

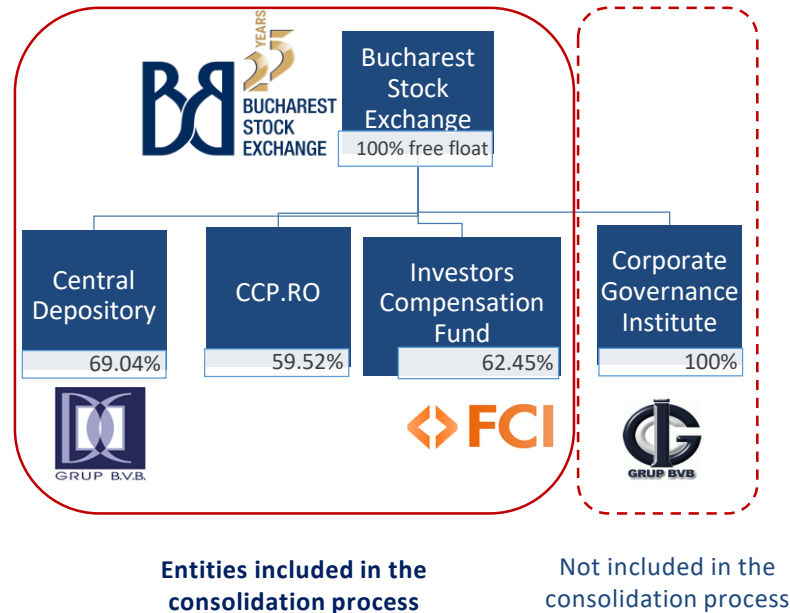


FINANCIAL RESULTS 1Q 2020
MAY 14, 2020



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 2 foreign*

Domestic market cap:
EUR 17.5 bn

Total market cap:
EUR 24.9 bn

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



Listed companies:
279 domestic and 2 foreign*

Total market cap:
EUR 1.7 bn

Instruments:
shares, rights, bonds

Key events during 1Q 2020



Regarding the COVID-19 crisis, BVB took early measures in March, including the cancellation of all events with physical participation, the implementation of an extensive work from home program and additional investments in the IT capacity. This ensured the protection of the employees as well as the smooth continuation of our activities. BVB functioned at optimal parameters throughout Q1 2020.



The annual conference Romania Investor Day in London took place on Feb 25-26. The majority of the Romanian blue-chip attended the event as well as representatives of the Romanian Government and the Romanian Central Bank.



The first fully digital investor event took place on March 25-26, replacing the CEE Investor Day conference in New York. The participation rate was high, with more than 50 regional companies, including the largest Romanian companies, and roughly 100 institutional investors. This event proved that the investor relations activity can continue successfully in a 100% online environment.



The interest of the private companies in our alternative market - SMT kept the momentum started in 2019. The Norofert shares listed on this segment on Feb 27th, followed by the bonds issued by Qualitance on March 30th.



Q1 2020 marked the significant progress of the issuer market making scheme developed by BVB in 2019. 3 issuers, part of the BET index, opted to use this product with positive evolution in their trading volumes after implementing the new market-making arrangements.

Key financial highlights - consolidated



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

	1Q 2020	1Q 2019	Change (%)
Operating revenues	12.11	8.86	37%
Operating expenses	(8.02)	(7.24)	11%
Operating profit	4.09	1.62	153%
<i>Operating margin</i>	<i>34%</i>	<i>18%</i>	
Net financial revenue/(expenses)	0.78	1.69	-54%
Profit before tax	4.88	3.31	47%
Profit from continuing operations	4.21	2.76	52%
Loss from discontinued operations	-	(0.04)	-100%
Profit for the period	4.21	2.72	54%
<i>Net margin</i>	<i>35%</i>	<i>31%</i>	
EPS attributable to owners (RON/share)	0.5064	0.3254	56%
<i>Return on equity</i>	<i>3%</i>	<i>2%</i>	

* The financial results for 1Q 2020 are prepared in accordance with IFRS and are not audited.

