

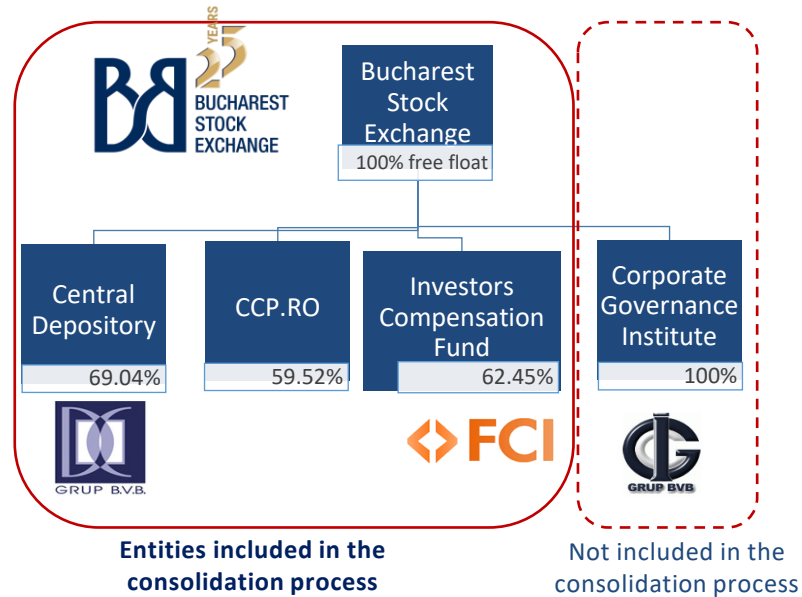


Preliminary results presentation FY 2020

February 24, 2021

PARTNERS FOR THE FUTURE

BVB Group and the operated markets



Segments within BVB Group:

- **Trading segment** – Bucharest Stock Exchange
- **Post-trading segment** - Clearing & settlement services of the Central Depository
- **Registry segment** – Registry activities of the Central Depository
- **Other services** – Activities of the Investors Compensation Fund and CCP.RO Bucharest

Markets operated by BVB



Main Market

Listed companies:
81 domestic and 3 foreign

Domestic market cap:
EUR 22.8 bn

Total market cap:
EUR 34.5 bn

Instruments:
shares, rights, corporate and municipal bonds, government securities, structured products, fund units, tradable UCITS (ETFs), warrants



ATS

Listed companies:
279 domestic and 2 foreign

Total market cap:
EUR 2.1 bn

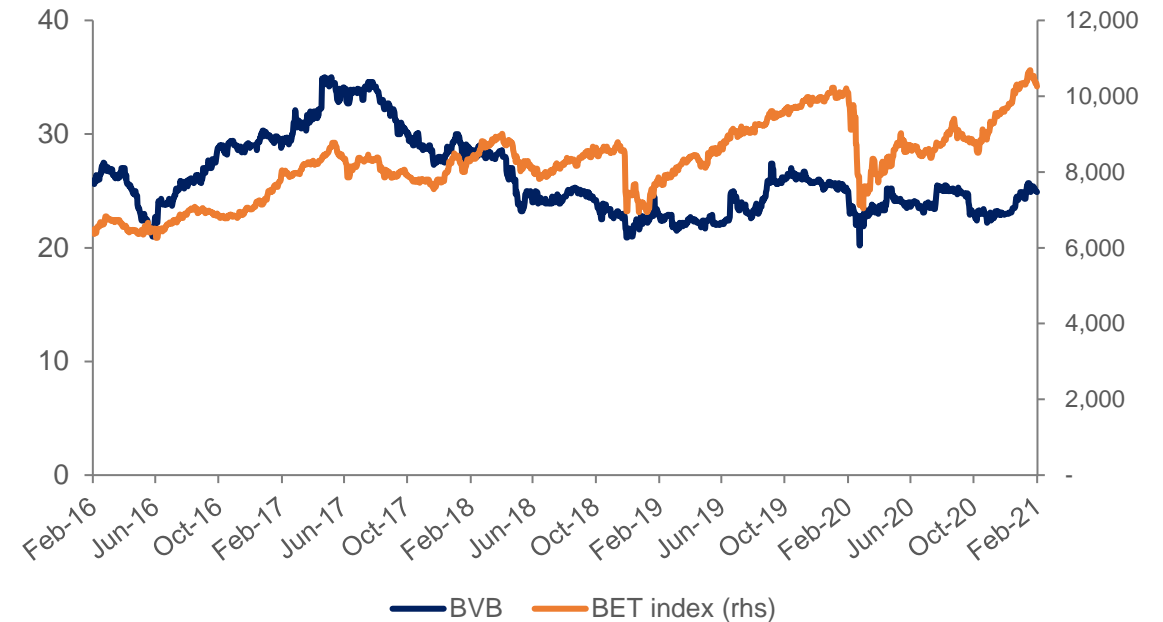
Instruments:
shares, rights, bonds

Bucharest Stock Exchange (BVB)



