



**BUCHAREST
STOCK
EXCHANGE**

BVB 4Q21

Preliminary Results



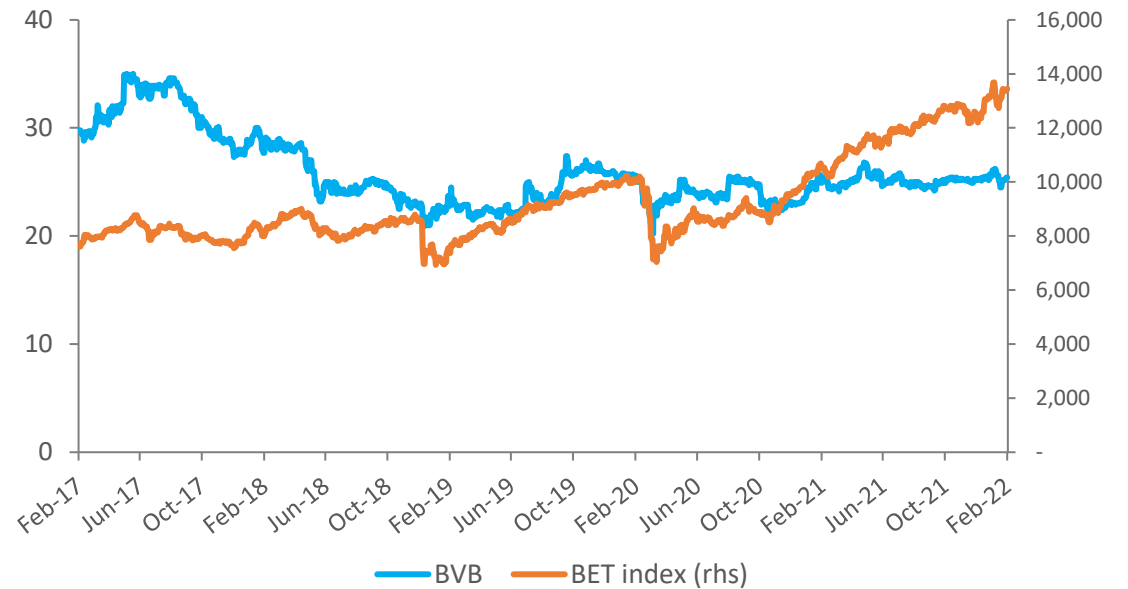
Own the future. Invest in it.

Bucharest Stock Exchange (BVB) Stock



| Indicator | BVB |
|--------------------------------------|-----------------------|
| ISIN | ROBVBAACNOR0 |
| Refinitiv | ROBVB.BX |
| Bloomberg | BVB.RO |
| Share price (Dec 31, 2021) | EUR 5.15 / RON 25.5 |
| Market Cap (Dec 31, 2021) | EUR 41 mn/ RON 205 mn |
| No. of outstanding shares | 8,049,246 |
| ADT 12TM | RON 0.15 mn |
| P/E (price as of Dec 2021, 12TM EPS) | 26x |
| P/BV (price as of Sept 2021) | 1.9x |
| Dividend Yield | 4.3% |
| 52 wk Low - High | 22.20 – 26.90 |
| Turnover velocity (12 TM) | 18% |

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 Dec 2021:
Romanian institutional investors – 75,79%
Foreign institutional investors – 1.40%
Romanian private investors – 21,20%
Foreign private investors – 1.44%
Bucharest Stock Exchange – 0.17%

BVB Markets



Share Issuers:
80 domestic & 3 foreign

Domestic Mkt Cap
30,5 mld. EUR

Total Market Cap
49,1 mld. EUR

Listed bonds
94 issues: 30 Govt, 30 Corp & 34 Muni

Average daily trading value (2021):
18,2 mil. EUR

Other instruments:
Rights, warrants, structured products



Share Issuers:
278 domestic & 2 foreign

Total Mkt Cap:
2,6 bn. EUR

Listed bonds:
49 corp issues

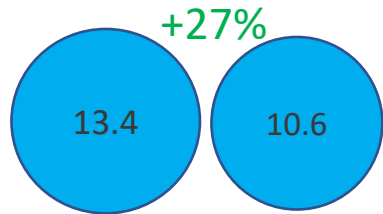
Average daily trading value (2021):
1 mil. EUR

Other instruments:
drepturi

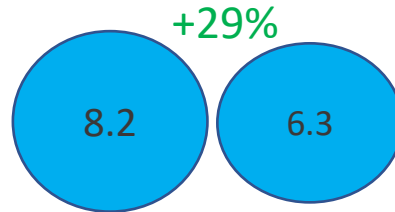
Highlights – Q4 Financials

Consolidated Q4 21 vs Q4 20 (RON mn)

Individual Q4 21 vs Q4 20 (RON mn)



