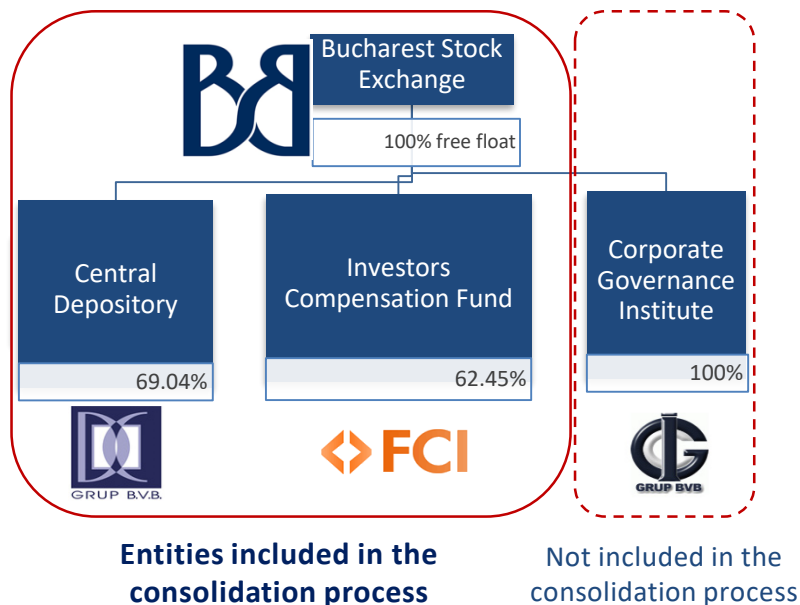


Financial Results 1H 2019

August 9, 2019



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
- The **Bucharest Clearing House** has been eliminated from consolidation as a result of the General Shareholders Meeting Decision on the liquidation of the company dated 19.06.2019.

Markets operated by BVB



Main Market

Listed companies:
83 domestic and 2 foreign*

Domestic market cap:
EUR 20.9 bn

Total market cap:
EUR 34.9 bn

Instruments:

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



AeRO market for SMEs

Listed companies:
280 domestic and 2 foreign*

Domestic market cap:
EUR 1.46 bn

Total market cap:
EUR 1.67 bn

Instruments:

shares, rights, bonds

Key events during 2Q 2019



May 15

Bucharest Stock Exchange (BVB) officially announced and awarded the 15 finalist companies of Made in Romania – 3rd edition, a unique program organized by BVB and its partners to identify and support the future growth engines of the local economy or of the region.

The 15 finalist companies were announced during Made in Romania Awards Gala, on May 14, attended by 150 entrepreneurs and executives of the companies in the Made in Romania community, together with the members of the Nomination Committee, the members of the Jury and other supporters of the project.

Compared to previous edition, there were +50% nominated companies.

Following the reporting period, on July 9, started trading on AeRO the first graduate from Made in Romania program, iHUNT, online retailer and smartphone producer.



June 14

BVB hosted the international capital markets conference of the Federation of Euro-Asian Stock Exchanges, ConFEAS 2019.

At its second edition, the event aimed to help understand the developing role of today's markets and market players, and explore what is beyond there for success, by bringing together stock exchanges, depositories, capital market participants, custodians, investment banks, brokerage companies, FinTech companies and investment funds under one roof. The event also provided a great networking opportunity for capital markets industry representatives.



May 18

BVB and its partners organized the 9th edition of the Individual Investors Forum, a benchmark event aimed for retail investors. More than 250 people, existing or potential investors, took part on May 18 in Cluj-Napoca in the most important national forum for financial education. The main theme of this edition brought to the center stage the paramount importance of savings in securities to anyone who aims at attaining a certain level of financial freedom.

The Forum gathered 17 speakers, specialists from the capital markets – representing analysts, brokerage companies, mutual funds, pension funds – who were joined on stage by company officials of already listed or potentially to be listed companies.



April 18 – June 27

Bucharest Stock Exchange and the Ministry for Business Environment, Commerce and Entrepreneurship have continued the workshops dedicated to the business environment and Romanian entrepreneurs for diversifying the funding sources and facilitating companies' access to finance.