Indicator	BVB
ISIN	ROBVBAACNORO
Refinitiv	ROBVB.BX
Bloomberg	BVB.RO
Share price (Feb 23, 2021)	EUR 5.1 / RON 25
Market Cap (Feb 23, 2021)	EUR 41.2 mn/ RON 201 mn
No. of outstanding shares	8,049,246
ADT 12TM	RON 0.15 mn
P/E (price as of Feb 2020, 12TM EPS)	32x*
P/BV (price as of February 2020)	1.8x*
Dividend Yield	3.3%
52 wk Low - High	19.00 – 26.70
Turnover velocity (12 TM)	20%

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 Transilvania, NN Group N.V., Aegon Pensions



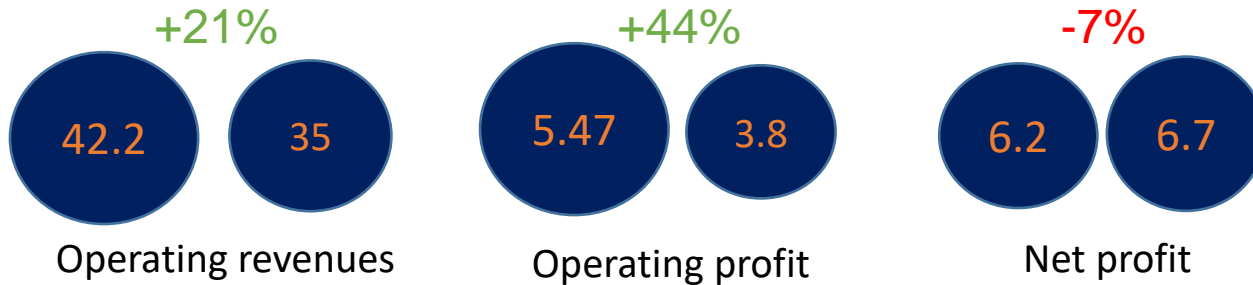
Shareholding structure as of January 2021:

- Romanian institutional investors – 73.94%
- Foreign institutional investors – 2.48%
- Romanian private investors – 20.96%
- Foreign private investors – 1.94%
- Bucharest Stock Exchange – 0.68%

Highlights – FY20 / 4Q20 preliminary report



FY20 vs FY19 (RON mn)

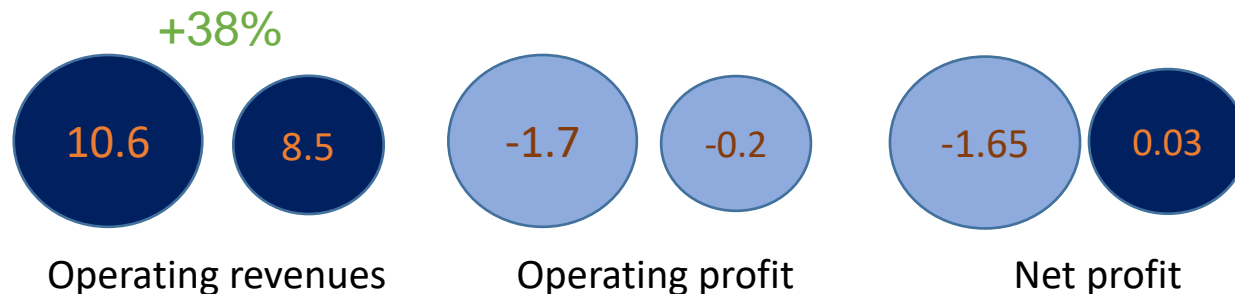


Rise in operating revenues generated by record trading volumes. +54% increase in overall volumes up to RON 18.3bn / EUR 3.77bn 20% above 2007 record and 75% rise in trading revenues

Bottom line impacted by CCP losses and 55% decrease in group financial revenues and higher personnel expenses

Individual BVB net profit 9.12mn RON up 31% y/y – relevant for dividends

4Q20 vs 4Q19 (RON mn)

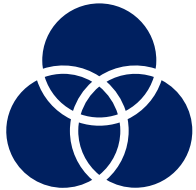


Q4 trading activity inline with the rest of the year

Implementation phase of the CCP project officially started in October 2020: rise in personnel expenses (partial one-offs) and third-party expenses, mainly the CC&G consulting contract

RON 0.66mn provision on the Govt bonds holdings based on IFRS9 requirements

CCP.RO



- FY20 operational expenses of RON 4mn out of which 2.3mn registered in Q4 after the start of the implementation phase in October
- Broadly similar level of expenses forecasted for the entire implementation phase of the project

Targets and guidance unchanged

- Q3 2021 - submission of the authorization documentation
- H2 2022 – start of revenue generating operations (RON 15mn cash-burn expected until then)

Financial results



- FY20 net financial results down 55% y/y to 1.89 due to
 - High base effect due to one-off gains in 2019 (0.5mn)
 - Unrealized forex losses 0.35mn RON vs 1.02mn profit in 2019
 - Non-cash provisions on Govt bonds holdings due to CDS increase (0.66mn)

SOP



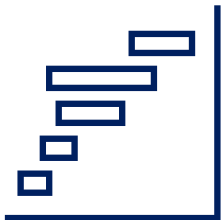
- Operational profit impacted by estimated expenses for SOP, registered in December 2020

Emerging Markets



- FTSE Secondary Emerging Market Status effective, as of September 2020.
- No additional companies included in the main indices at the Feb revision.
- Bittnet Systems included in the FTSE Micro Cap universe, next to Teraplast, as of March 2021.

