



BVB 1H22

Half Year Results

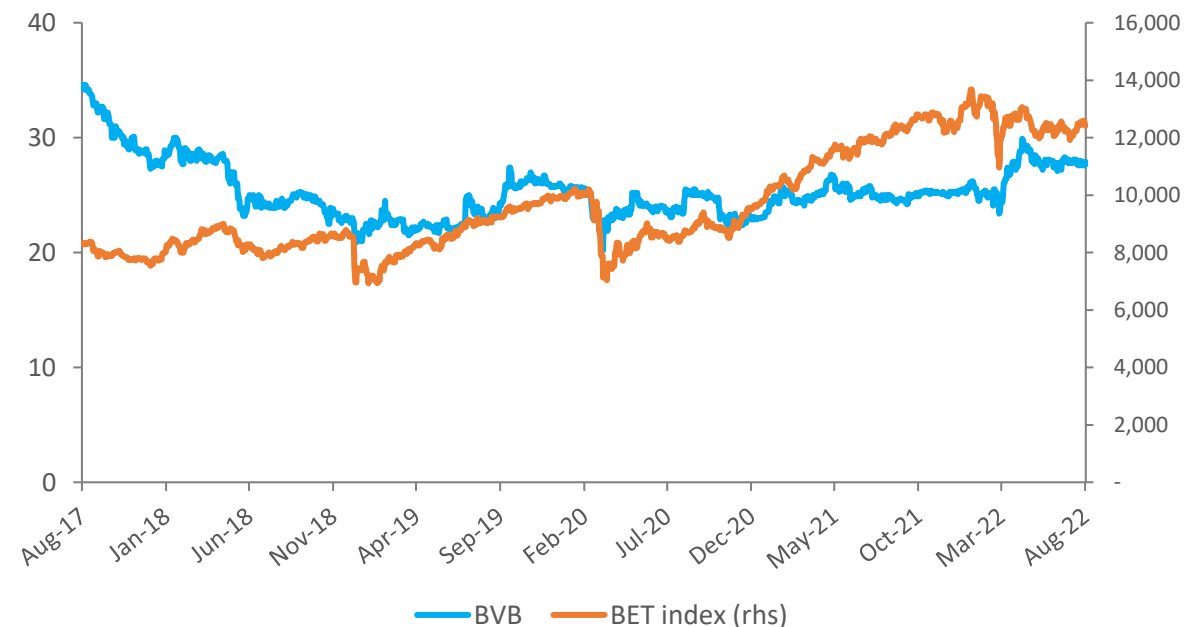
Own the future. Invest in it.



Bucharest Stock Exchange (BVB) Stock

Indicator	BVB
ISIN	ROBVBAACNORO
Refinitiv	ROBVB.BX
Bloomberg	BVB.RO
Share price (June 30, 2022)	EUR 5.65 / RON 28
Market Cap (June 30, 2022)	EUR 45.6 mn/ RON 225 mn
No. of outstanding shares	8,049,246
ADT 12TM	RON 0.15 mn
P/E (price as of June 2022, 12TM EPS)	19x
P/BV (price as of Mar 2022)	2.1x
Dividend Yield	3.5%
52 wk Low - High	22.70 – 29.90
Turnover velocity (12 TM)	16%

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

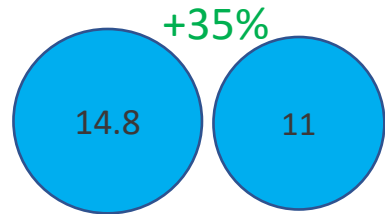


Shareholding structure as of June 2022:
 Romanian institutional investors – 79,14%
 Foreign institutional investors – 0.68%
 Romanian private investors – 18.02%
 Foreign private investors – 1.66%
 Bucharest Stock Exchange – 0.50%

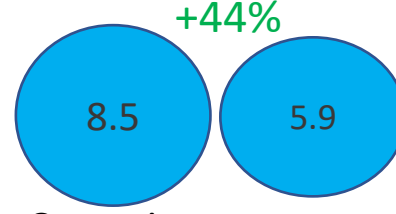
Highlights – Q2 Financials

Consolidated Q2 22 vs Q2 21 (RON mn)

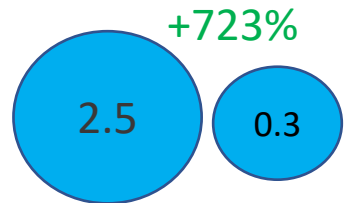
Standalone Q2 22 vs Q2 21 (RON mn)