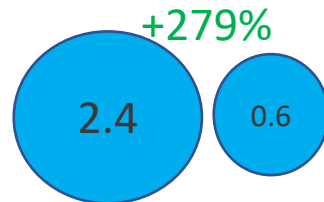
Operating revenues



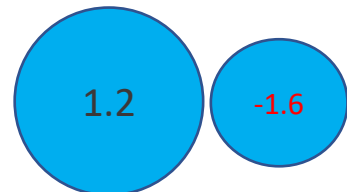
Operating revenues



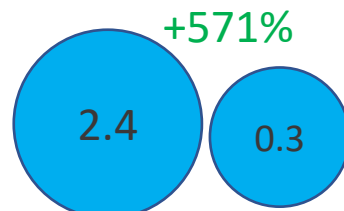
Operating profit



Operating profit



Net profit



Net profit

+ 31% increase y/y & 29% increase q/q in trading revenues on the main market, both regular transactions and public offers, amplified by the advance of sale of stock exchange data (+107%) and maintenance fees to issuers (+85%) revenues.

+ DC revenues +34% y/y, maintaining the trend from previous quarters driven by higher admission and maintenance fees and higher portfolios values managed by custodians

○ Consolidated operating expenses curve flattened at up 3% y/y , mainly due to like-for-like comparison at CCP level (CCP started incurring significant costs in Q4 2020)

+ Significant bottom line improvements

Primary
Markets
2021

Main market:

- 3 IPOs: ONE – EUR 186 mil
- 22 bond issuances: 12 Govt bonds (EUR 875mn), 10 Corp bonds (EUR 888mn) including the first green and sustainability linked securities listed locally

Aero market:

- 20 share listings – 48mn EUR raised – diverse sectorial representation with strong presence of Tech and AgriBusiness issuers
- 23 bonds listings – EUR 53mn;

Hidroelectrica IPO back on the frontpage

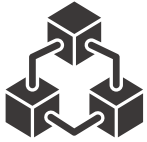
- Listing through existing shares offering by Fondul Proprietatea (15% stake to be sold out of 20% held), supported by the Romanian Government
- Formalization of this structure expected in the near future

Additional private companies IPOs possible in the next quarters while interest in AeRO market financings is still strong

Primary
Markets
Outlook

Project Updates

CCP



Submission of the authorization documentation is in the final stages
Start of CCP operations and launch of the derivative products expected in H2 2022

FTSE



2 additional issuers, ONE and TTS included in the FTSE universe in Dec 2021
Direct reported exposure of FTSE tracking ETFs exceeded EUR 130mn at end-2021

Rebrand



Rebrand of the BVB Group visual identity completed in October 2021
Media awareness campaign took place in Q4 2021

Others



ESG project completing important milestone in Q1 2022 – Publishing of the first ESG Scores
Start of the new Made in Romania program and BVB Research Hub update in the pipeline in early 2022

2021 key financial highlights

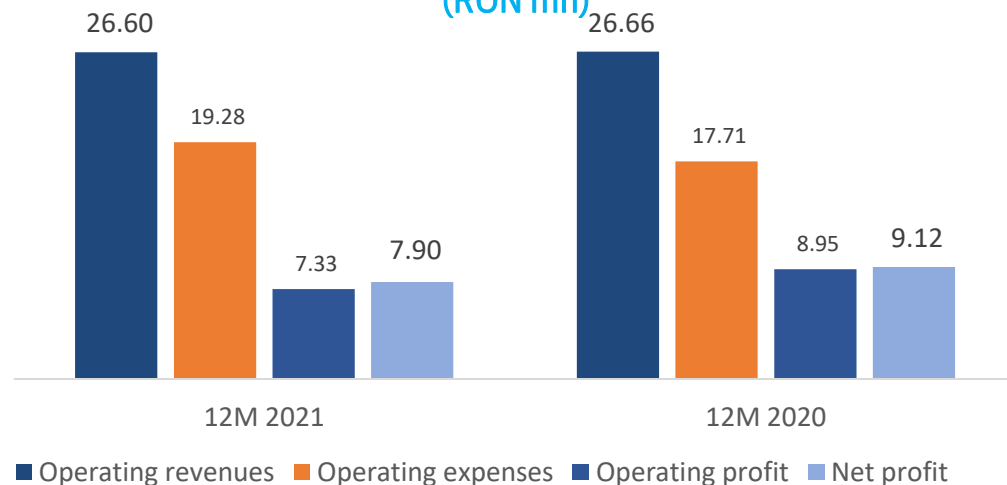
Financial performance, BVB individual and BVB Group (RON mn, unless otherwise stated)