Key financial highlights



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

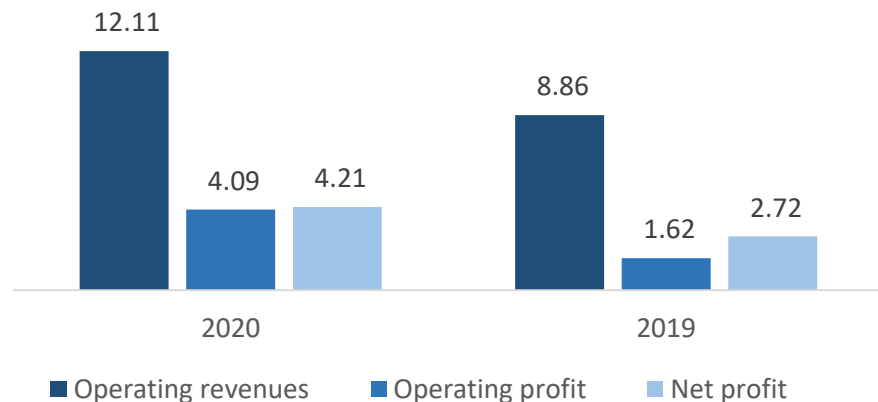
	1Q 2020	1Q 2019	Change (%)
Operating revenues	7.96	5.38	48%
Operating expenses	<u>(4.20)</u>	<u>(4.01)</u>	<u>5%</u>
Operating profit	3.76	1.37	174%
<i>Operating margin</i>	<i>47%</i>	<i>26%</i>	
Net financial revenue/(expenses)	0.55	1.43	-61%
Profit before tax	4.31	2.80	54%
Profit for the period	3.73	2.34	59%
<i>Net margin</i>	<i>47%</i>	<i>44%</i>	
<i>Return on equity</i>	<i>3%</i>	<i>2%</i>	

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Analysis of the consolidated results for 1Q 2020

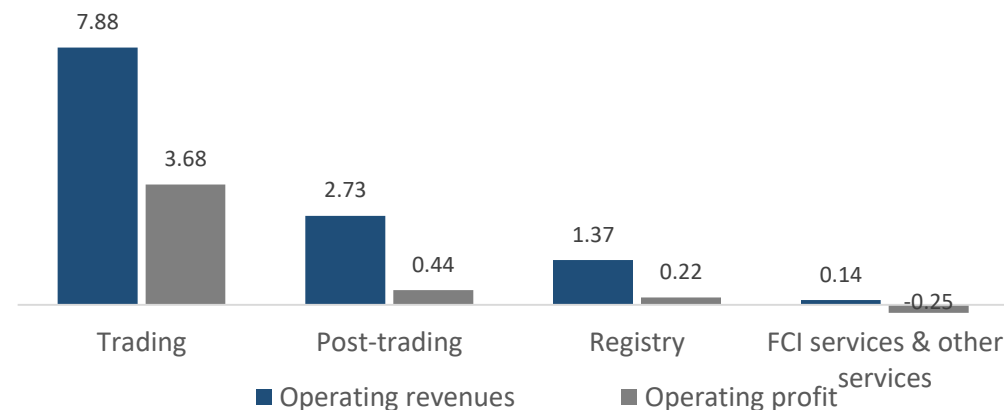


Main financial indicators, 1Q 2020 vs. 1Q 2019
(RON mn)



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Distribution of operating revenues and result, by segment, 1Q 2020 (RON mn)