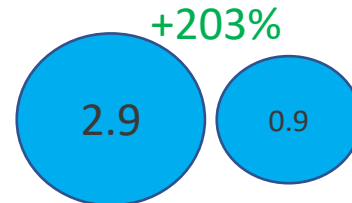
Operating revenues



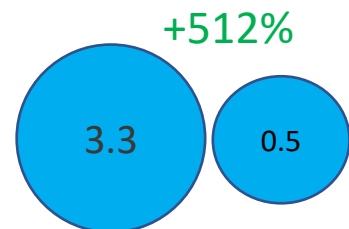
Operating revenues



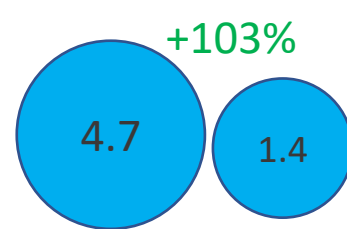
Operating profit



Operating profit



Net profit



Net profit

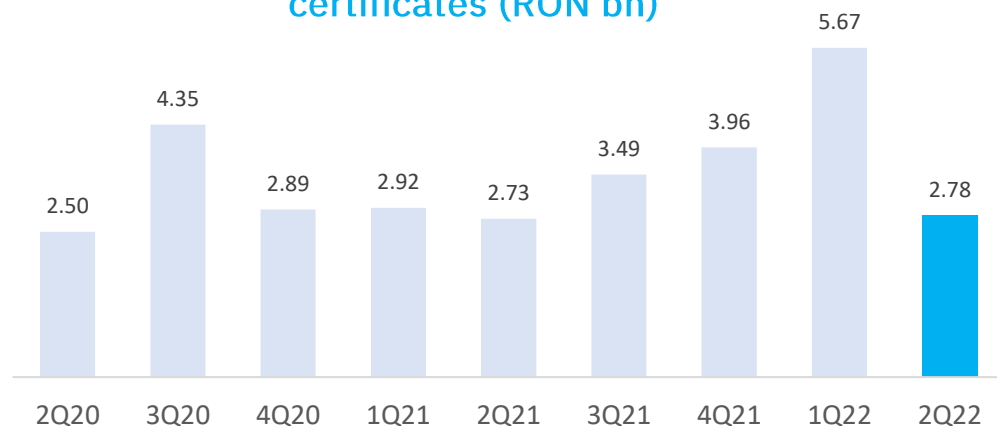
+ Strong top line performance driven by trading revenues / public offers and healthy growth of non-trading revenues (market data, issuer fees) as well as post-trading operations

+ Significant positive evolution of net financial revenues (+165% at group level) driven by unrealized fx gains & higher interest rates

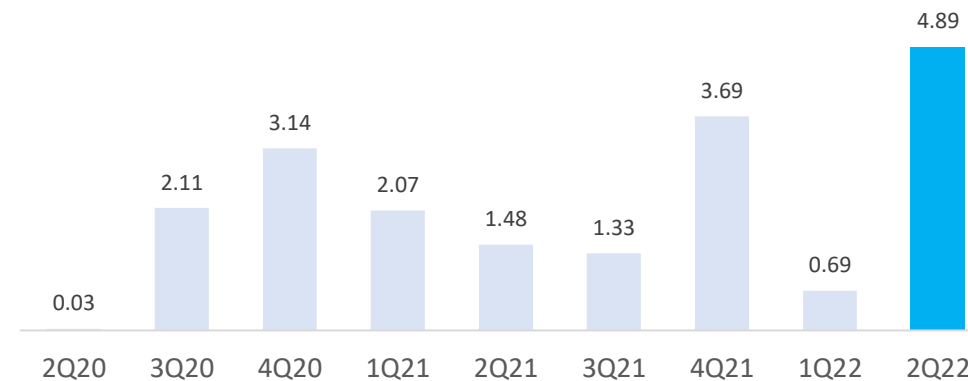
○ Consolidated operating expenses up 15% y/y mainly due to increase in personnel expenses: higher number of employees, SOP cost recognition and remuneration policy (inflation adjustments), partially offset by lower CCP costs

Analysis of the Group trading segment revenues

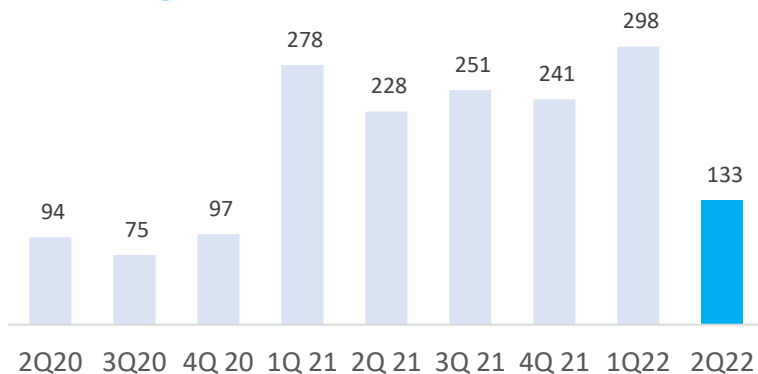
Trading value for shares, rights, units, certificates (RON bn)



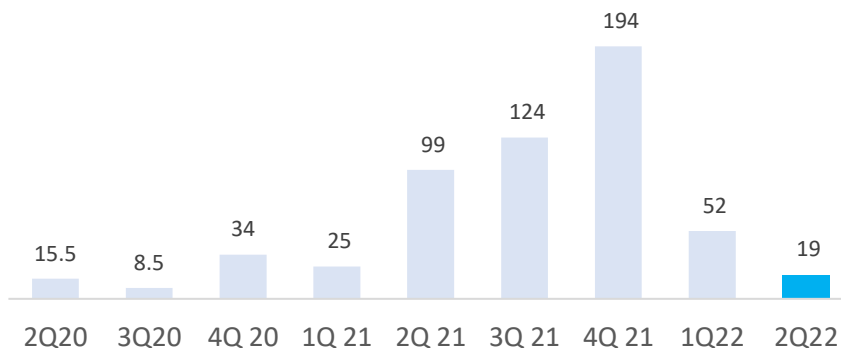
Trading value, fixed-income instruments (RON bn)