| <i>Preliminary results</i> | BVB individual | | | Group | | |
|--|----------------|----------------|-------------|----------------|----------------|-------------|
| | 12M 2021 | 12M 2020 | Change (%) | 12M 2021 | 12M 2020 | Change (%) |
| Operating revenues | 26.60 | 26.66 | 0% | 46.11 | 42.24 | 9% |
| Operating expenses | <u>(19.28)</u> | <u>(17.71)</u> | <u>9%</u> | <u>(43.75)</u> | <u>(36.76)</u> | <u>19%</u> |
| Operating profit | 7.33 | 8.95 | -18% | 2.36 | 5.47 | -57% |
| <i>Operating margin</i> | <i>28%</i> | <i>34%</i> | | <i>5%</i> | <i>13%</i> | |
| Net financial revenue/(expenses) | <u>2.06</u> | <u>1.62</u> | <u>27%</u> | <u>3.72</u> | <u>1.89</u> | <u>97%</u> |
| Profit before tax | <u>9.39</u> | <u>10.57</u> | <u>-11%</u> | <u>6.08</u> | <u>7.36</u> | <u>-17%</u> |
| Profit for the period | 7.90 | 9.12 | -13% | 5.02 | 6.26 | -20% |
| <i>Net margin</i> | <i>30%</i> | <i>34%</i> | | <i>11%</i> | <i>15%</i> | |
| EPS attributable to owners (RON/share) | 0.9817 | 1.1329 | -13% | 0.7680 | 0.8805 | -13% |
| <i>Return on equity</i> | <i>7%</i> | <i>8%</i> | | <i>3%</i> | <i>4%</i> | |

* The financial results for 12M 2021 are prepared in accordance with IFRS and not audited.

Analysis of the preliminary financial results - BVB individual

BVB individual
Main financial indicators, 12M 21 vs. 12M 20
(RON mn)

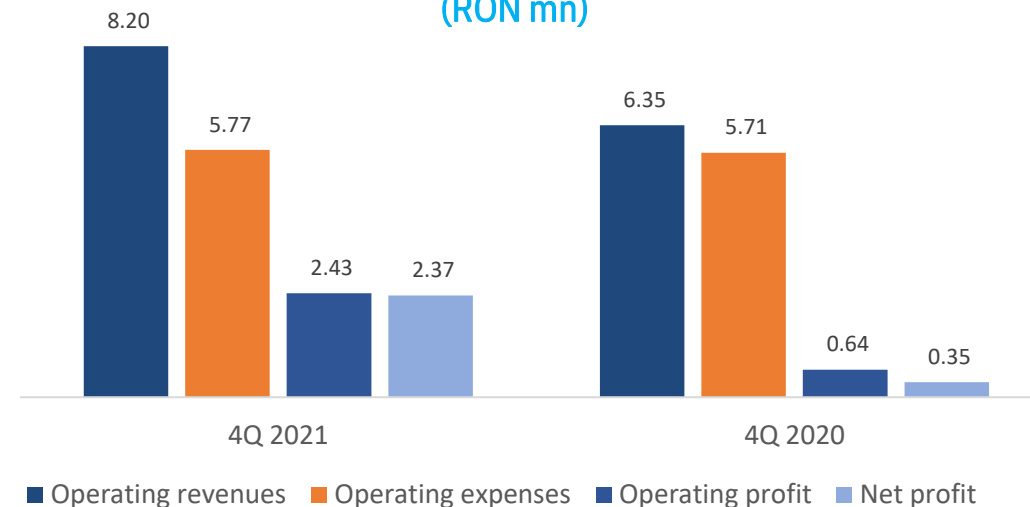


Operating income* of RON 26.60 mn, similar level vs 2020 based on the fixed taxes revenues increase (issuers maintenance fees and sale of stock exchange data). Except of intra-group one-off revenues from 2020, the increase was 4%.

Operating expenses* up 9% vs 12M 20 mainly driven by business development & marketing & promotion expenses generated by new projects aimed to promote BVB and the capital market (BVB Research, ESG project, BVB rebranding), but also result of the base effect of a low level in 2020 due to pandemic context

Net profit* down 13% vs 12M 20, with a net margin of 30%

BVB individual
Main financial indicators, 4Q 21 vs. 4Q 20
(RON mn)



Operating income* up 29% vs 4Q 20, result of 31% increase in trading revenues, - main market, both regular transactions and public offers, amplified by the advance of sale of stock exchange data (+107%) and issuers maintenance fees (+85%) revenues.

Operating expenses* roughly at the same level vs 4Q 20 (+1%) mainly driven by the projects carried-out in 4Q 21, especially BVB rebranding +TV campaign related.

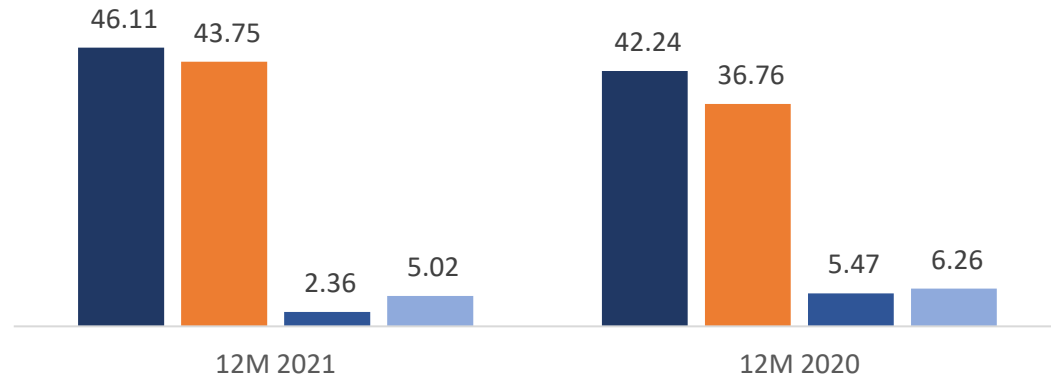
Operating profit* - RON 2.43 mn in Q4 21, up almost 4 Xvs. Q4 20.