Volumes



- **54%** overall increase in trading volumes 2020 trading volumes
 - **16%** rise in shares secondary trading and 5.2x increase in shares public offers
 - **346%** increase in certificates trading
 - **164%** increase in bonds, mainly driven by Fidelis government bonds issuance program
- Jan-Feb volumes **stable** vs 2020 averages
- Higher retail participation, **+20% y/y**

Retail



- The number of retail investors reached **65,000** according to the latest FCI report.

Primary markets activity



More than 1bn EUR raised in 2020 via Bucharest Stock Exchange listed instruments. Volumes dominated by the Government Bonds program (Fidelis) expected to continue in 2021. 15 private companies also active in the primary markets in 2020, mainly on the alternative market Aero.



Current Government very supportive of SOE IPOs & SPOs. Reversal of the law forbidding state assets sales expected to reach the Parliament in the coming weeks.



Strong momentum for Aero market listings supported by retail investments and strong price performance for recently listed small-caps.



Listed in Feb 2020. Raised **7.1mn RON**. **+685%** since listing



Listed in Oct 2020. Raised **12mn RON**. **+80%** since listing



Listed in Dec 2020. Technical listing. **+42%** since listing



Listed in Jan 2021. Raised **8.46mn RON**. **+88%** since listing



Listed in Jan 2021. Raised **2.5mn RON**. **+800%** since listing

Other projects



Digitalization



Collaboration with Aurachain to provide KYC services at Central Depository and online GSM voting using blockchain technology

BVB Research



New website dedicated for research on Romanian companies, including the reports issued under BVB's sponsored research initiative

ESG



Ongoing collaboration with Sustainalytics providing ESG coverage for Romanian issuers. ESG education initiatives and potential ESG weighted index in 2022

Made in Romania



Launching the Made in Romania platform aiming to connect local entrepreneurs with consultants and investors and showcasing the best growth stories

Key financial highlights - consolidated



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

	12M 2020	12M 2019	Change (%)	4Q 2020	4Q 2019	Change (%)
Operating revenues	42.24	34.96	21%	10.61	8.51	25%
Operating expenses	<u>(36.76)</u>	<u>(31.16)</u>	18%	<u>(12.32)</u>	<u>(8.73)</u>	41%
Operating profit	5.47	3.80	44%	(1.71)	(0.22)	679%
<i>Operating margin</i>	<i>13%</i>	<i>11%</i>		<i>-16%</i>	<i>-3%</i>	
Net financial revenue/(expenses)	1.89	4.19	-55%	(0.33)	0.26	-230%
Profit before tax	<u>7.36</u>	<u>8.05</u>	-9%	<u>(2.05)</u>	<u>0.04</u>	-5.605%
Profit for the period	6.26	6.72	-7%	(1.65)	0.03	-6.134%
<i>Net margin</i>	<i>15%</i>	<i>19%</i>		<i>-16%</i>	<i>0%</i>	
EPS attributable to owners (RON/share)	0.8805	0.7959	11%	(0.1062)	0.0114	-1.030%
<i>Return on equity</i>	<i>4%</i>	<i>4%</i>		<i>-1%</i>	<i>0%</i>	

* The financial results for 9M 2020 are prepared in accordance with IFRS and are not audited.

Key financial highlights – BVB individual



Financial performance of BVB standalone, before consolidation (RON mn, unless otherwise stated)

