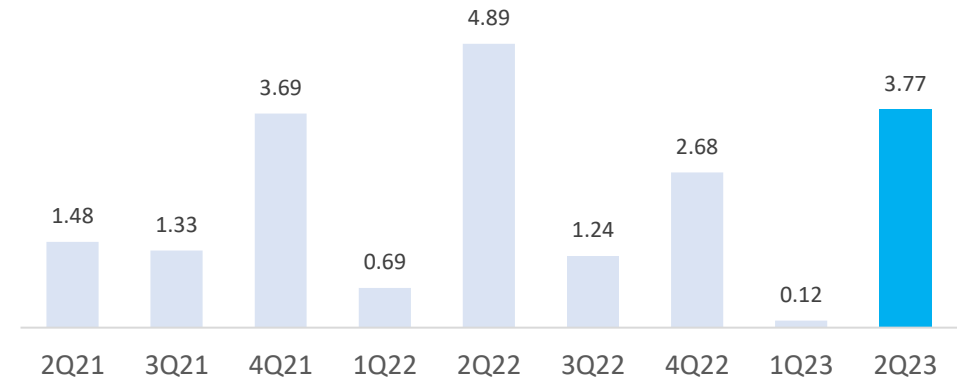
— Very low trading activity (equity volumes -24% vs Q2 2022) having a significant impact on operating revenues and bottom line

Trading evolution

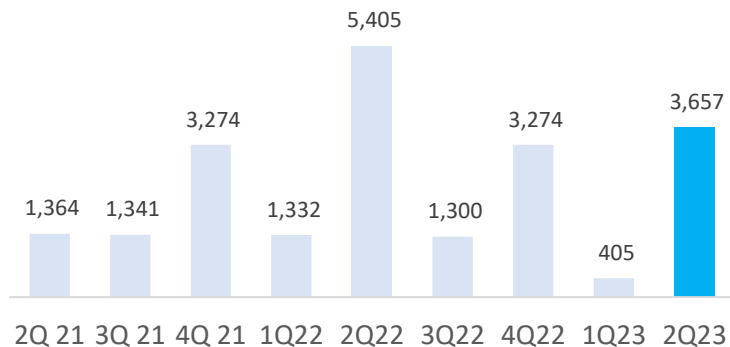
Trading value for shares, rights, units, certificates (RON bn)



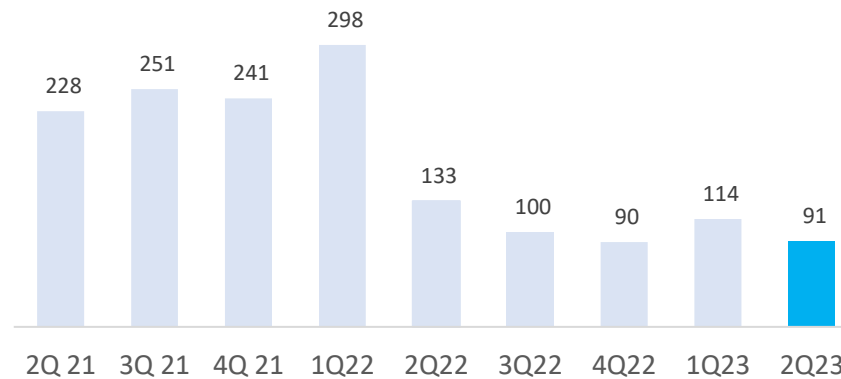
Trading value, fixed-income instruments (RON bn)



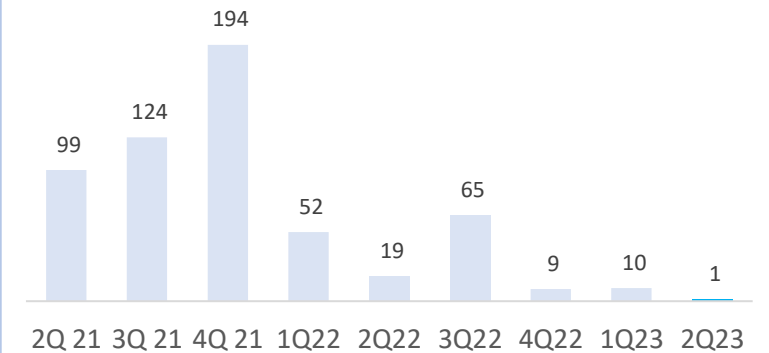
Main market, Trading value - offers All securities (RON bn)



Trading value for Aero market - regular transactions (RON mn)



Trading value for Aero market - public offers (RON mn)