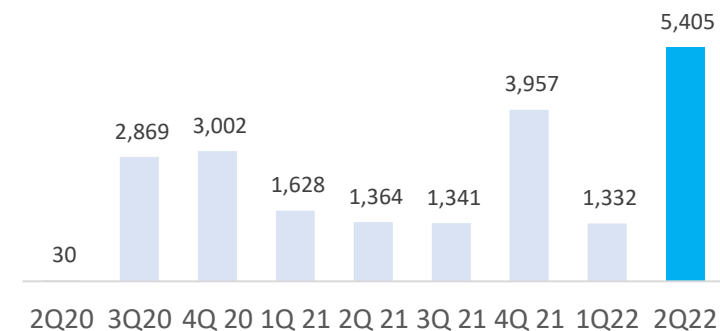
Trading value for Aero market - regular transactions (RON mn)



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



Main market, Trading value - offers All securities



Primary markets



Hidroelectrica IPO most likely expected in Q1 2023.

The state approves the listing of Salrom through a sale of existing shares by minority shareholder Fondul Proprietatea.

Private companies IPOs possible by EoY, subject to market conditions.

Significant activity in the bond market with several large issues taking place in Q2 (BCR, Bucharest Municipality and Govt Bonds).

CCP



The project enters the testing phase of the technical solution.

Authorization and start of operations expected in Q1 2023. The delay compared to the previous guidance is due to the inclusion of the system tests results in the authorization documentation.

Other Projects



The legislative bill to implement withholding tax regime for capital gains was approved by the Romanian Parliament.

BVB launched the ESG guidelines in collaboration with EBRD.

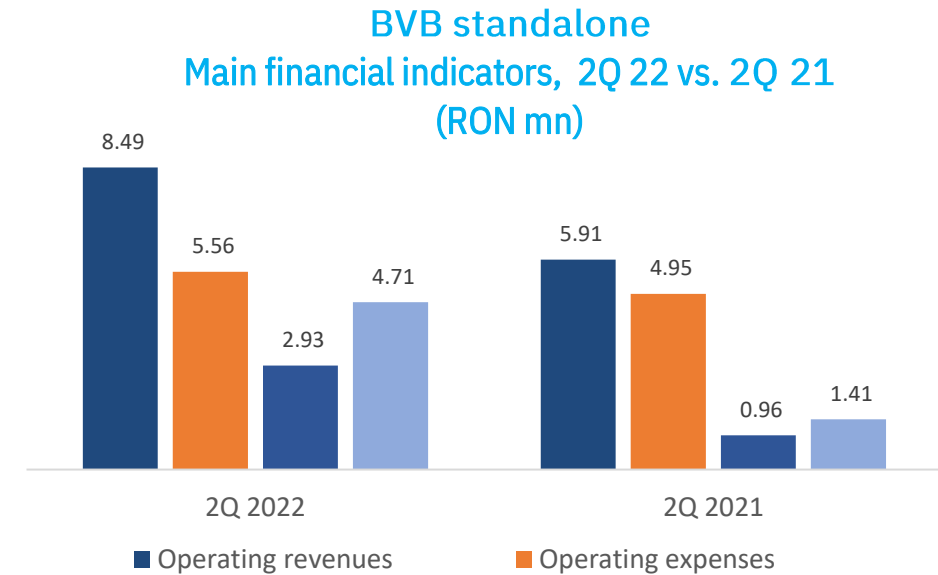
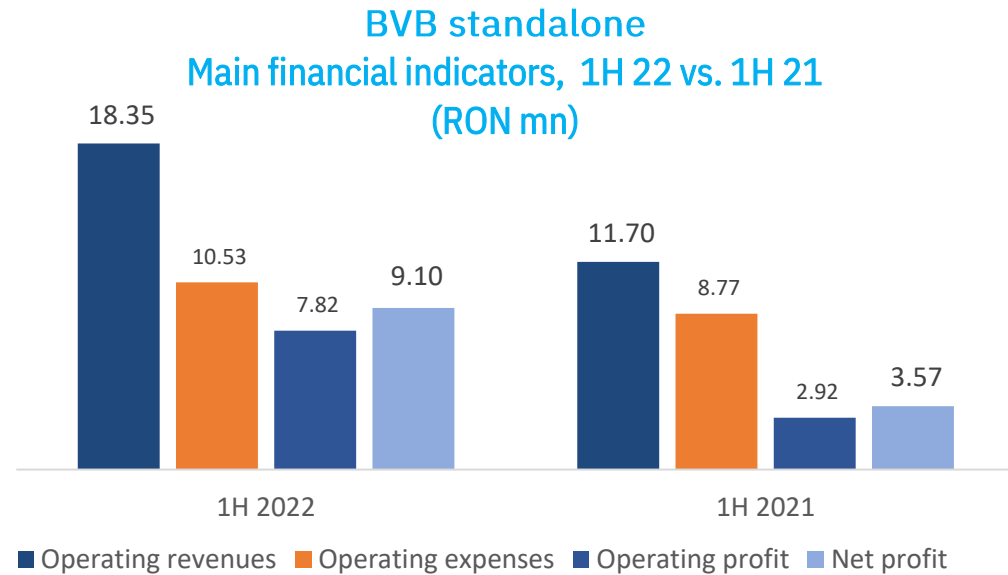
1H 2022 key financial highlights