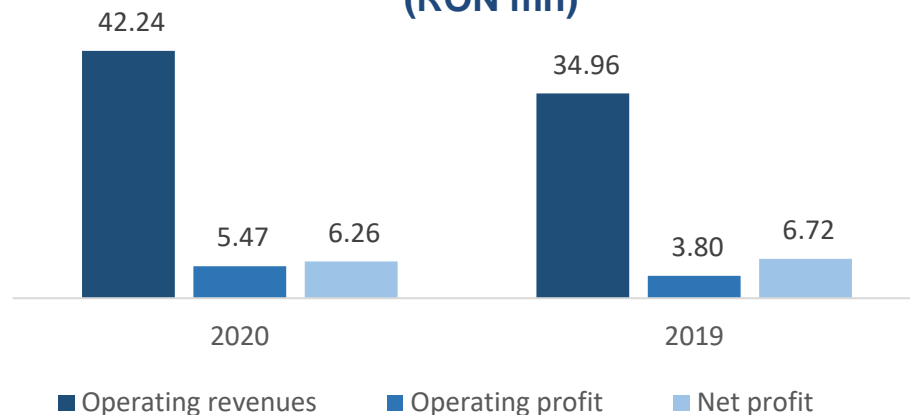
	12M 2020	12M 2019	Change (%)	4Q 2020	4Q 2019	Change (%)
Operating revenues	26.66	19.68	35%	6.35	4.44	43%
Operating expenses	<u>(17.71)</u>	<u>(16.62)</u>	7%	<u>(5.71)</u>	<u>(4.62)</u>	24%
Operating profit	8.95	3.06	192%	0.64	(0.18)	-456%
<i>Operating margin</i>	<i>34%</i>	<i>15%</i>		<i>10%</i>	<i>-5%</i>	
Net financial revenue/(expenses)	1.62	4.95	-67%	(0.22)	0.32	-169%
Profit before tax	<u>10.57</u>	<u>8.07</u>	31%	<u>0.42</u>	<u>0.14</u>	200%
Profit for the period	9.12	6.96	31%	0.35	0.14	144%
<i>Net margin</i>	<i>34%</i>	<i>36%</i>		<i>6%</i>	<i>4%</i>	
<i>Return on equity</i>	<i>8%</i>	<i>7%</i>		<i>0%</i>	<i>0%</i>	

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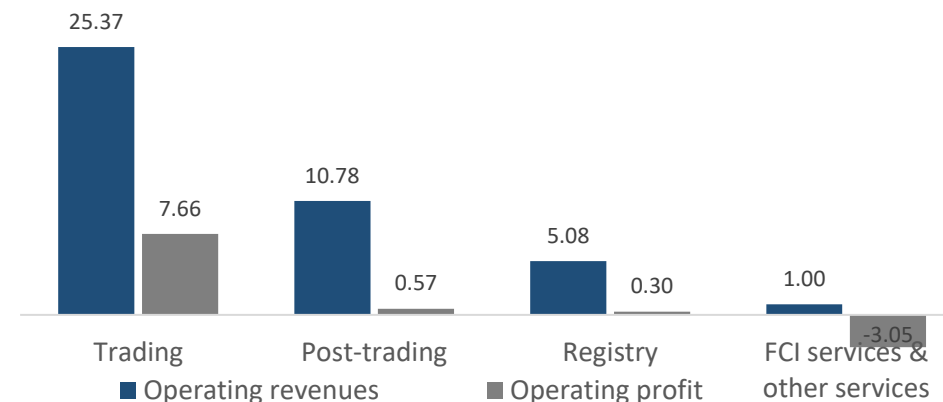
Analysis of the consolidated results for 12M 2020



**Main financial indicators
12M 2020 vs. 12M 2019
(RON mn)**



**Distribution of operating revenues and
result, by segment, 12M 2020 (RON mn)**



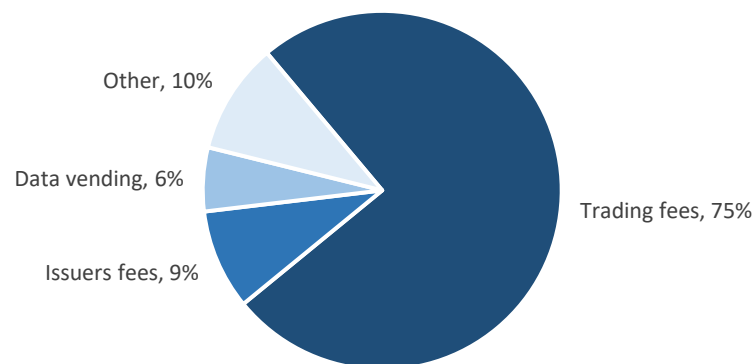
* The financial results for 12M 2020 are prepared in accordance with IFRS and are not audited.

- **The consolidated operating revenues** of the BVB Group - 12M 2020, were RON 42.24 mn, +21% or RON +7.28 mn compared to previous period (12L 2019: RON 34.96 mn), increase influenced by all business segments of the Group.
- **The consolidated operating expenses** of the BVB Group - 12M2020, + 18%, respectively RON 5.6 mn, from RON 31.16 mn to RON 36.76 mn, mainly as a result of the advance of personnel expenses by RON 3.31 mn, following the personnel expenses of RON 1.21mn of the new subsidiary CCP.RO and the application of the Remuneration Policy at the level of the BVB Group. Also, there is an increase of third parties services by RON 1.94 mn, mainly consulting expenses related to the authorization process of CCP.RO, as well as other operational expenses by RON 0.35 mn, additional expenses incurred in the current pandemic context, both in the IT area as well as in the area of preventing the spread of the SARS COV2 virus
- **The consolidated operating profit** of the BVB Group - 12M 2020, + 44%, from RON 3.8 mn to RON 5.47 mn, as a result of the advance of operating revenues by 21% while the advance of operating expenses was 18%
- **Net financial income**, 12M 2020, -55%, decrease from RON 4.19 mn to RON 1.88 mn, mainly as a result of a loss from unrealized exchange rate differences from the revaluation of financial instruments in foreign currency , loss of RON 0.35 mn vs. a profit of RON 1.02 mn in 12L 2019, and of the increase of the estimates for anticipated credit losses according to IFRS 9, on the background of the increase of the CSD (Credit Default Swap) 12M for Romania, with an impact of RON 0.66 mn.
- **The consolidated net profit** of the BVB Group - 12M 2020, -7%, from RON 6.72 mn to RON 6.26 mn, being generated mainly by the trading segment of the Group