Net profit* - significantly improved, up 7X vs 4Q 20, with a net margin of 29%

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Analysis of the preliminary financial results - BVB Group

BVB Group
Main financial indicators, 12M 21 vs 12M 20
(RON mn)



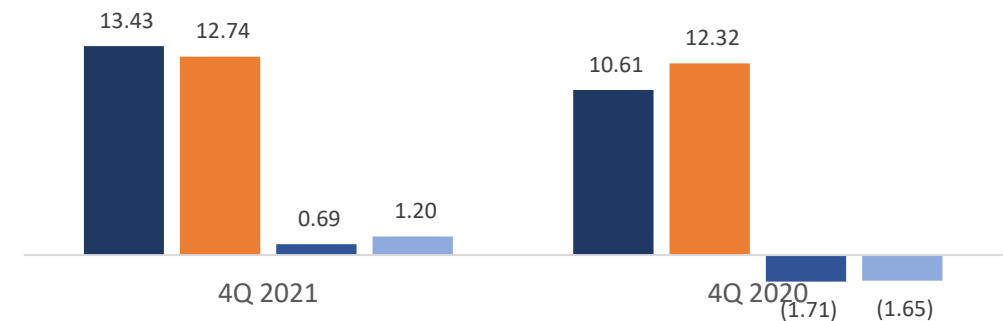
■ Operating revenues ■ Operating expenses ■ Operating profit ■ Net profit

Operating income* up 9% vs 12M 20, mainly driven by **21% increase of post trading revenues** (higher portfolio value held by custodians and increase in fees), **+35% registry segment revenues** (higher one-off transactions and increase in issuers tariffs)

Operating expenses* up 19% vs 12M 20 mainly driven by CCP.RO operating expenses and the new projects implemented at BVB Group level.

Net profit* down 20% vs 12M 20, with a net margin of 11%, with an impact in 2021 from CCP.RO net loss of RON 4.67 mn.

BVB Group
Main financial indicators, 4Q21 vs. 4Q 20
(RON mn)



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

Operating income* up 27% vs 4Q 20, based on two digits increases on all Group's business segments: 29% on trading segment following higher value of transactions on main market – both regular and offers, 24% in post trading and registry segment, mainly result of higher value in portfolios held at custodians.

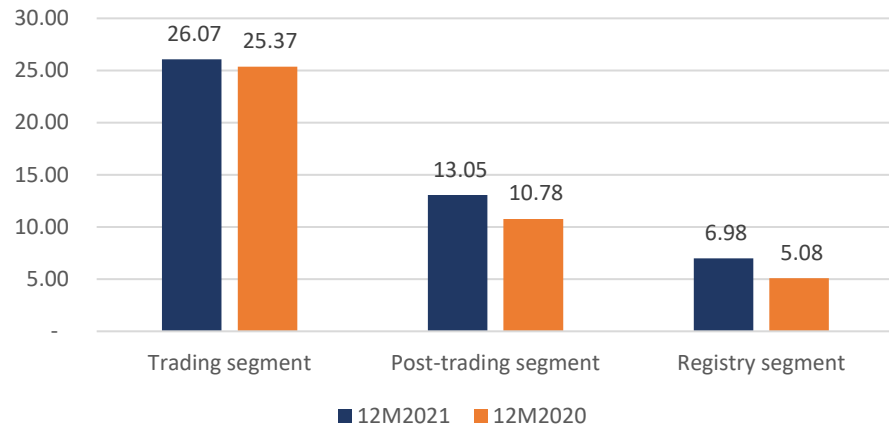
Operating expenses* up 3% vs 4Q 20 mainly driven the expenses generated by the projects carried out at BVB Group level, mainly Rebranding BVB and the TV campaign related and Digitalization projects from DC.

Net profit* - RON 1.20 mn significantly improved vs 4Q 20, with a net margin of 9%

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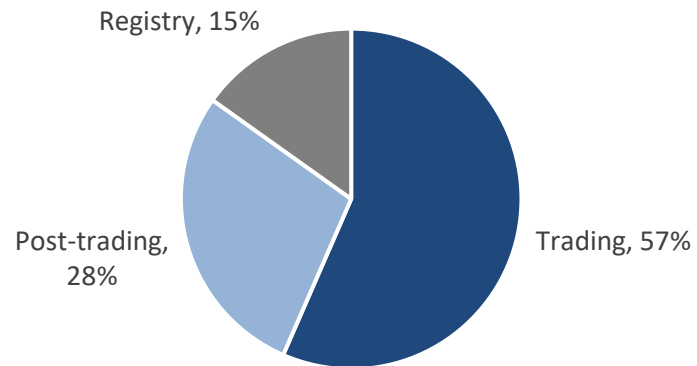
Analysis of the preliminary consolidated revenues - BVB Group