Brief summary

- Hidroelectrica IPO successfully finalized in July. ~20% of H2O sold by Fondul Proprietatea for EUR 1.87bn
- IPO proceeds to be paid out as special dividend to FP shareholders
- Price RON 104 / share vs 94-112 range
- Final allocations
 - Retail 20% - 52,000 orders worth EUR 1.2bn – 3.1x oversubscription
 - Institutional 80% - 50% domestic & 30% foreign – 109 orders receiving allocations out of ~200 bids submitted & more than 1000 investors attending company / analyst meetings
- Fast track inclusion in FTSE EM and MSCI FM in July

Impact

- BVB recorded one-off public offers revenues of 12.5 million RON in July – 48% of H1 consolidated revenues & 96% of standalone H1 revenues
- Equity trading volumes spiked significantly in July
 - Total traded (including offers) - RON 12.2bn – 4.5x H1 2023 volumes
 - Total traded (excluding offers) - RON 2.9bn – 1.1x H1 2023 volumes
 - Total traded (excluding H2O) – RON 1.2bn – 26% of H1 2023 volumes or 1.5x of the average monthly volume traded in H1 2023
- BET Index up 6% in July

Where are we after Hidroelectrica?

Below expectations in terms of number, positive in terms of capital deployed

Doubling the number of retail investor



MSCI EM Inclusion

On track! Early days

Very positive outcome. On track!

Outstanding IPO pipeline to materialize



H20 listing



New foreign accounts to get direct exposure to Romania

Positive feedback. Limited information at the moment

On track!

Significant increase in market liquidity



“Collateral” benefits
Market data, indices representation

On track!

Guidance maintained – Full authorization expected in Q4 2023

- Supplementary documentation to be submitted to the regulator in August
- Local regulator initiated the process for ESMA review

CCP.RO GSM in May approved share capital increase with EUR 800k with contributions from two new shareholders and one existing shareholder.

- Local ownership in the CCP increases further showing strong commitment from local participants in the project while capital base is strengthening
- Once the capital increase is finalized, BVB stake will decrease to 52.4% from 54.7% currently

H1 2023 key financial highlights

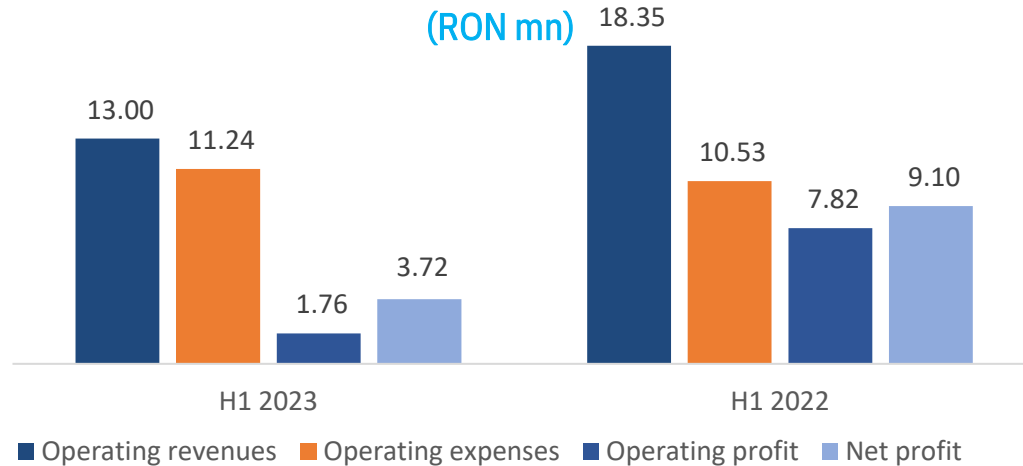
Financial performance, BVB standalone and BVB Group (RON mn, unless otherwise stated)

<i>H1 2023 results</i>	BVB standalone			Group		
	H1 2023	H1 2022	Change (%)	H1 2023	H1 2022	Change (%)
Operating revenue	13.00	18.35	-29%	25.71	30.47	-16%
Operating expenses	<u>(11.24)</u>	<u>(10.53)</u>	<u>7%</u>	<u>(25.55)</u>	<u>(22.26)</u>	<u>15%</u>
Operating profit	1.76	7.82	-77%	0.16	8.21	-98%
<i>Operating margin</i>	<i>14%</i>	<i>43%</i>		<i>1%</i>	<i>27%</i>	
Net financial revenue/(expenses)	<u>2.23</u>	<u>2.53</u>	<u>-12%</u>	<u>3.56</u>	<u>1.96</u>	<u>82%</u>
Profit before tax	<u>4.00</u>	<u>10.35</u>	<u>-61%</u>	<u>3.72</u>	<u>10.17</u>	<u>-63%</u>
Profit for the period	3.72	9.10	-59%	3.35	8.76	-62%
<i>Net margin</i>	<i>29%</i>	<i>50%</i>		<i>13%</i>	<i>29%</i>	
EPS attributable to owners (RON/share)	0.4624	1.1302	-59%	0.4056	1.0600	-62%
<i>Return on equity</i>	<i>3%</i>	<i>8%</i>		<i>2%</i>	<i>6%</i>	