Key financial highlights - consolidated

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

	1H 2019	1H 2018	Change (%)	2Q 2019	2Q 2018	Change (%)
Operating revenues	17.41	21.30	-17%	8.89	9.41	-6%
Operating expenses	<u>15.18</u>	<u>14.49</u>	5%	<u>7.93</u>	<u>7.37</u>	+8%
Operating profit	2.57	6.81	-62%	0.95	2.04	-54%
Net financial revenue/(expenses)	2.04	1.86	10%	0.35	1.65	-79%
Profit before tax	<u>4.67</u>	<u>8.67</u>	-46%	<u>1.36</u>	<u>3.69</u>	-63%
Profit from continuing operations	3.87	7.22	-46%	1.11	3.05	-64%
Loss from discontinued operations	<u>-</u>	<u>(0.23)</u>	<u>-</u>	<u>0.04</u>	<u>(0.09)</u>	143%
Profit for the period	3.87	6.99	-45%	1.15	2.96	-61%
EPS attributable to owners (RON/share)	0.4475	0.8371	-47%	0.1221	0.3430	-64%

* The financial results for 1H 2019 are prepared in accordance with IFRS and are not audited.

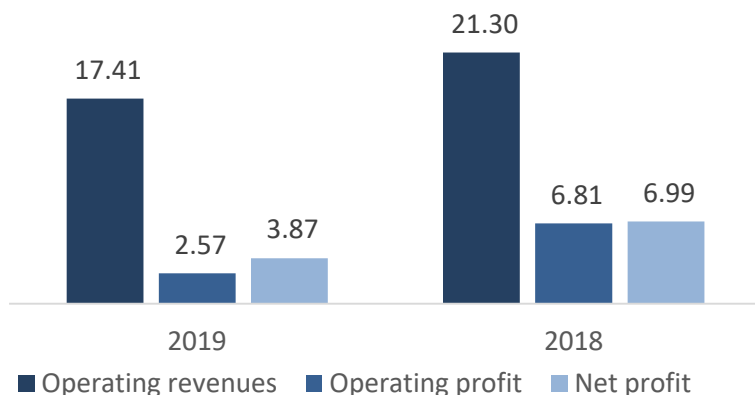
Profitability ratios, BVB Group (%)

	1H 2019	1H 2018	Change (%)	2Q 2019	2Q 2018	Change (%)
Operating margin	14%	32%		11%	22%	
Net margin	22%	33%		13%	31%	
Return on equity (ROE)	3%	6%		1%	3%	

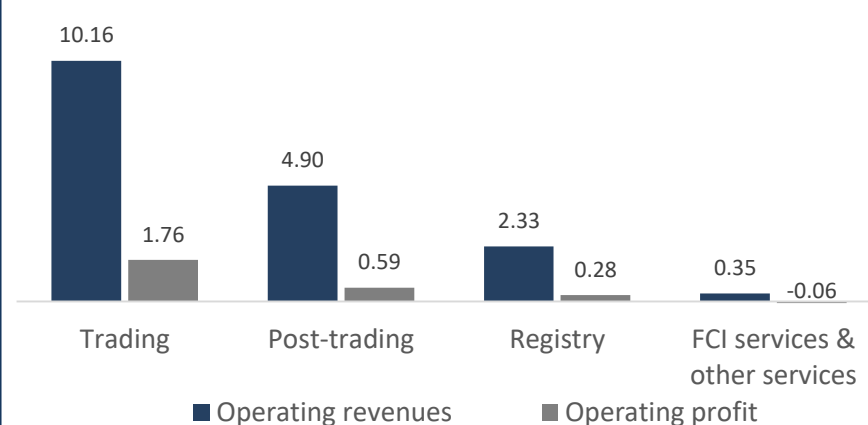
* Indicators based on consolidated financial results

Analysis of the consolidated results for the 1st half of 2019

Main financial indicators, 1H 2019 vs. 1H 2018 (RON mn)



Distribution of operating revenues and result, by segment, 1H 2019 (RON mn)