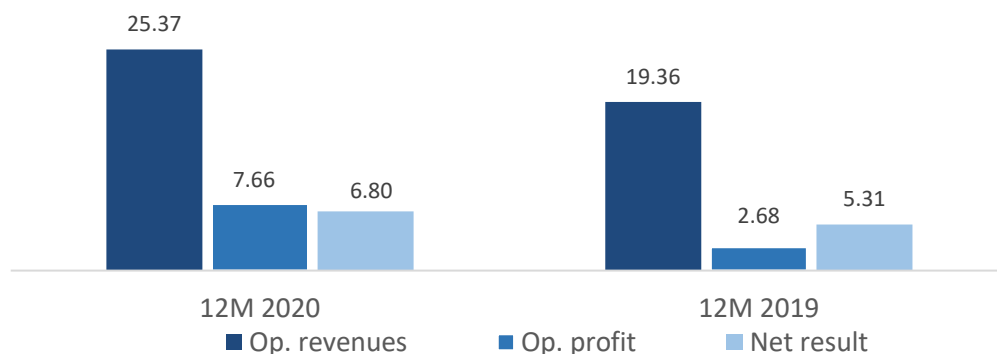
Analysis of the Group trading segment revenues (1/2)



Breakdown of the Group trading segment revenues in 12M 2020 (%)



Operating revenues and profit, Group trading segment (RON mn)



Trading segment revenues

- The **trading segment revenues** - BVB, 12M 2020 increased by 31%, + RON 6.01 mn (from RON 19.36 mn to RON 25.37 mn) mainly due to the advance of revenues related to trading on the market main actions both regular transactions and offers
- Trading activity at BVB on the stock market – 12M 2020, +26%, reaching the level of RON 12.58 bn, transactions with “regular” shares advancing by 16% compared to 12M 2019, up to RON 10.85 bn, while the “offers” shares transactions (secondary public offers) increased more than 4 times from RON 302 mn lei to RON 1.4 bn
- The market of fixed income instruments (bonds and government securities) – 12M 2020, increased 160%, from RON 1.89 bn to RON 4.9 bn influenced by the listing of government securities for retail investors
- The structured products market increased more than 4 times, compared to 12M 2020, from RON 186 mn to RON 828 mn

Trends in trading activity

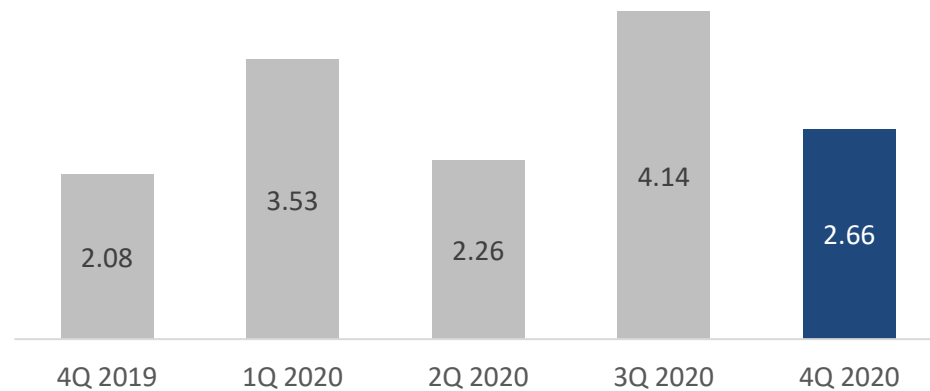
- At the end of December 2020, the market value of all the companies listed on the Main Market of BVB reached RON 154.37 bn, the equivalent of EUR 31.67 bn

* The financial indicators for 12M 2020 are prepared in accordance with IFRS and are not audited.