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

<i>Half year results</i>	BVB standalone			Group		
	1H 2022	1H2021	Change (%)	1H 2022	1H 2021	Change (%)
Operating revenue	18.35	11.70	57%	30.47	20.93	46%
Operating expenses	<u>(10.53)</u>	<u>(8.77)</u>	<u>20%</u>	<u>(22.26)</u>	<u>(19.81)</u>	<u>12%</u>
Operating profit	7.82	2.93	167%	8.21	1.12	634%
<i>Operating margin</i>	<i>43%</i>	<i>25%</i>		<i>27%</i>	<i>5%</i>	
Net financial revenue/(expenses)	<u>2.53</u>	<u>1.33</u>	<u>91%</u>	<u>1.96</u>	<u>2.09</u>	<u>-6%</u>
Profit before tax	<u>10.35</u>	<u>4.25</u>	<u>143%</u>	<u>10.17</u>	<u>3.21</u>	<u>217%</u>
Profit for the period	9.10	3.57	155%	8.76	2.57	241%
<i>Net margin</i>	<i>50%</i>	<i>31%</i>		<i>29%</i>	<i>12%</i>	
EPS attributable to owners (RON/share)	1.1302	0.4440	155%	1.0600	0.3614	193%
<i>Return on equity</i>	<i>8%</i>	<i>3%</i>		<i>6%</i>	<i>2%</i>	

* The financial results for 1H 2022 are prepared in accordance with IFRS and not audited.

Analysis of YTD and quarterly financial results - BVB standalone



Operating revenue* of RON 18.35 mn, significant increase of 57% y/y, influenced by the trading revenues on main market (+77%), mainly from revenues from public offers, up 7X, as well as from regular transactions (+33%) following higher volatility and increased in traded volumes in the 1st quarter, influenced by the outbreak of the conflict from Ukraine.

Operating expenses* of RON 10.53 mn, up 20% y/y, mainly driven by the advance of personnel expenses and other operating expenses, influenced by the increase in inflation, but also by a lower positive impact from the reversal of receivables depreciation adjustments.

Operating profit* +167% y/y to RON 7.82 mn, with an improved operating margin of 43% from 25%.

Net financial income* of RON 2.53 mn, +91% y/y, influenced by the dividends revenues from DC in amount of RON 1.53 mn.

Net profit* of RON 9.10 mn, + 155% y/y, with a net margin of 50% (31% in 1H 21).

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Operating revenue* of RON 8.49 mn, significant increase of 44% vs 2Q 21, influenced by the public offers carried out in the 2Q on the main market that boosted 4X the public offers revenues.

Operating expenses* of RON 5.56 mn, up 12% vs 2Q 21, mainly driven by advance of personnel expenses (annual indexation performed in April 2022 acc. to Remuneration Policy) and other operating expenses, effect of rising inflation.

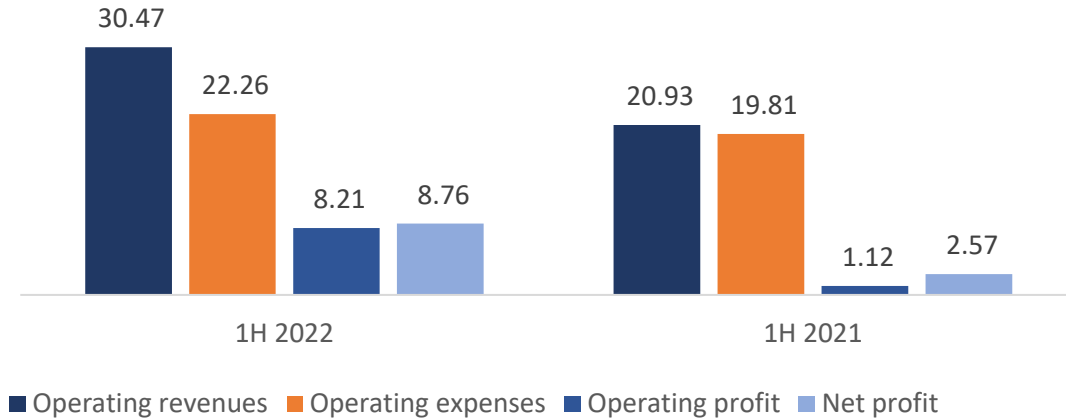
Operating profit* of RON 2.93 mn, 3X increase vs 2Q 21, influenced by the evolution of operating revenues.