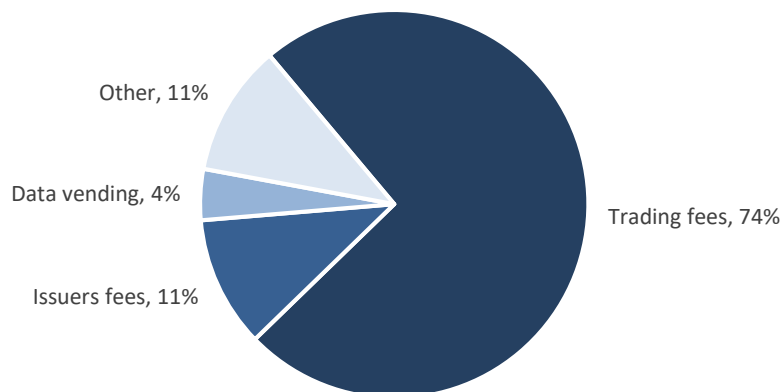


* The preliminary financial results for 1H 2019 are prepared in accordance with IFRS and are not audited.

- The **operating revenues** of the BVB Group registered a 17% decrease in the first six months of the year compared to 1H 2018, to a level of RON 17.41 mn (1H 2018: RON 21.30 mn), decrease mainly determined by the decrease of the income from commissions related to the total value of the "offers" transactions carried out on the BVB markets.
- The consolidated **operating expenses** amounted to RON 15.18 mn, registering an increase of 4.7% compared to the first six months of last year (1H 2018: RON 14.49 mn), mainly due to the increase in expenses with depreciation and amortization of fixed assets and expenses with other services provided by third parties and of the marketing expenses, as a result of the intensification of the efforts to promote the capital market in 2019 compared to the previous year.
- The BVB group registered a 62% decrease in the **consolidated operating profit** in the first half of 2019 to the value of RON 2.57 mn (1H 2018: RON 6.81 mn), the main cause being the drastic decrease in the value of the offers carried out on the shares and bonds regulated market.
- The **net financial income** increased by 10% in the first six months of 2019 compared to the similar period of 2018, up to the value of RON 2.04 mn (1H 2018: RON 1.86 mn), the unrealized exchange rate differences generating a gain of RON 0.54 mn.
- The **consolidated net profit** reached the level of RON 3.87 mn in the first semester of 2019 (1H 2018: RON 6.99 mn), decreasing by 45% compared to the previous year, 73% being generated by the trading segment of the Group.

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

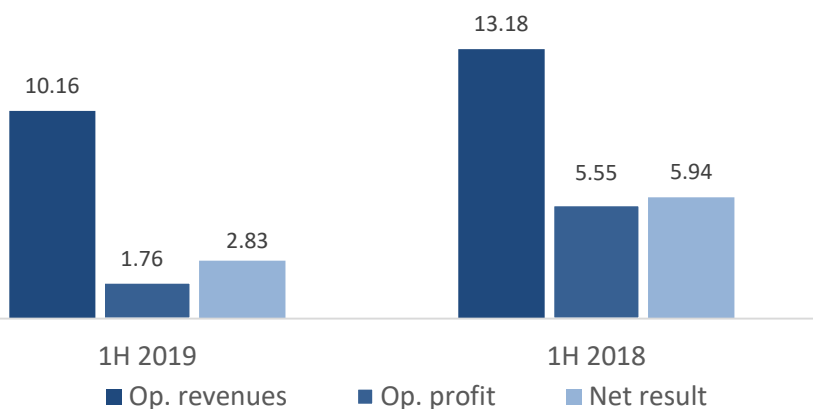
Breakdown of the Group trading segment revenues in 1H 2019 (%)



Trading segment revenues

- BVB's **trading** on the stock market was lower in the first half of the year, with a decrease of 7% compared to the first half of 2018, to the level of RON 5.42 bn. Although the value of the "offers" transactions decreased significantly on the main stock market, from RON 1,043 mn in 1H 2018 to RON 57 mn in 1H 2019, the "regular" transactions on the regulated stock market increased by 12%, from RON 4.69 bn to RON 5.25 bn
- The market for fixed income instruments (bonds and government securities) decreased by 93% over the same period last year to RON 104 mn
- The structured products market decreased by 59% compared to the first quarter of 2018, to RON 75 mn