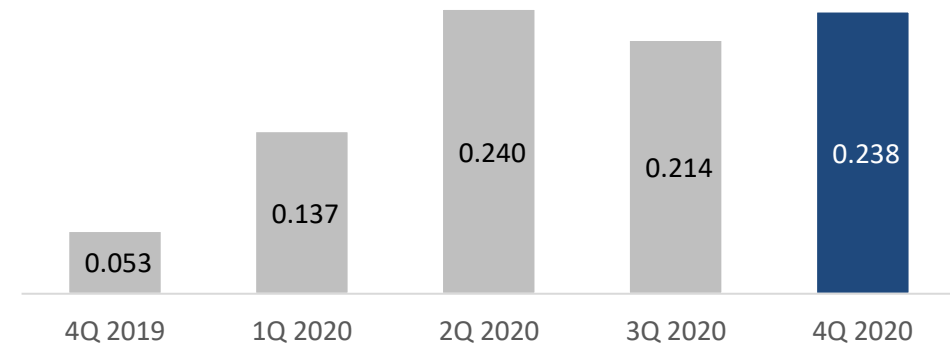
Analysis of the Group trading segment revenues (2/2)



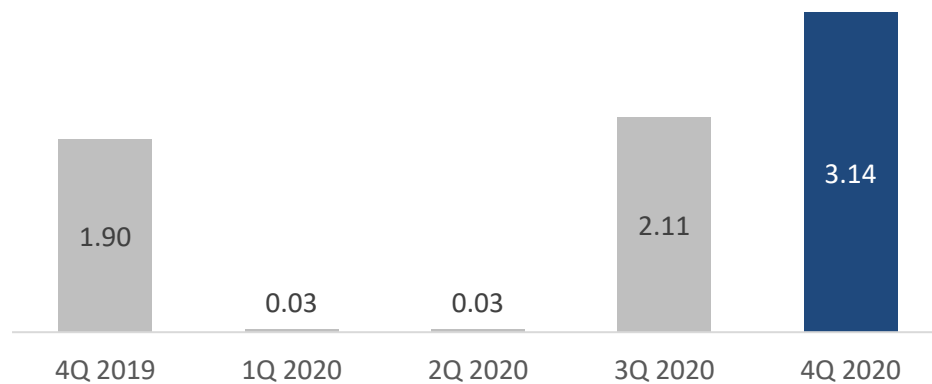
Trading value for shares, rights and units (RON bn)



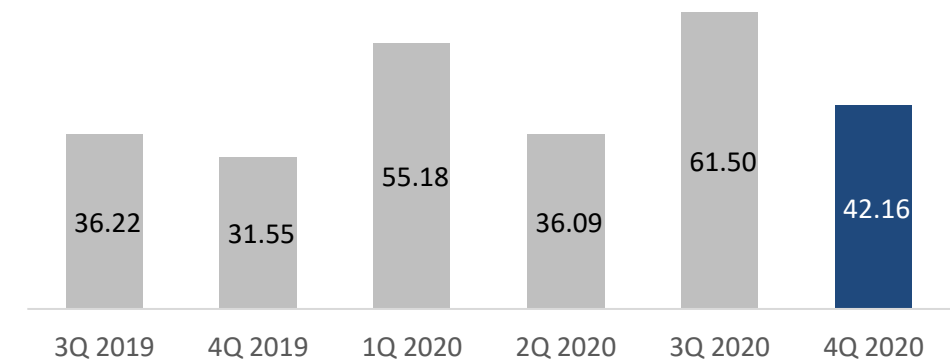
Trading value for certificates (RON bn)



Trading value, fixed-income instruments (RON bn)



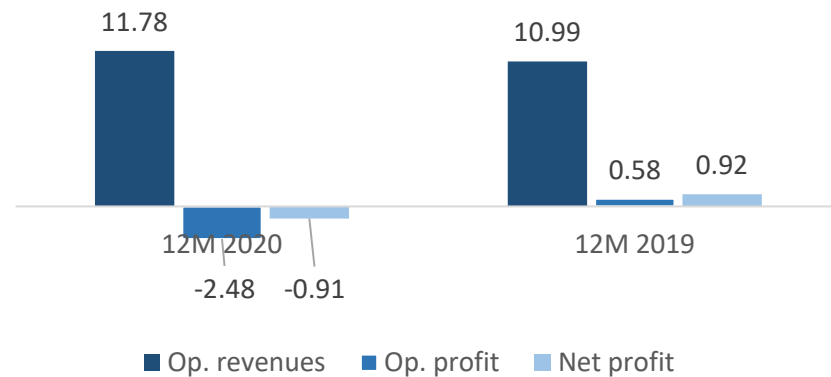
Average trading value, shares - regulated market (RON mn/day)



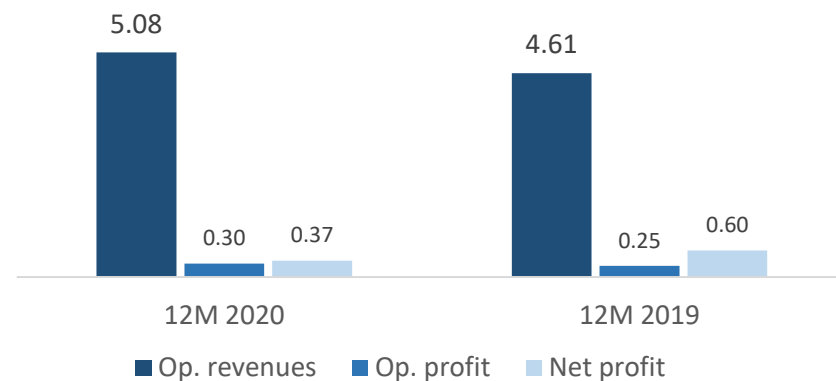
Analysis of the Group post-trading and registry segment revenues