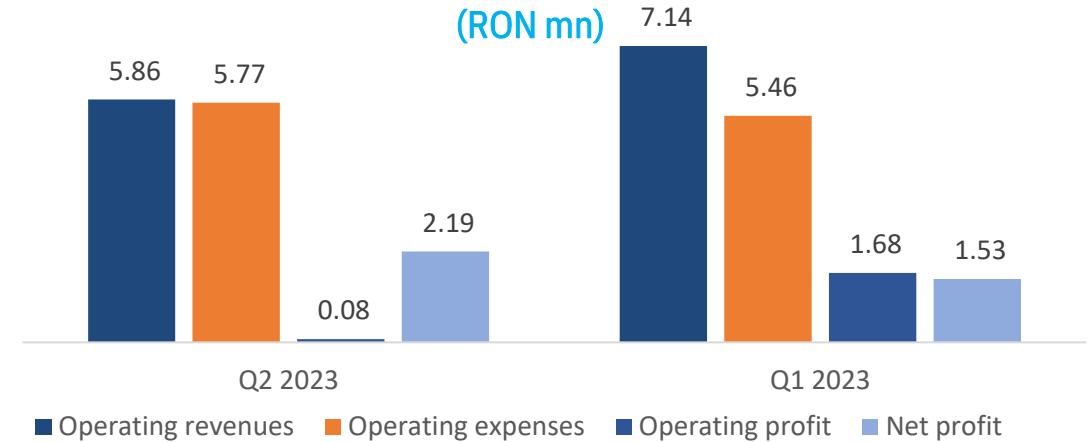
* The financial results for H1 2023 are prepared in accordance with IFRS and are not audited.

Analysis of YTD and quarterly financial results - BVB standalone

BVB standalone
Main financial indicators H1 '23 vs H1 '22
(RON mn)



BVB standalone
Main financial indicators, Q2 '23 vs. Q1 '23
(RON mn)



Operating revenues of RON 13 mn, decrease of 29% y/y, base effect determined by the high volatility and significant volumes traded in Q1 2022 while in H1 2023 market liquidity remained low in expectation of Hidroelectrica IPO.

Decrease in trading revenues was partially compensated by increase in market data revenues (+ 27%) and issuers maintaining fees revenues by 9%.

Operating expenses* of RON 11.24 mn, increase of 7% mainly from the negative impact of inflation increase in the main categories of expenses, but under the 2023 inflation of 10.3%.

Operating profit* of RON 1.76 mn, down from RON 7.8 mn directly influenced by the operating revenues evolution.

Financial result in H1 23 in amount of 2.23 mn, level influenced mainly by the dividends income from Depozitarul Central.

Net profit* of RON 3.72 mn, with a net margin of 29%

Compared to previous quarter, **operating revenues decreased by 18%**, as in Q1 2023 higher public offers were carried out, while the **operating expenses recorded an increase of 6%**, mainly generated by higher marketing and promotion expenses compared to previous quarter, following the campaign "Become an Investor" carried out with the scope of increasing the number of investors, as well as the promotion of BVB ongoing projects, mainly, "Made in Romania".

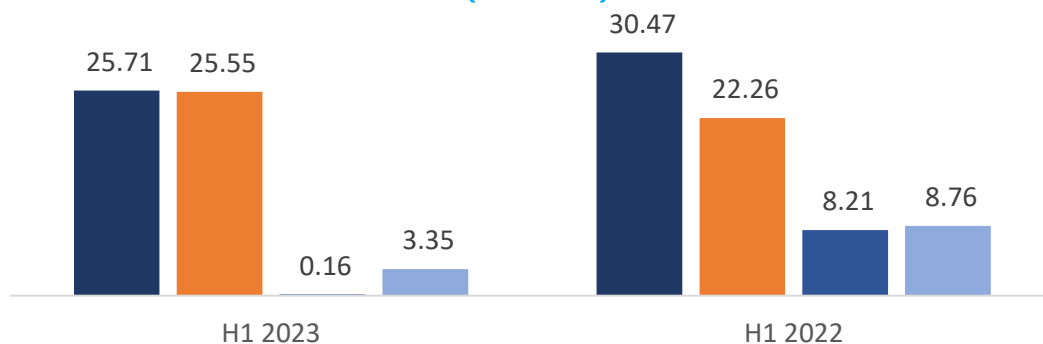
Net profit* increased to RON 2.19 mn, increase from RON 1.53 mn in Q1 '23 influenced by the financial result increase (in Q2 23 was recognized the dividend income from DC)

At the end of Q2, Hidroelectrica started the largest offer that took place in history of BVB and was successfully concluded in July, generating revenues from offers in amount of RON 12.53 mn, which will be included in the financial results of the Q3 2023.