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



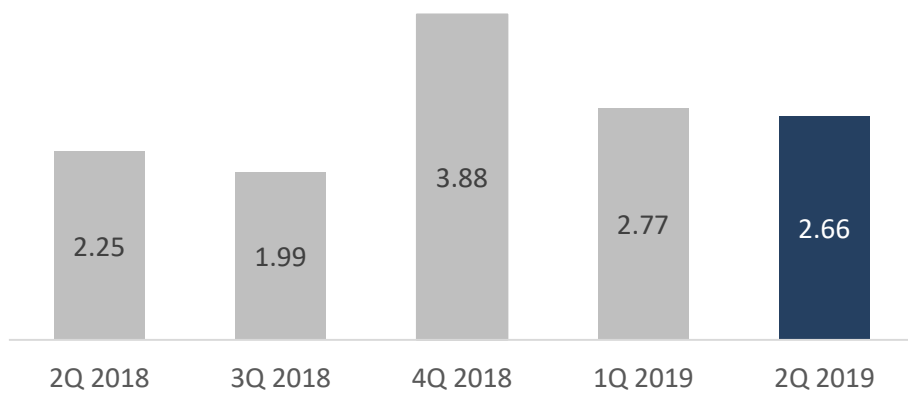
Trends in trading activity

- The market capitalization of all listed companies on the regulated market of BVB exceeded EUR 34.8 bn in the last trading session of June 2019, compared to EUR 30.6 bn at the end of 2018, up 14%.

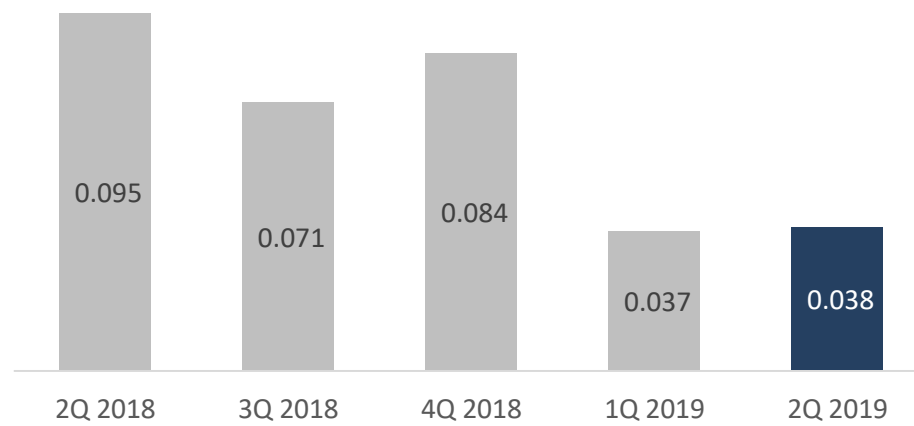
* The financial indicators for 1H 2019 are prepared in accordance with IFRS and are not audited.

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

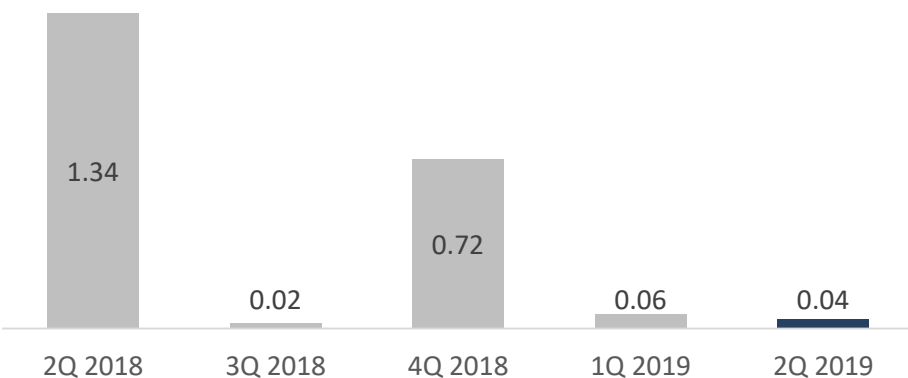
Trading value for shares, rights and units (RON bn)