Operating revenues and profit, Group post-trading segment (RON mn)



Operating revenues and profit, Group registry segment (RON mn)



Post-trading segment revenues

- The revenues related to the **post-trading segment** (DC) - 12M 2020, +7% (from RON 10.04 mn to RON 10.79 mn) as a result of the increase in revenues from maintaining the status of custodian in the DC system but also higher settlement revenues, influenced by the increase in the values traded at BVB
- **Investor Compensation Fund (FCI)** revenues, included in post trading segment, increased by 37% in 2020 compared to the previous year, from RON 0.73 mn at RON 1 mn as a result of the increase in contributions received.

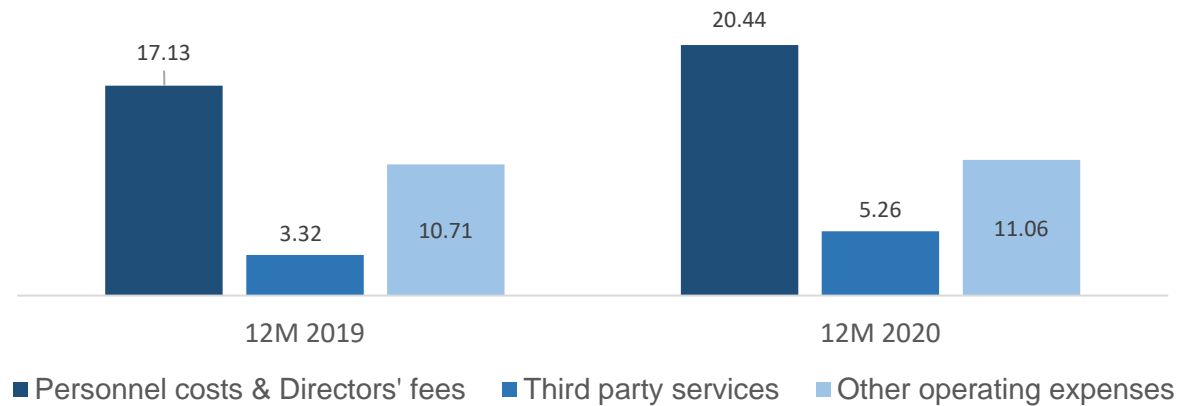
Registry segment revenues

- The revenues related to the **registry segment** (DC) - 12M 2020, increased by 9%, from RON 4.66 mn at RON 5.06 mn, mainly due to the registration of one-off income

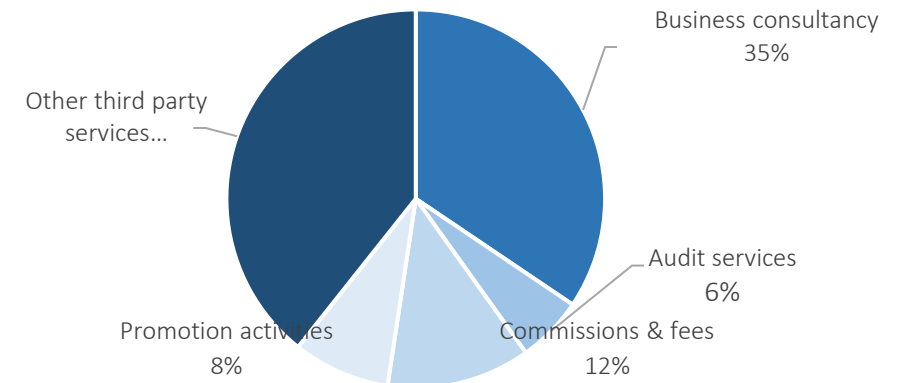
Analysis of operating expenses for BVB Group



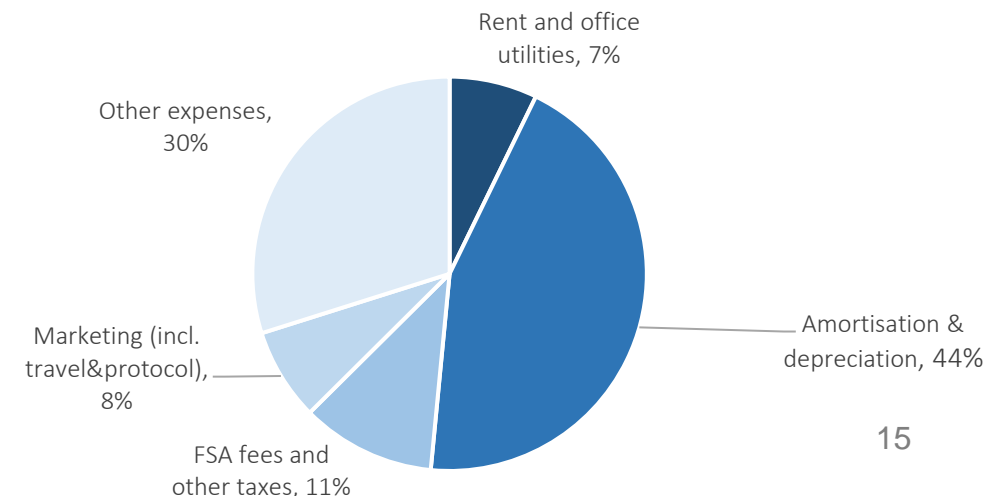
Breakdown of operating expenses
12M 2020 vs. 12M 2019 (RON mn)