Revenues by segment 12M 21 vs 12M 20
(RON mn)

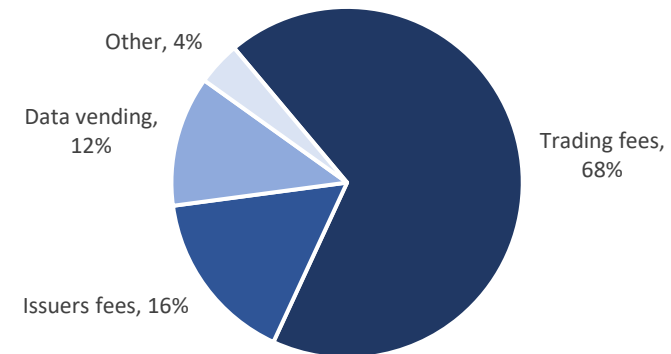


- Trading segment up 3% vs 12M 20, trading revenues decrease, mainly from lower public offers was compensated by advance in issuers maintaining fees and sale of stock exchange data revenues following the increase in tariffs.
- Post-trading segment up 21% vs 12M 20, mainly due to advance of 26% in revenues from admission and maintenance fees for participants and the increase in value of the portfolios managed by the custodians, amplified by higher fees by 20%.
- Registry segment up 37% vs 12M 20 influenced by one-off revenues (“squeeze-out” commissions) and increase in tariffs, including the maintaining tariff for issuers by 15%.

Breakdown of BVB Group operating revenues in 12M 21



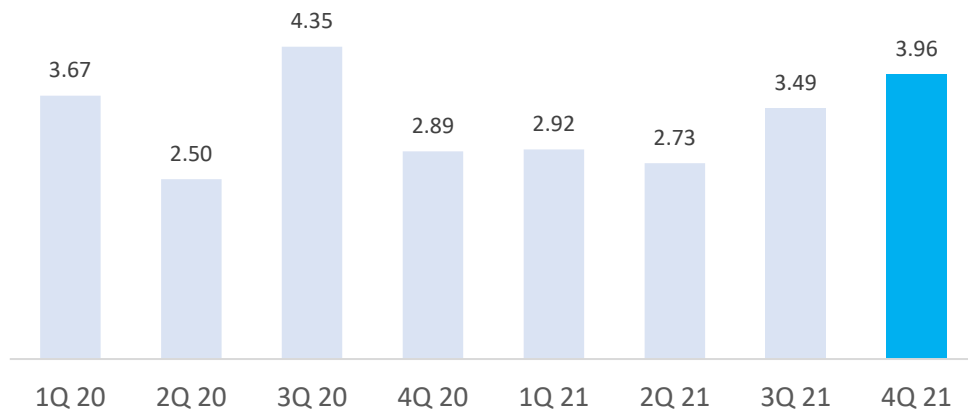
Breakdown of the Group’s trading segment revenues in 12M 2021 (%)



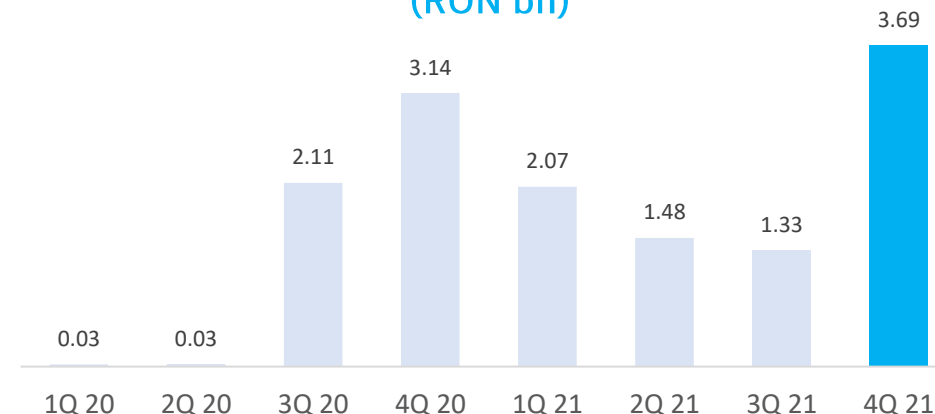
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Analysis of the Group trading segment revenues

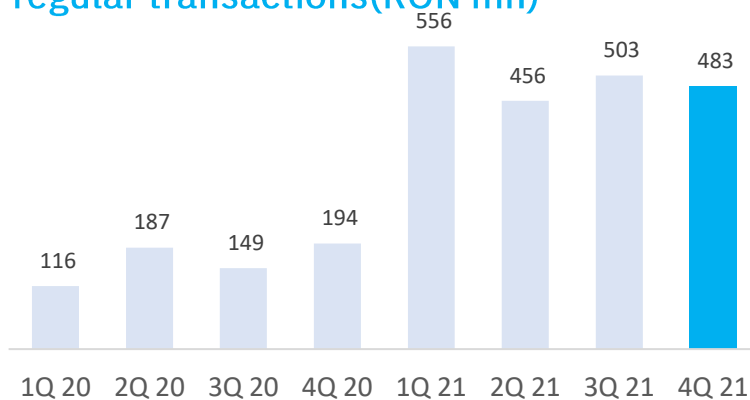
Trading value for shares, rights, units, certificates (RON bn)