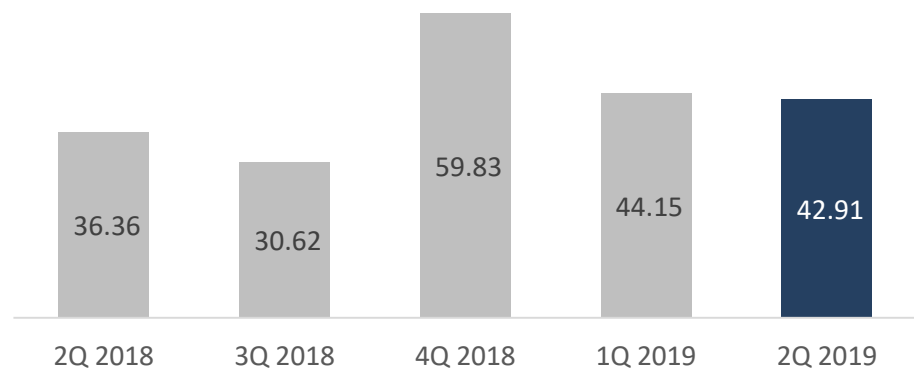
Trading value for certificates (RON bn)



Trading value, fixed-income instruments (RON bn)



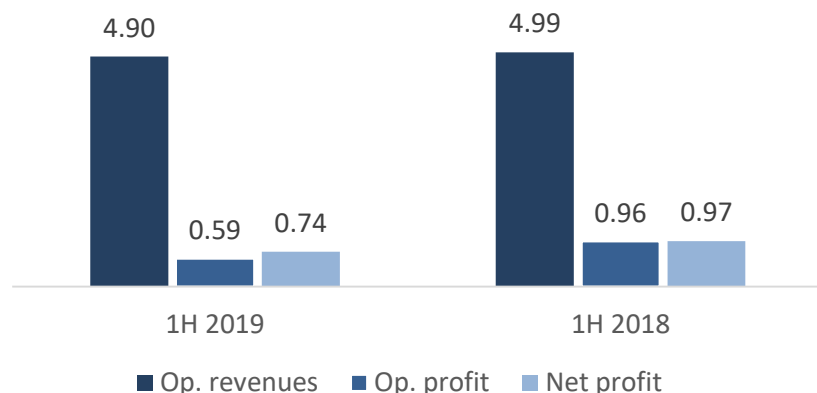
Average trading value, shares - regulated market (RON mn/day)



Note: Figures are presented on a "single counted" basis and include Deal trades (for stocks and structured products) and offers. Average trading value on regulated stock market including offers.

Analysis of the Group post-trading and registry segment revenues

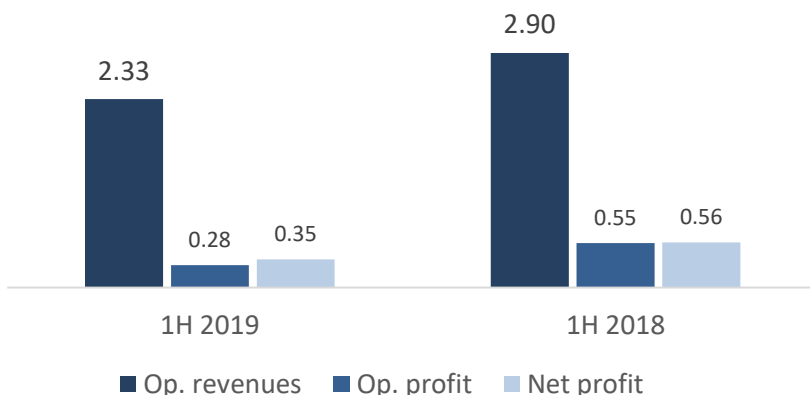
Operating revenues and profit, Group post-trading segment (RON mn)



Post-trading segment revenues

- The revenues from the **post-trade activity** performed by the Central Depository, decreased by 3% to the value of RON 4.84 mn, due to the decrease of the value traded at BVB.