Net financial income* of RON 2.24 mn, +223% vs 2Q 21, due to dividends revenues from DC (RON 1.53 mn vs RON 0.58 mn received in 2021).

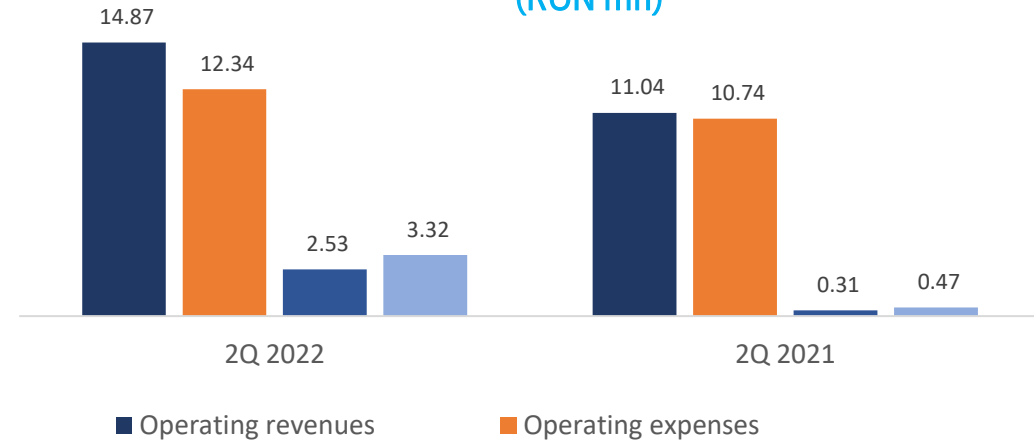
Net profit* of RON 4.71 mn, up more than 3X compared 2Q 21, being directly influenced by the positive evolution of both, operating result and financial result.

Analysis of YTD and quarterly financial results - BVB Group

BVB Group
Main financial indicators, 1H 22 vs 1H 21
(RON mn)



BVB Group
Main financial indicators, 2Q22 vs. 2Q 21
(RON mn)



Operating revenue* of RON 30.47 mn, +46% y/y, mainly due to 58% advance of trading segment revenues, but increases were recorded on the other business segments.

Operating expenses* of RON 22.26 mn, 12% increase y/y, mainly driven by advance of personnel expenses and other operating expenses.

Operating profit* of RON 8.21 mn, significant increase of over RON 7 mn compared to 1H 2021.

Net financial income* of RON 1.96 mn, -6% y/y.

Net profit* increases to RON 8.76 mn, more than 3X y/y, in line with operating profit evolution.

Operating revenue* increased by 35% vs 2Q 21, up to RON 14.87 mn, mainly due to the 44% advance trading segment revenues.

Operating expenses* of RON 12.34 mn, 15% increase vs 2Q 21, mainly driven by the advance of personnel expenses in DC.

Operating profit* increases 8X up to RON 2.53 mn vs RON 0.3 mn in 2Q 21.

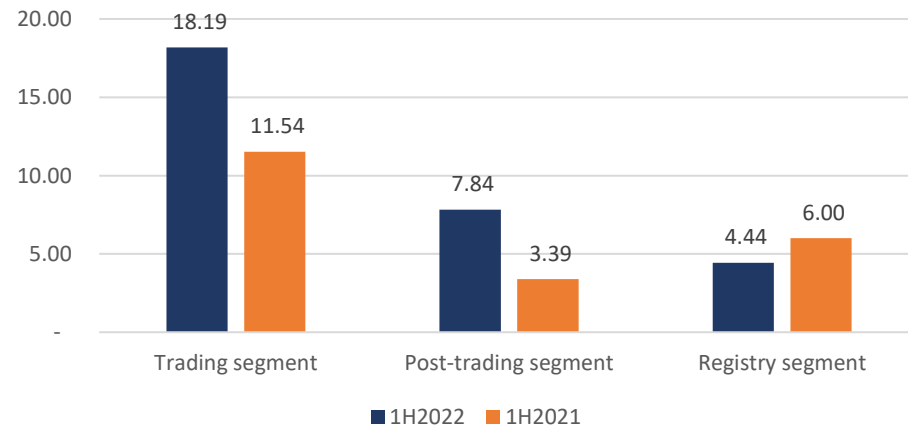
Net financial income* of RON 1.24 mn, +165% vs 2Q 21, influenced by the increase in RON/USD exchange rate with a favorable impact, especially in trading segment.

Net profit* of RON 3.32 mn, up 6X compared to 2Q 2021, generated by significant improvement in operating result and financial result.