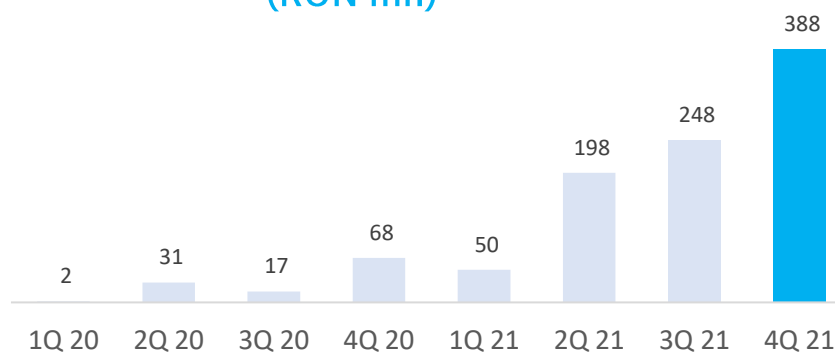
Trading value, fixed-income instruments (RON bn)



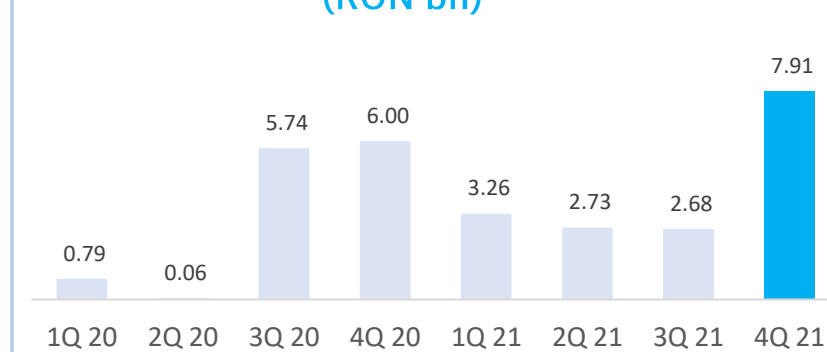
Trading value for Aero market - regular transactions (RON mn)



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

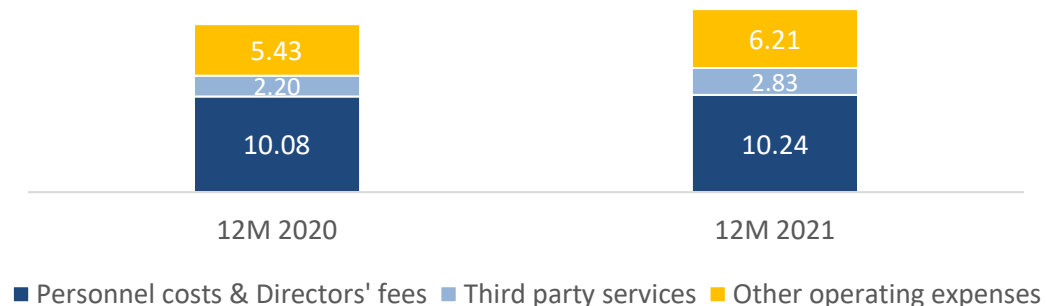


Main market, Trading value – public offers bonds, government securities (RON bn)



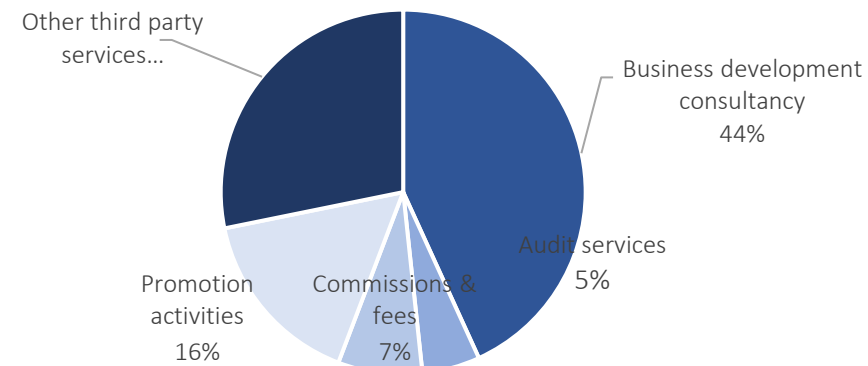
Analysis of preliminary operating expenses – BVB individual

BVB individual
Breakdown of operating expenses,
12M 21 vs. 12M 20 (RON mn)