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



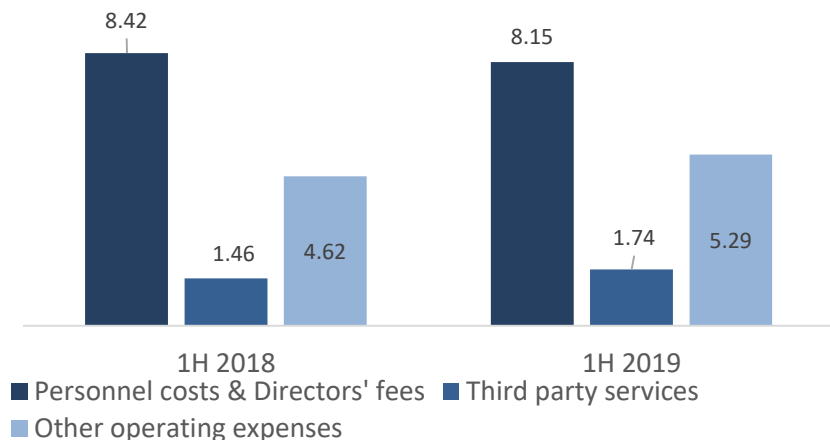
Registry segment revenues

- The revenues from the **registry activity** carried out by the Central Depository registered a 20% decrease from RON 2.92 mn to RON 2.33 mn, as a base effect, considering the one-off type revenues registered in the first half of 2018.

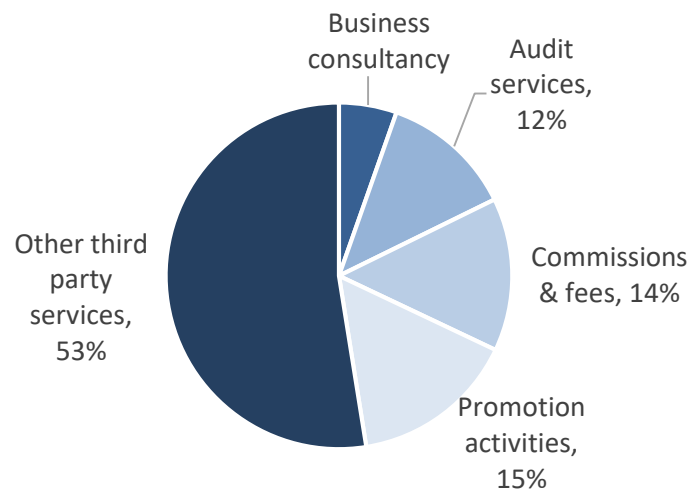
* The financial results for 1H 2019 are prepared in accordance with IFRS and are not audited.

Analysis of operating expenses for BVB Group

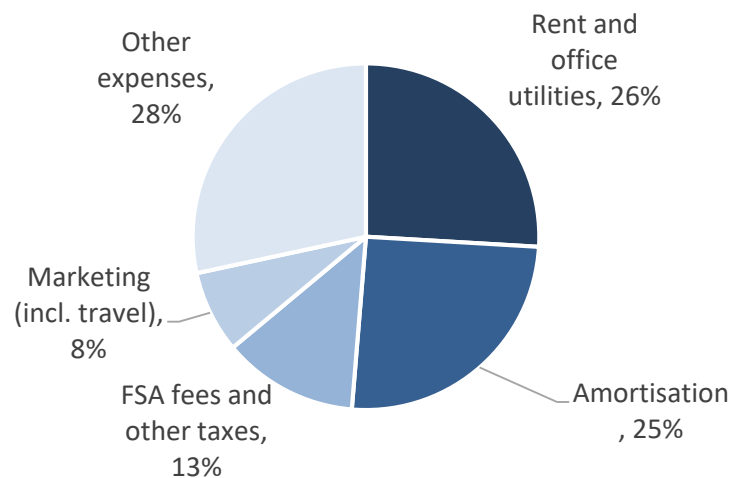
Breakdown of operating expenses, 1H 2019 vs. 1H 2018 (RON mn)



Third party services, 1H 2019 (%)



Other operating expenses, 1H 2019 (%)



- The consolidated operating expenses amounted to RON 15.18 mn for the BVB Group, up by 4.7% compared to the first six months of last year.
- Personnel expenses decreased by 6% in the reporting period from RON 8.42 mn in 1H 2018 to RON 8.15 mn in 1H 2019, mainly due to the decrease of the estimated expenditures with the benefits granted in shares to the management and employees of the BVB but also of the Board allowance expenses due to postponement of FSA approval of a new Board of Director for the Central Depository.
- Expenditures with services rendered by third parties increased by 19% in the first half of 2019, up to the value of RON 1.74 mn (1H 2018: RON 1.46 mn), mainly due to the increase of the expenses with other services provided by third parties determined by the advance of the costs recorded by Central Depository for carrying out the cross-border transactions that were subsequently re-invoiced to the Depository's clients, but also of the recording of consultancy expenses that were not contracted during the similar period of 2018.
- The other operational expenditure category advanced by 15%, from RON 4.62 mn in 1H 2018 to RON 5.29 mn in 1H 2019, mainly due to the increase in the depreciation expense of fixed assets, as well as of the promotion expenses, as a result of intensified efforts to promote the capital market in 2019.