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Analysis of YTD and quarterly financial results - BVB Group

BVB Group
Main financial indicators, H1 '23 vs H1 '22
(RON mn)



■ Operating revenues ■ Operating expenses ■ Operating profit ■ Net profit

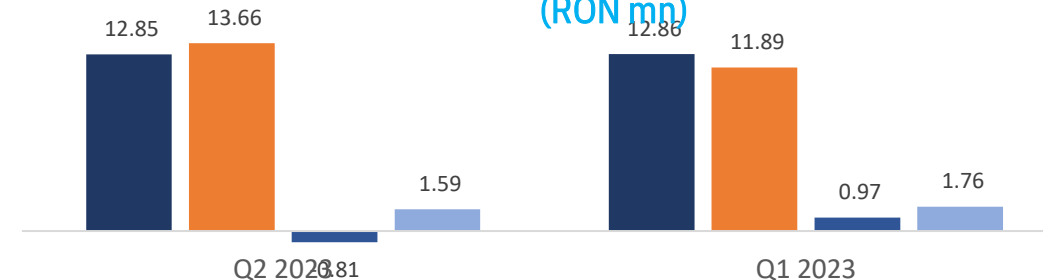
Operating revenues* of RON 25.71 mn, 16% decrease y/y, direct impact from trading segment revenues, while post-trading and registry segments increased by 5%.

Operating expenses* of RON 25.55 mn, + 15% y/y, generated by costs related to the new stage of authorization and implementation of CCP.RO, amplified by the impact of the inflation increase, on all Group's business segments.

Financial result of RON 3.56 mn, increase of 82% y/y based on net interest income following a higher level of interest rates, together with the positive impact from other financial income.

Net profit* RON 3.35 mn, lower level compared to H1 22, influenced by the operating result evolution, with a positive effect from the increase in financial result.

BVB Group
Main financial indicators, Q2 '23 vs. Q1 '23
(RON mn)



■ Operating revenues ■ Operating expenses

Compared to previous quarter, **operating revenues** are at a similar level, of RON 12.8 mn, while the **operating expenses** increased by 15%, due to higher personnel expenses following the annual indexation performed in April 23, but also to the increase in average number of employees in case of CCP.ro, generating an operating loss of RON 811 thousand.

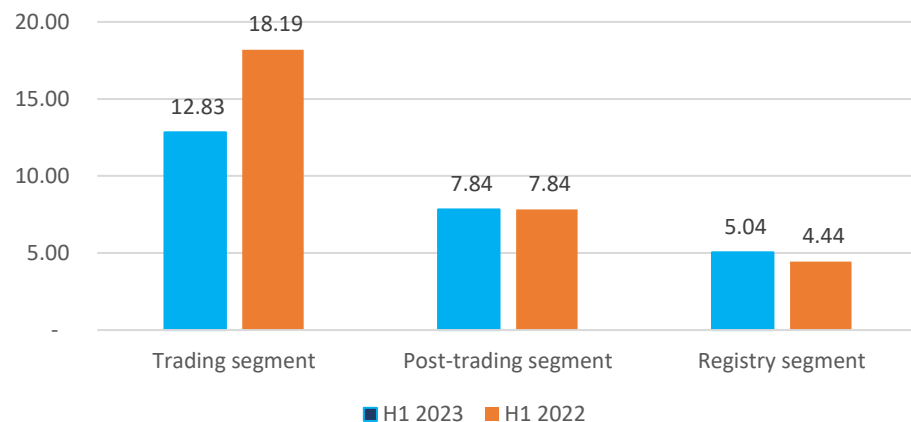
Financial result in Q2 23 increased by 96% up to RON 2.42 mn, positive impact from the interest rates increase and other financial income, due to decrease in ECL provision.

Q2 closed with the consolidated net profit of RON 1.6 mn.