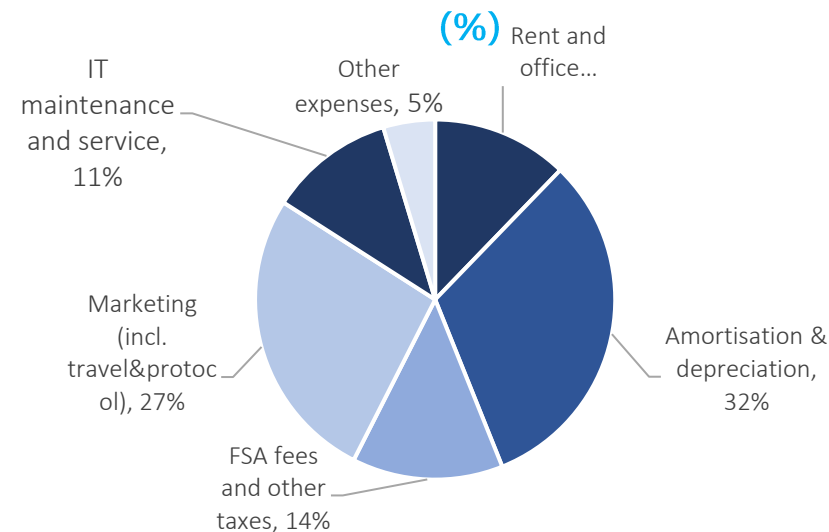


Operating expenses + 9% vs 12M 20, up to RON 19.28 mn, mainly driven by third party services expenses (+28%) related to business development and promotion projects of BVB, issuers and the capital market, (BVB Research HUB & ESG project), as well as by the advance of other operating expenses, mainly marketing expenses following the launch of BVB Rebranding project.

Third party services, 12M 21 (%)

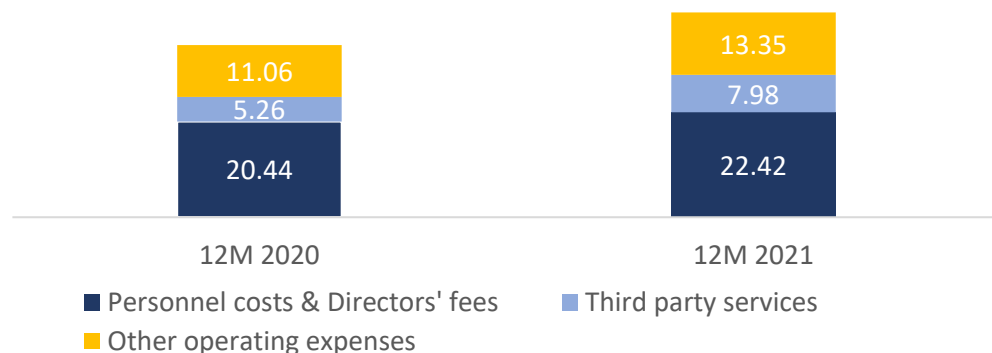


Other operating expenses, 12M 2021 (%)



Analysis of preliminary operating expenses – BVB Group

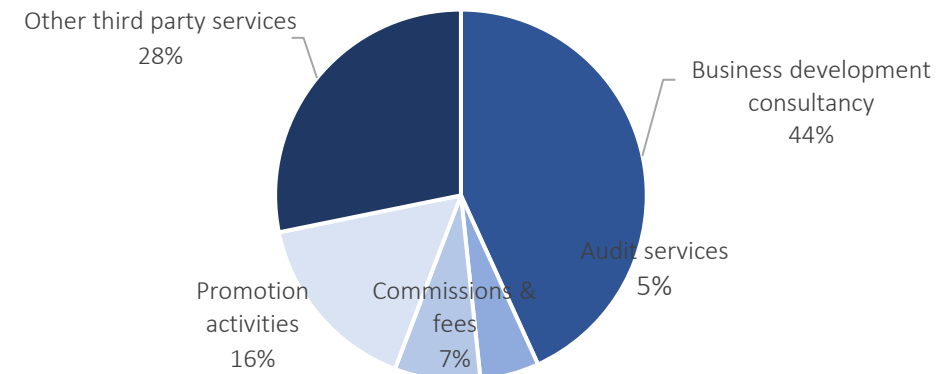
BVB Group
Breakdown of operating expenses,
12M 21 vs. 12M20 (RON mn)



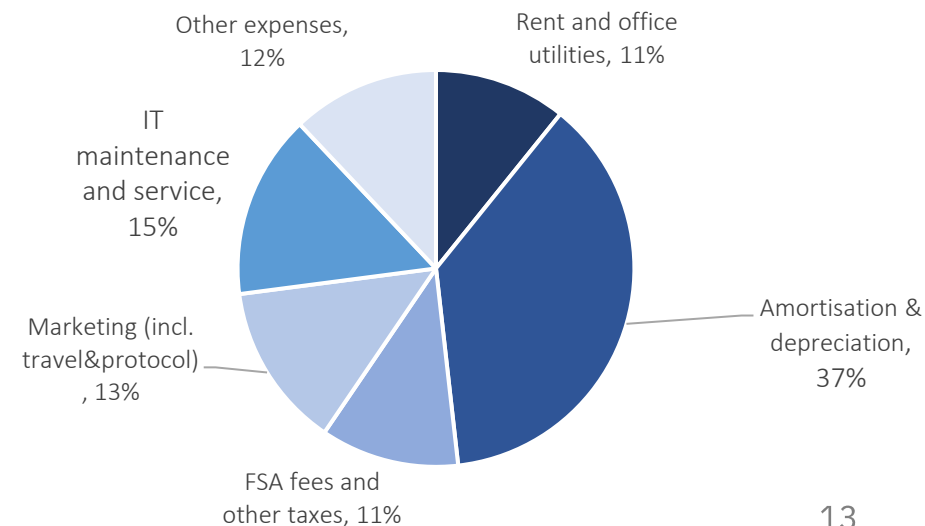
Operating expenses +19% or RON 6.99 mn vs 12M 20 up to RON 43.75 mn, result of:

- The 10% increase, up to RON 22.42 mn of the consolidated personnel expenses, generated by the subsidiary CCP.RO (the average number of employees in 2021 was 8, and in 2020 was 3).
- Increase of third-party services expenses by 46% up to RON 7.98 mn, driven by the consulting services from CCP.RO within the contract with CC&G (concluded starting with the second part of 2020), together with the advance of expenses resulted from the projects carried out at Group level.
- The advance of 21% other operational expenses generated mainly from CCP.RO and the projects initiated at Group level

Third party services, 12M 21 (%)



Other operating expenses, 12M 2021 (%)



Overview of the financial position – preliminary results

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

| | BVB individual | | GROUP | |
|--|----------------|---------------|---------------|---------------|
| | Dec 2021 | Dec 2020 | Dec 2021 | Dec 2020 |
| Non-current assets | 96.78 | 99.40 | 70.41 | 82.38 |
| Current assets | 20.84 | 13.53 | 118.64 | 129.07 |
| Total assets | 117.62 | 112.93 | 189.05 | 211.45 |
| Shareholders' equity attributable to owners of the Company | 108.66 | 108.68 | 145.28 | 108.04 |
| Minority interest | - | - | 38.47 | 40.82 |
| Total liabilities | 8.96 | 4.25 | 43.77 | 62.60 |
| Total equity and liabilities | 117.62 | 112.93 | 189.92 | 211.45 |

BVB Individual

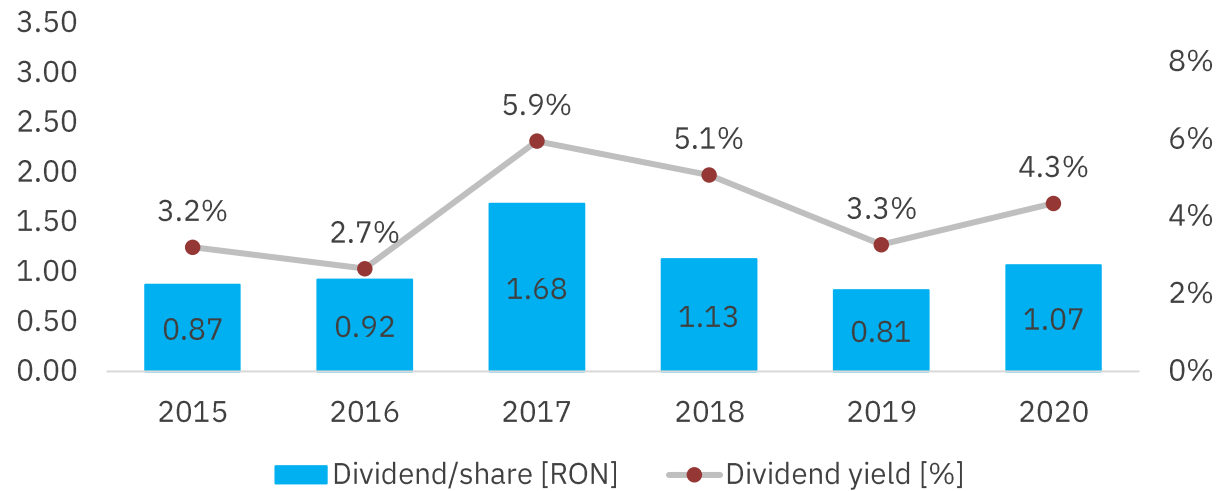
- **Total assets** – up by 4% vs Dec 20, mainly driven by the recognition of right of use assets according IFRS 16 in non-current assets, increase in receivables based on higher tariffs for issuers maintaining fees and sale of stock exchange and increase in cash and bank deposits.
- **Total liabilities** up 111% vs Dec 20 due to recognition of lease debt related to right-of-use assets, according to IFRS 16 and higher income tax liability (related to Q4 result)

BVB Group

- **Total assets** down 11% vs Dec 20, influenced by the deconsolidation of the Investors' Compensation Fund SA (FCI), as result of the status change in legal entity of public law (impact RON -20.56 mn)
- **Total liabilities** down 30% vs Dec 20, mainly due to the decrease of RON 19.66 mn in debt related to guarantee, compensation and margin funds following the deconsolidation of FCI.

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.

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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