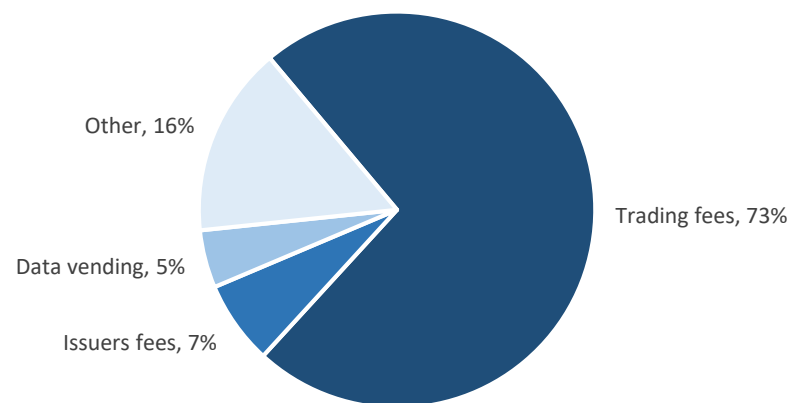


- **The operating revenues** of the BVB Group in Group in 1Q 2020 were of RON 12.11 mn (1Q 2019: RON 8.86 mn), + 37%, + RON 3.26 mn, growth influenced by all business segments of the Group
- **The consolidated operating expenses** of the BVB Group - 1Q 2020, + 11%, respectively RON 0.78 mn, from RON 7.24 mn to RON 8.02 mn, mainly due to the advance of personnel expenses by RON 0.46 mn and the expenses with services provided by third parties by RON 0.36 mn
- **The consolidated operating profit** of the BVB Group - 1Q 2020, + 153%, from RON 1.62 mn to RON 4.09 mn as a result of the advance of operating revenues by 37% while the advance of operating expenses is 11%
- **Net financial income**, 1Q 2020, -54%, from RON 1.69 mn to RON 0.78 mn, mainly determined by the reduction of unrealized exchange rate differences from the revaluation of financial instruments in foreign currency that generated a gain of RON 0.01 mn vs. RON 0.96 mn in 1Q 2019, decrease partially covered by the increase of interest income by RON 0.12 mn, up to the value of RON 0.86 mn
- **The consolidated net profit** of the BVB Group - 1Q 2020, + 54%, from RON 2.72 mn to RON 4.21 mn, 87% being generated by the trading segment of the Group

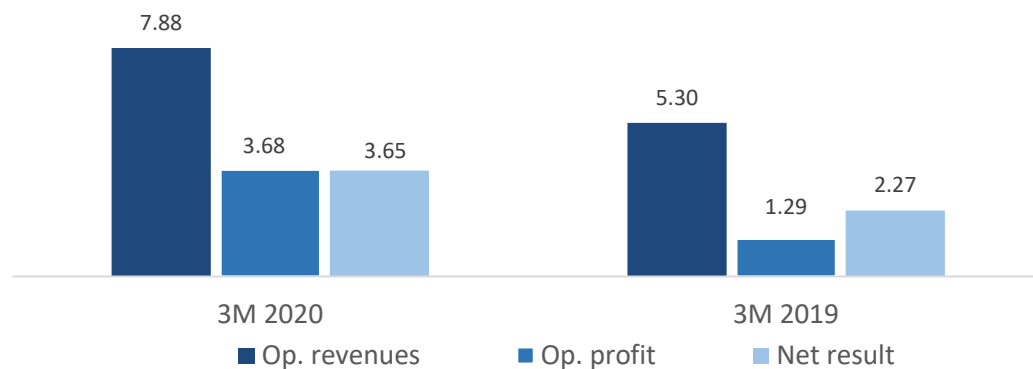
Analysis of the Group trading segment revenues (1/2)



Breakdown of the Group trading segment revenues in 1Q 2020 (%)



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



Trading segment revenues

- The trading segment revenues - BVB, 1Q 2020, + 48%, from RON 5.30 mn to RON 7.87 mn as a result of the advance of revenues from shares trading on the main market, both “regular” transactions and secondary public offers, but also due to the increase of the category of other revenues of this operating segment
- Trading activity at BVB on the stock market - 2019, +28%, reaching the level of RON 3.53 bn while the transactions with “regular” shares on the regulated market increased by 17% from RON 2,64 bn up to RON 3,09 bn
- The market of fixed income instruments (bonds and government securities) – 1Q 2020, -59%, from RON 61 mn to RON 25 mn
- The structured products market increased by 267% compared to 1Q 2019, to RON 137 mn

Trends in trading activity

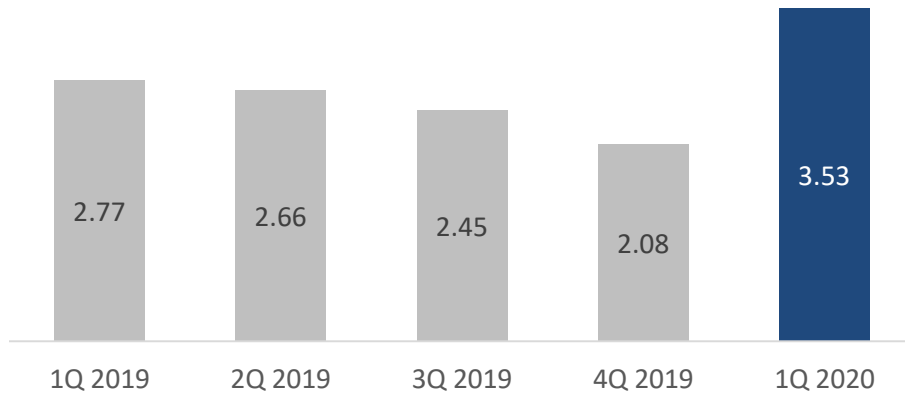
- At the end of March 2020, the market value of all the companies listed on the Main Market of BVB reached RON 120.29 bn, the equivalent of EUR 24.93 bn