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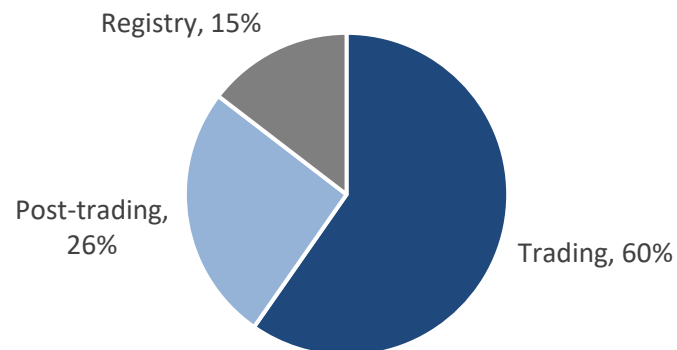
Analysis of the half year consolidated revenues - BVB Group

Revenues by segment 1H 22 vs 1H 21
(RON mn)

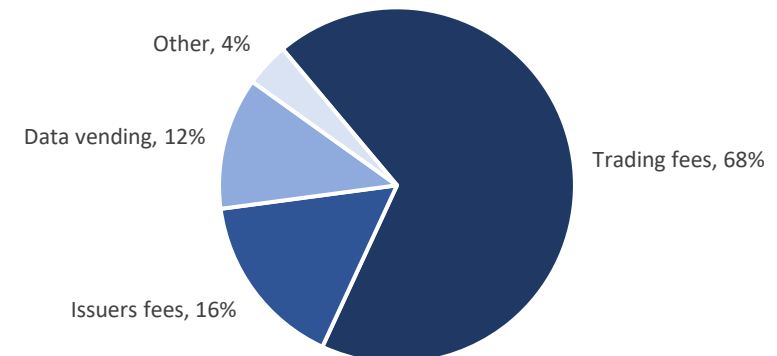


- **Trading segment** up 58% y/y, following the increase in trading revenues from both, regular transactions and public offers.
- **Post-trading segment** up 31% y/y to RON 7.84 mn, due to 21% advance in revenues from participants admission and maintaining, based on the increase in commission and in portfolio value held by custodians while the local settlement revenues from BVB markets are up 53% y/y, influenced by the values traded in BVB.
- **Registry segment** up 31%, to RON 4.44 mn y/y, due to revenues from issuers of financial instruments following the increase in tariffs, but also due to higher revenues collected from the holders of financial instruments as a result of the increase in the number of services requested.