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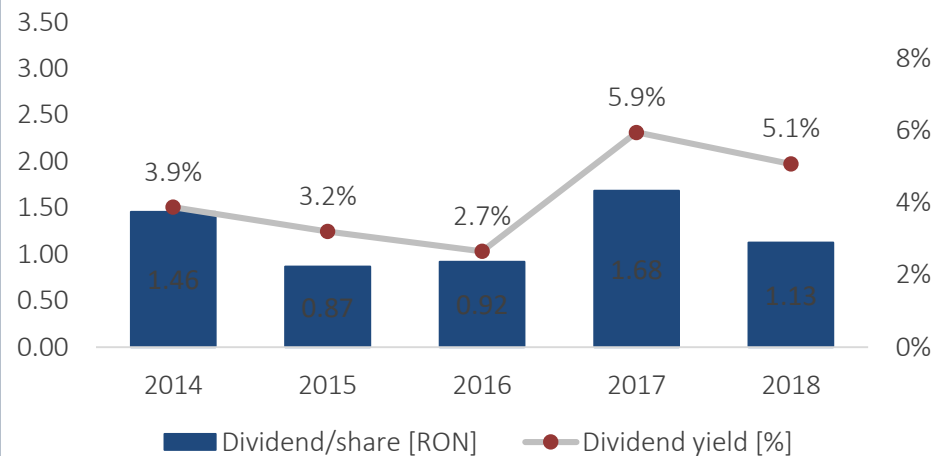
Overview of the consolidated financial position

Consolidated financial position (RON mn)

	Jun 2019	Dec 2018
Non-current assets	74.8	75.3
Current assets	112.9	138.8
Total assets	187.7	214.1
Shareholders' equity attributable to owners of the Company	105.1	110.2
Minority interest	9.8	10.2
Short-term liabilities	72.8	93.7
Total equity and liabilities	187.7	214.1

- At the end of March 2019, **total assets** of the BVB Group amounted to RON 187.68 mn (31 December 2018: RON 214.13 mn), down by 12% compared to the beginning of the year, mainly as a result of the decrease in current assets.
- Non-current assets** recorded a slight decrease, by 1%, to the value of RON 74.75 mn
- Current assets** decreased by 19% to RON 112.93 mn (31 December 2018: RON 138.84 mn) as a result of the decrease in other restricted assets due to the dividend payments made by the Central Depository to the shareholders of listed companies and due to the reduction in bank deposits covering the guarantee fund and the margin as a result of the compensation paid by the Investors' Compensation Fund (FCI) in February and March to the investors of Mobinvest SA.

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.

Next events:

November 11, 3Q 2019 Financial results and conference call

IR Contact:

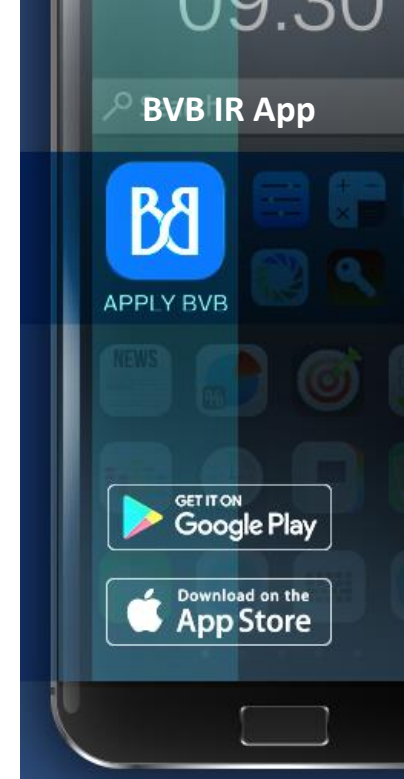
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