Third party services, 12M 2020 (%)



Other operating expenses, 12M 2020 (%)



- **The consolidated operating expenses** of the BVB Group – 12M 2020, advanced by 18%, from RON 31.16 mn to RON 36.76 mn
- Consolidated **personnel expenses** - 12M 2020, increase by 19% or RON 3.31 mn, due to the registration of RON 1.21 mn personnel expenses of the new subsidiary CCP.RO, and the advance of salary expenses, following the application of the Remuneration Policy at the level of the BVB Group.
- Consolidated **Third party expenses** - 12M 2020, +58%, from RON 3.32 mn to RON 5.26 mn, mainly due to the increase in the consultancy expenses related to the CCP Project in the process of authorizing of the Central Counterparty
- The category of consolidated **other operating expenses** 12M 2020, +3%, from RON 10.71 mn at 11.06 mn, mainly influenced by the advance of expenditure on IT maintenance services, based on the increased requirements for the provision of a technical infrastructure according to the regulations in force, as well as additional expenses incurred in the current pandemic context, both in the IT area and in the prevention of the spread of the SARS COV2 virus.

Overview of the consolidated financial position

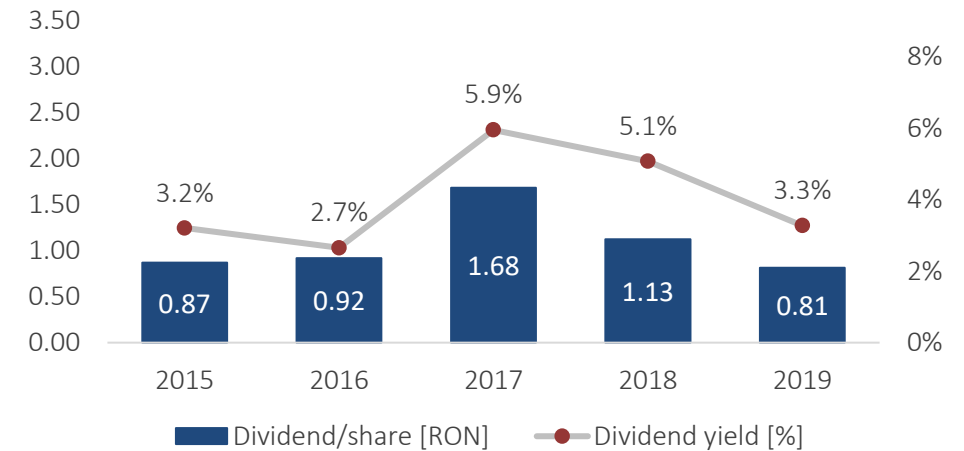


Consolidated financial position (RON mn)

	Dec 2020	Dec 2019
Non-current assets	82.38	66.1
Current assets	129.07	151.5
Total assets	211.45	217.6
Shareholders' equity attributable to owners of the Company	108.04	107.8
Minority interest	40.82	42.1
Total liabilities	62.6	67.7
Total equity and liabilities	211.45	217.6

- At the end of December 2020, **total assets** of BVB Group decreased by 3% or RON 6.18 mn vs. the value from December 31, 2019, up to RON 211.45 mn influenced by the decrease in current assets by a higher level of the increase in fixed assets
- **Non-current assets**, +25% compared to the beginning of the year, from RON 66.12 mn RON 82.38 mn, mainly due to the acquisition of government securities, thus reducing cash
- **Current assets** -15% compared to the beginning of the year, from RON 151.51 mn up to RON 129.06 mn, mainly due to the acquisition of government securities with maturities of more than 1 year
- **Total liabilities** of the Group are mainly short-term, with a total of ron 62.6 mn as of 31 December 2020, lower by 8% compared to the 31 December 2019 value of RON 67.70 mn , mainly as a result of the reduction of commercial and other debts, mainly the balance of payment dividends held on behalf of customers by the Central Depository
- **Shareholder's equity**, in amount of RON 148.85 mn, close to the value from the beginning of the year, influenced by the recording of a net current result comparable to the value of dividends distributed from the carried-over result for 2019 and the increase of the legal reserve by RON 0.58 mn.

Attractive dividend yield



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

- **Stable dividend policy**, with a payout ratio of 100%, after legal reserves.
- The dividend policy is expected to remain unchanged.



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