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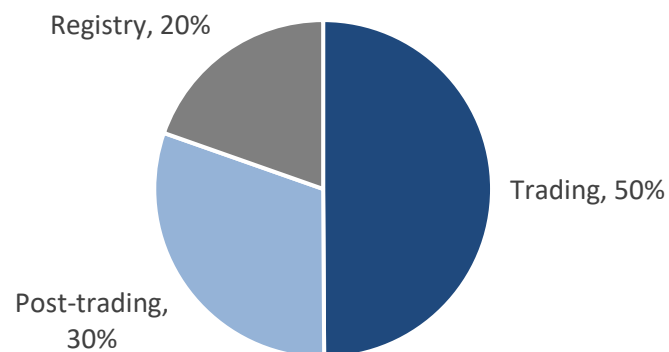
Analysis of the consolidated operating revenues - BVB Group

Revenues by segment H1 '23 vs H1 '22
(RON mn)

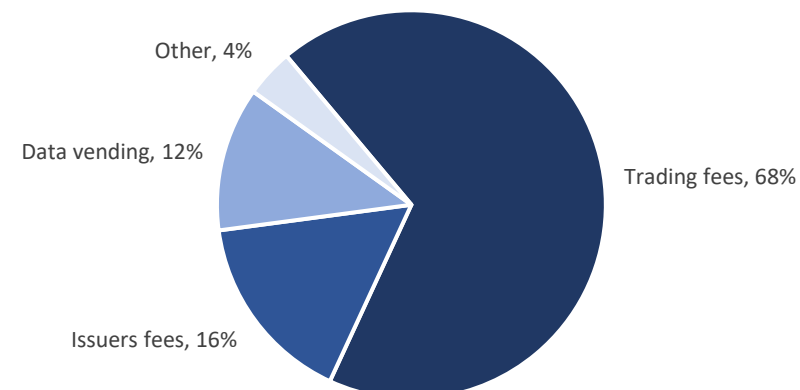


- Trading segment down 29% y/y, base effect from the higher volumes traded in 1Q '22, while in H1 2023 while in S1 2023 traded volumes were at a low level in the context of market expectative for the Hidroelectrica IPO, represents 50% from the consolidated revenues
- Post-trading segment revenues in amount of RON 7.84 mn, recorded a similar level compared to the previous period, representing 30% from the consolidated revenues.
- Registry segment revenues of RON 5.04 mn, up 14% due to the advance of issuers operations revenues, result of tariffs increase, but also of revenues from holders of financial instruments, following higher number of services requested.

Operating revenues BVB Group, H1 2023



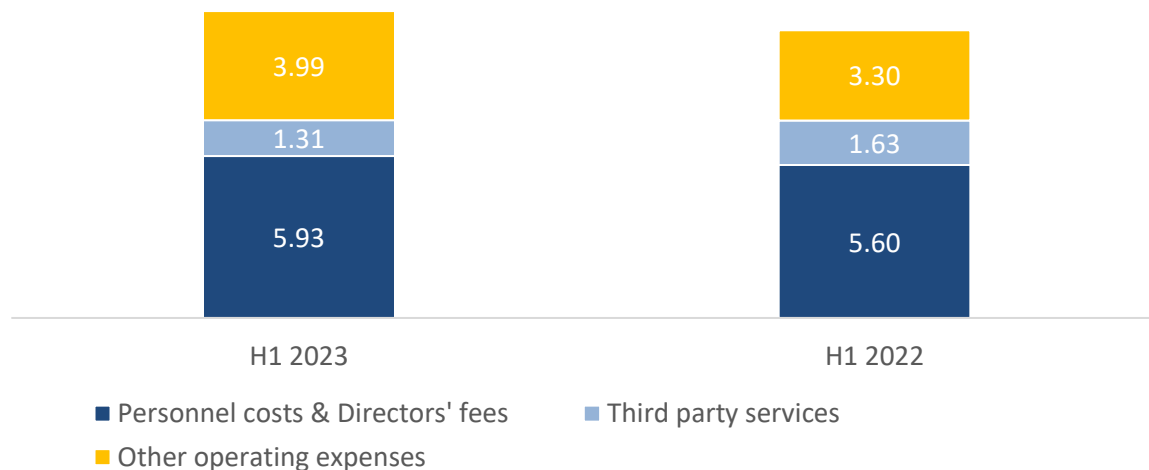
Trading segment revenues in H1 '23 (%)



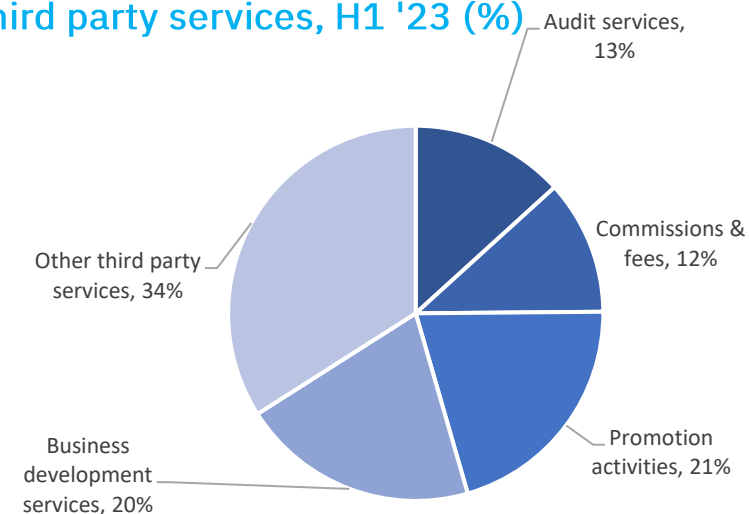
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Analysis of operating expenses – BVB standalone