Breakdown of operating revenues of BVB Group in 1H 22

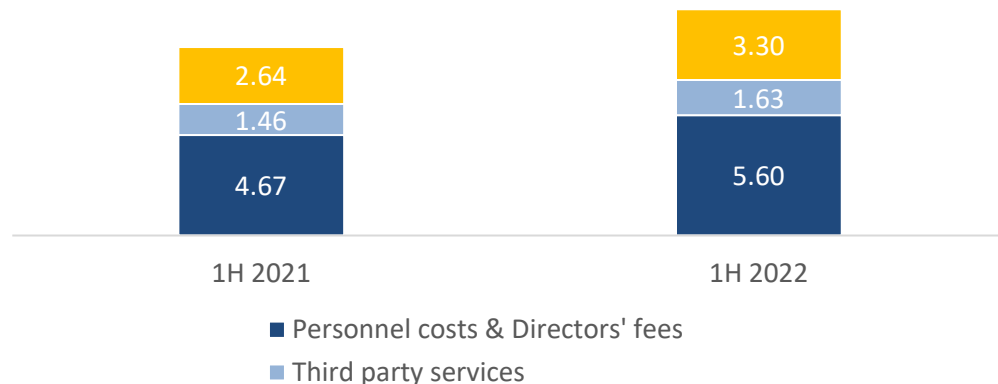


Breakdown of the Group trading segment revenues in 1H 2022

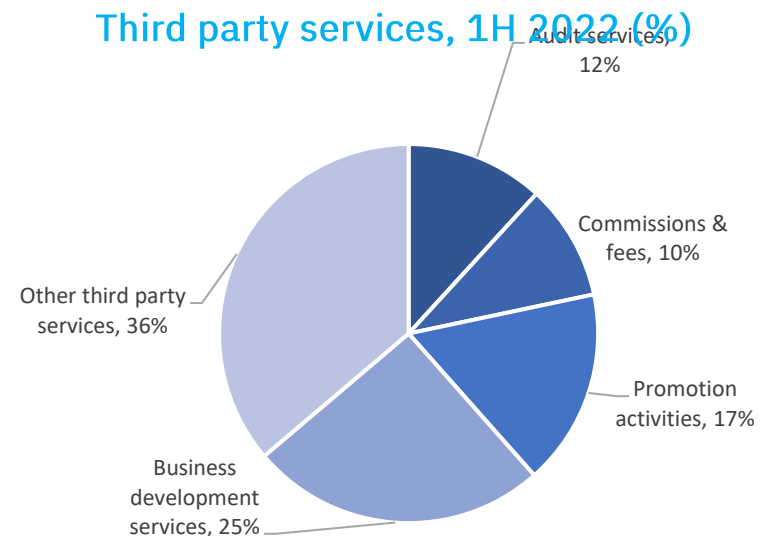


Analysis of operating expenses – BVB standalone

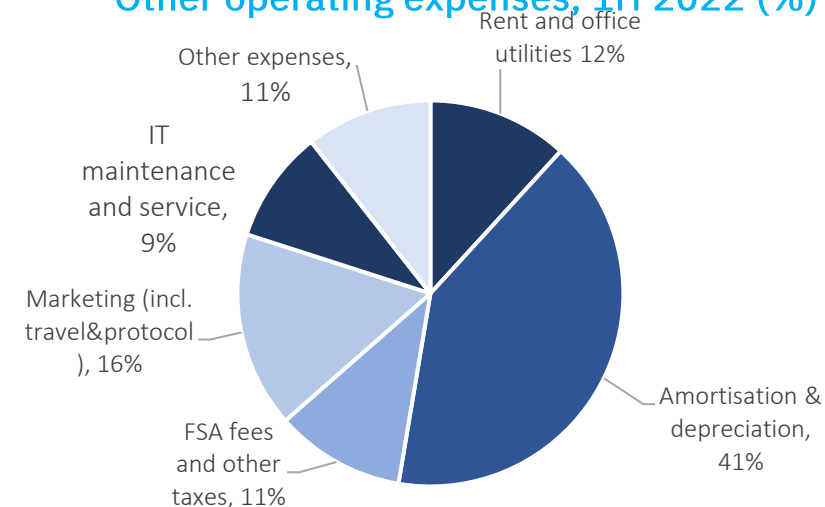
BVB standalone
Breakdown of operating expenses,
1H 22 vs. 1H 21 (RON mn)



Third party services, 1H 2022 (%)



Other operating expenses, 1H 2022 (%)

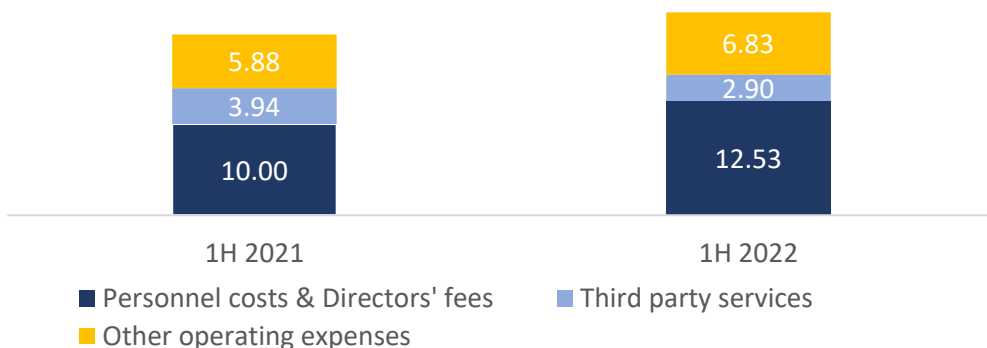


Operating expenses increase of 20% y/y, up to RON 10.53 mn, influenced by:

- **Increase of personnel expenses** following a higher numbers of employees and annual application of the Remuneration Policy (inflation rate indexation and adjustments due to the current context of the labor market);
- **Advance of other operating expenses** generated by a lower positive impact from receivables adjustments, higher marketing and promotion expenses, small inventory expenses, sponsorship expenses, but also due to administrative expenses increase, effect of rising inflation.

Analysis of operating expenses – BVB Group

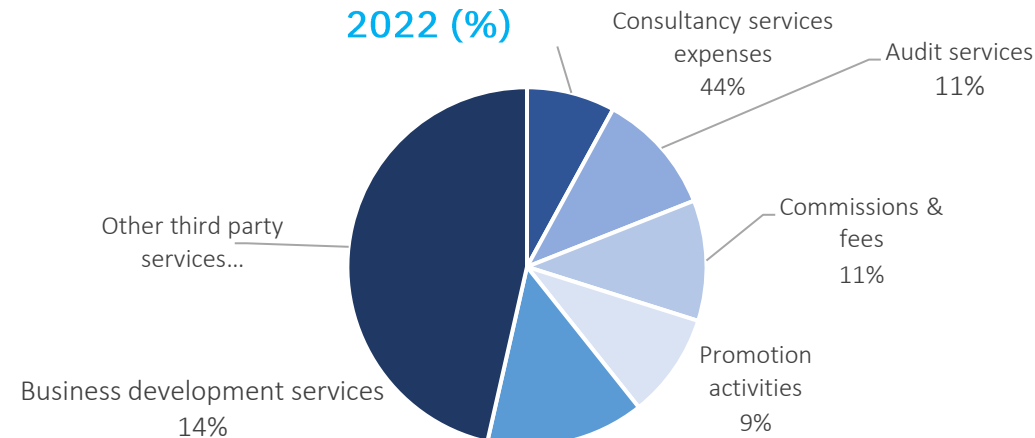
BVB Group
Breakdown of operating expenses,
1H 22 vs. 1H 21 (RON mn)