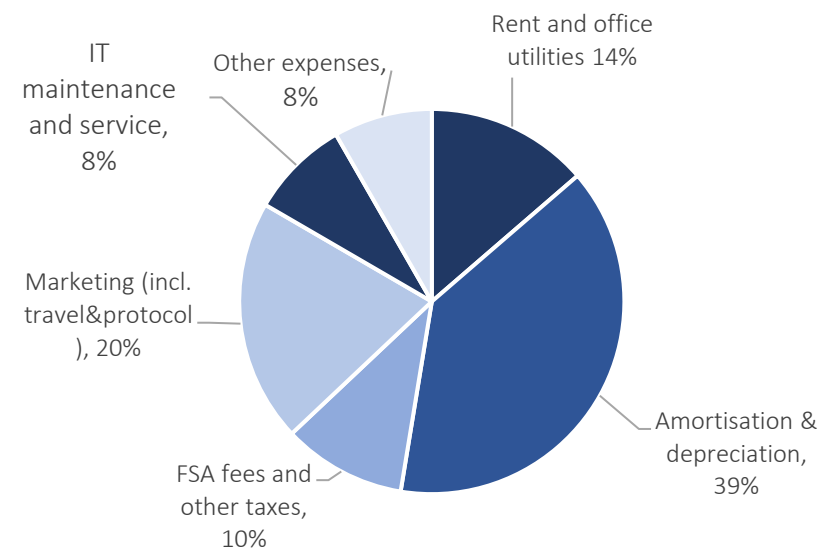
Breakdown of operating expenses,
H1 '23 vs. H1 '22 (RON mn)



Third party services, H1 '23 (%)



Other operating expenses, H1 '23 (%)



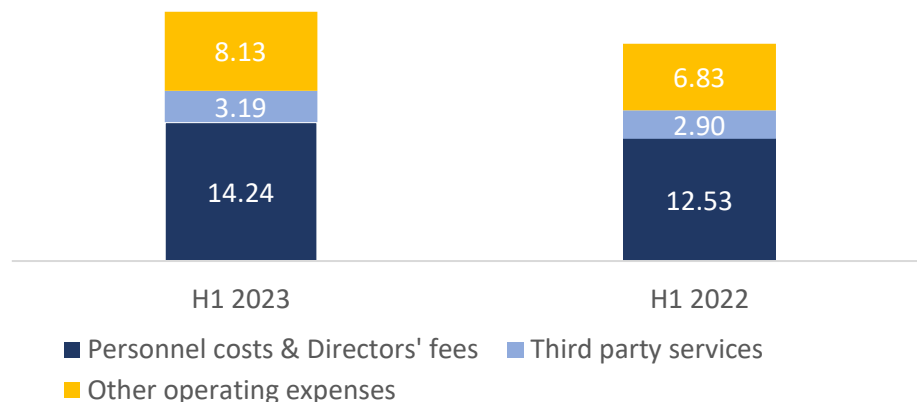
Operating expenses increase of 7% y/y up to RON 11.24 mn, influenced by:

- **Increase in personnel expenses of 6% y/y, up to RON 5.93 mn** following the annual indexation acc. Remuneration Policy applied starting April 2023 while the SOP accruals were at a lower level, in line with the current year result.
- **19% decrease y/y, in third-party services expenses** due to lower consultancy and business development services vs 1Q '22
- **Advance of other operating expenses by 21% y/y up to RON 3.99 mn**, base effect from inflation increase, amplified by the increase in marketing and promotion expenses following the campaigns carried out aimed to promote BVB projects and increase the number of investors, HQ rent annual indexation, higher fixed assets depreciation.

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Analysis of operating expenses – BVB Group

BVB Group
Breakdown of operating expenses,
H1 '23 vs. H1 '22 (RON mn)

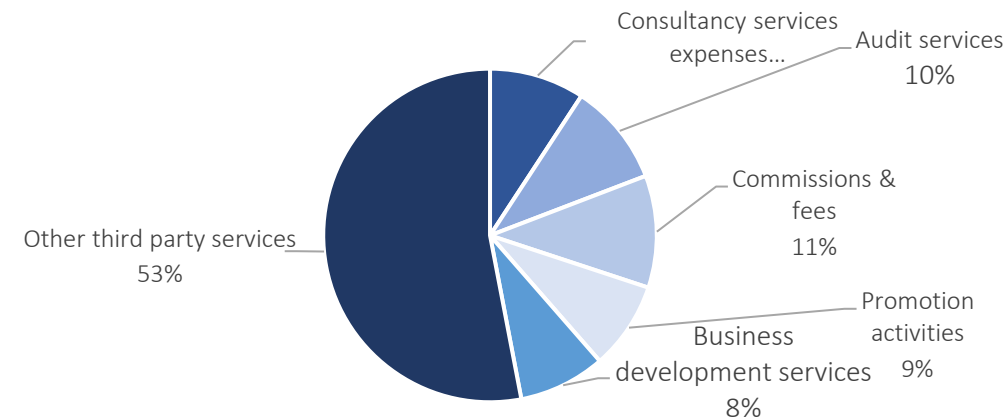


Consolidated operating expenses are up 15% y/y to the value of RON 25.55 mn, influenced by:

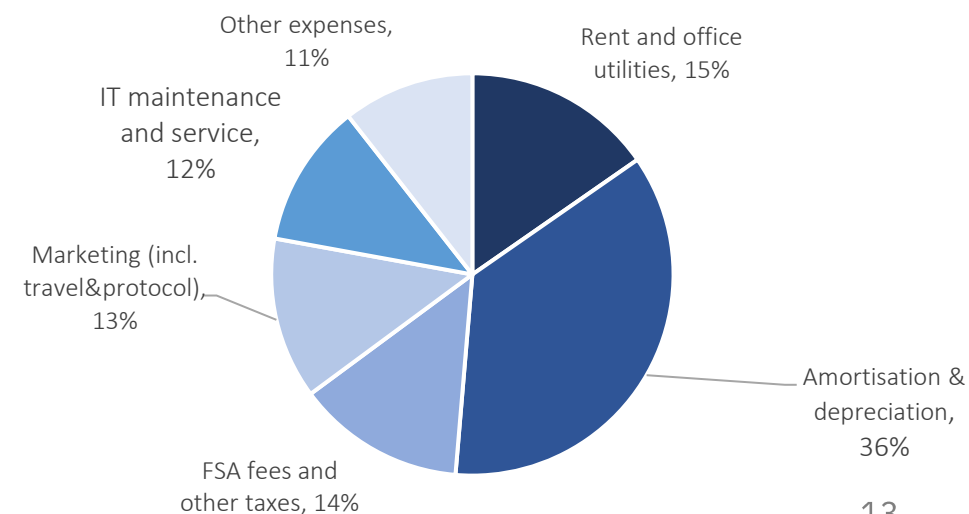
- 14% increase y/y of consolidated personnel expenses up to RON 14.24 mn, generated by the annual indexation acc. to Remuneration Policy performed in April 23 and a higher average number of employees in case of CCPRO.
- 10% increase in third party services expenses up to RON 3.19 mn, mainly result of consultancy services related to the implementation of the Central Counterparty and SWIFT network usage services recorded by CCP.RO.
- 19% increase in other operating expenses up to RON 8.13 mn result of new expenses recorded by CCP. RO related to the authorization and implementation of the Central Counterparty, increase in fixed assets depreciation expenses, IT maintenance, as well as higher administrative expenses (head office rent, utilities), negative impact from the increase in inflation.

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Consolidated third party services, H1 '23 (%)



Consolidated other operating expenses, H1 '23 (%)



Overview of the financial position as of June 30, 2023

Financial position, BVB standalone and BVB Group (RON mn, unless otherwise stated)

	BVB standalone		GROUP	
	June 2023	Dec 2022	June 2023	Dec 2022
Non-current assets	94.97	94.82	72.52	77.54
Current assets	20.84	26.47	119.66	120.47
Total assets	115.81	121.29	192.18	198.01
Shareholders' equity attributable to owners of the Company	105.54	111.94	102.78	109.31
Minority interests	-	-	44.38	44.92
Total liabilities	10.27	9.35	45.02	43.78
Total equity and liabilities	115.81	121.29	192.18	198.01