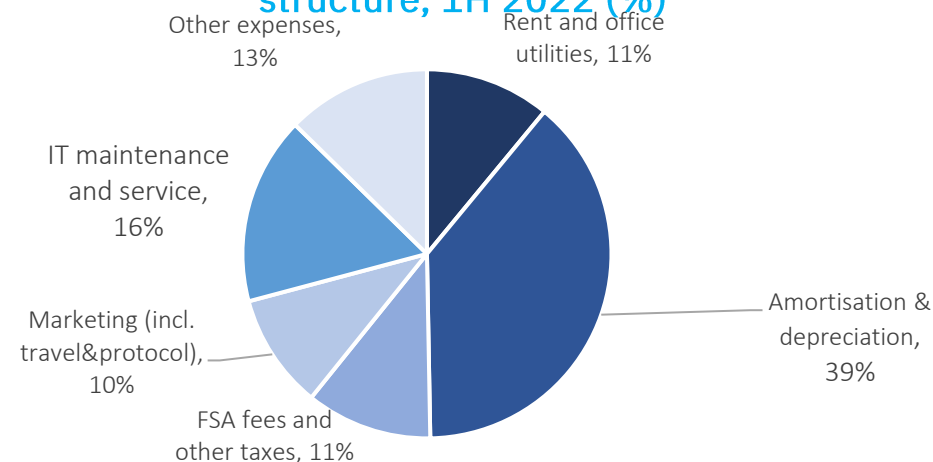
Operating expenses increase of 12% y/y up to RON 22.26 mn, influenced by:

- 25% advance or RON 2.53 mn of consolidated personnel expenses, influenced on one side, by the increase in the number of employees and the annual Remuneration Policy implementation and on the other side, by the annual performance bonuses granted and one-off event related to the alignment the accounting policies adopted at Group level by the Central Depository (DC)
- Decrease of 26% third party services expenses, result of lower consulting services recorded by CCP.RO, following the capitalization of a component from the consultancy contract into intangible assets.
- 16% advance or RON 0.96 mn of other operating expenses up to RON 6.84 mn following the increase of the depreciation expenses related to the intangible and tangible fixed assets at Group level, of the expenses in the marketing and promotion area, as well as of administrative expenses, effect of rising inflation.

Consolidated third party services structure, 1H 2022 (%)



Consolidated other operating expenses structure, 1H 2022 (%)



Overview of the financial position – half year results

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

	BVB standalone		GROUP	
	Jun 2022	Dec 2021	Jun 2022	Dec 2021
Non-current assets	94.88	96.78	71.40	70.76
Current assets	24.67	20.93	118.63	118.80
Total assets	119.55	117.72	190.03	189.56
Shareholders' equity attributable to owners of the Company	109.57	108.75	106.42	106.16
Minority interest	-	-	38.71	39.17
Total liabilities	9.98	8.96	44.90	44.24
Total equity and liabilities	119.55	117.72	190.03	189.56

BVB Standalone

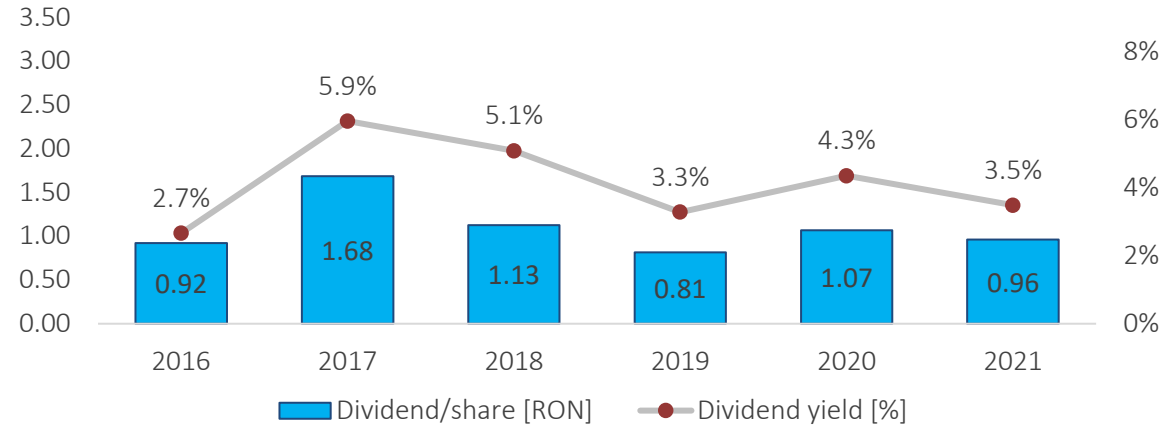
- **Total assets** – up by 2% vs Dec 21 to the value of RON 119.55 mn, mainly influenced by the increase in receivables balance generated by higher trading revenues, but also due to DC dividends receivable recognized.
- **Total liabilities** of RON 9.98 mn, increase of 11% vs Dec 21, mainly due to the recognition of the deferred income from issuers maintaining taxes, collected for the entire year 2022, as well as the increase in trade payables accruals performed at the end June 22.

BVB Group

- **Total assets** at a similar level vs Dec 21, up to the value of RON 190.03 mn,
- **Total liabilities** of RON 44.90 mn, up 1% compared to Dec 21 mainly influenced by the increase deferred income from the trading segment.

Overview of the financial position

Attractive dividend yield



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

In June, BVB paid the 2021 dividends in amount of RON 7.68 mn

Note: Dividend yields are calculated using the price on the corresponding ex-dates. The ex-date for 2021 dividends established through General Assembly is June 2, 2022. For this report, for the dividend yields calculation was used the share price from the date of General Assembly which is April 28, 2022.

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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