BVB Standalone

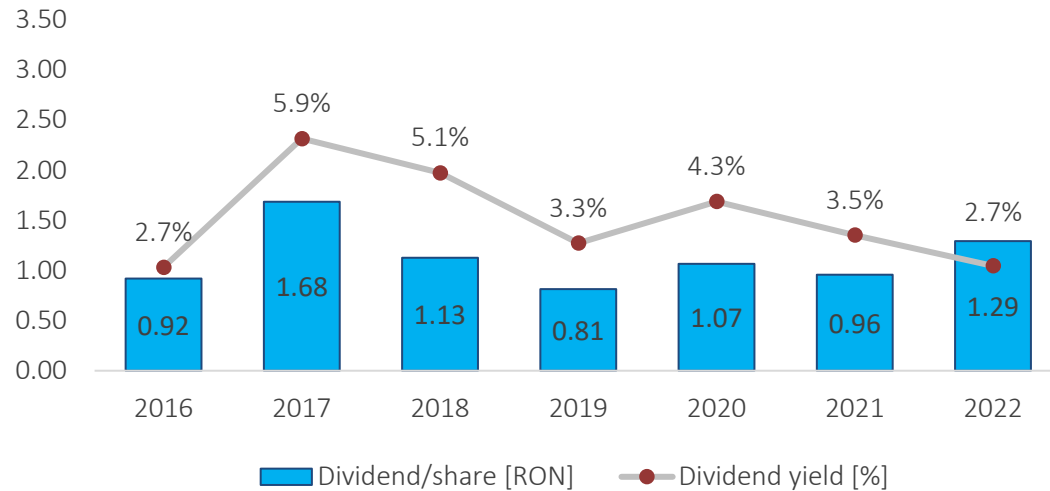
- **Total assets** – down by 5% vs Dec 22 to the value of RON 115.81 mn, mainly influenced by the decrease in cash following dividends payment made in June.
- **Total liabilities** of RON 10.27 mn, 10% increase vs. Dec. '22, generated by deferred income recognized, related to issuers maintaining fees for SMT market invoiced for the entire year 2023.

BVB Group

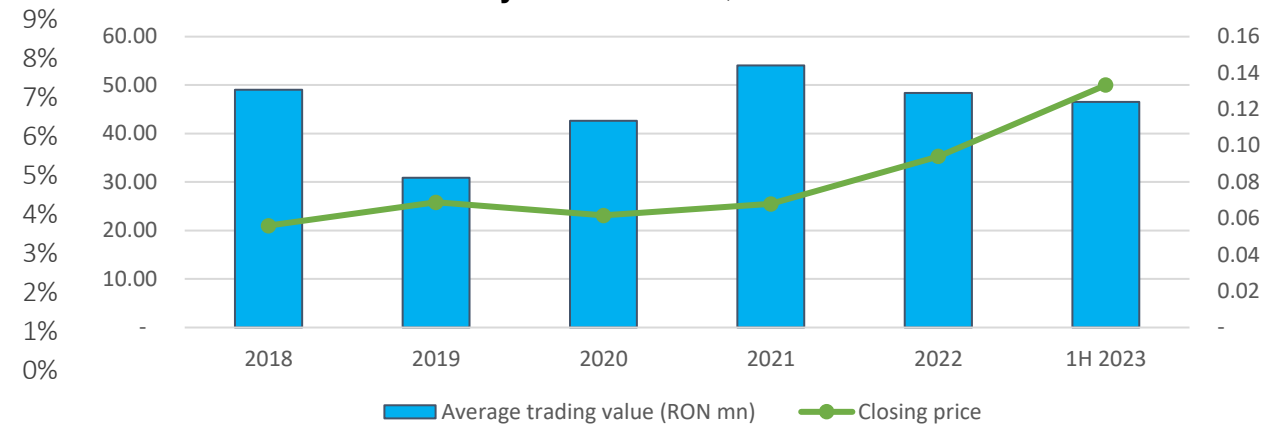
- **Total assets decrease** of 6% vs Dec 22, down to RON 192.18 mn mainly influenced by the decrease in cash from the dividends payment of BVB together with lower balance on receivables, impact from decrease in revenues invoiced in June compared to year end.
- **Total liabilities** of RON 45.02 mn, +3% compared to the beginning of the year, influenced, mainly, by the increase in deferred income from trading segment.
- **Equity of RON 147.16 mn**, -5% compared to Dec. '22, influenced by the distribution of dividends from the 2022 result.

Overview on BVB share

Attractive dividend yield



5 years evolution, BVB share



- In June 2023, BVB paid the dividends distributed from the 2022 profit, in amount of RON 10.40 mn.
- BVB share closes first half of 2023 by reaching a new “all time high” of RON 50 (+79% y/y).
- **Stable dividend policy**, with a payout ratio of 100%, after legal reserves.
- The dividend policy is expected to remain unchanged.

Note: Dividend yields are calculated using the price on the corresponding ex-dates

Consolidated attributable profit and consolidated earnings per share are information that is presented in accordance with the requirements of International Financial Reporting Standards (IFRS) and do not represent the basis for granting BVB dividends.

The proposal for the distribution of BVB's profit in the form of dividends is made from the net profit of the Bucharest Stock Exchange SA (BVB individual) according to the dividend policy published on the BVB website, in the “Investor Relations” section

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Thank you

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