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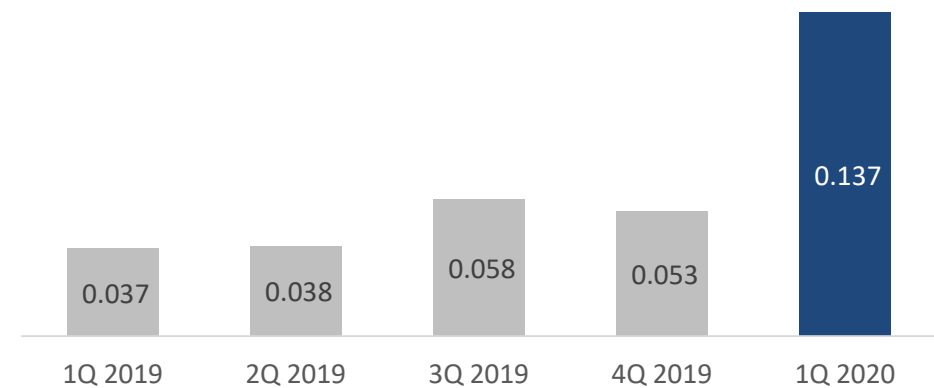
Analysis of the Group trading segment revenues (2/2)



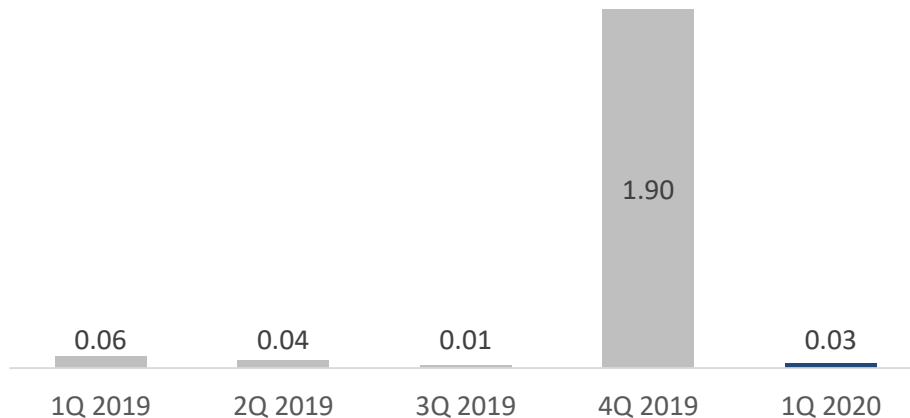
Trading value for shares, rights and units
(RON bn)



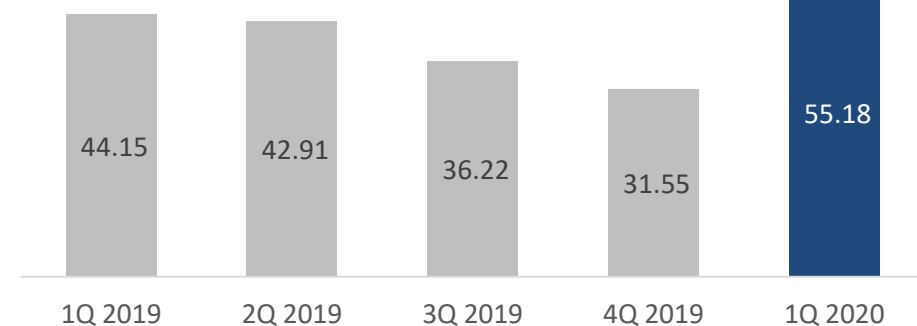
Trading value for certificates (RON bn)



Trading value, fixed-income instruments
(RON bn)



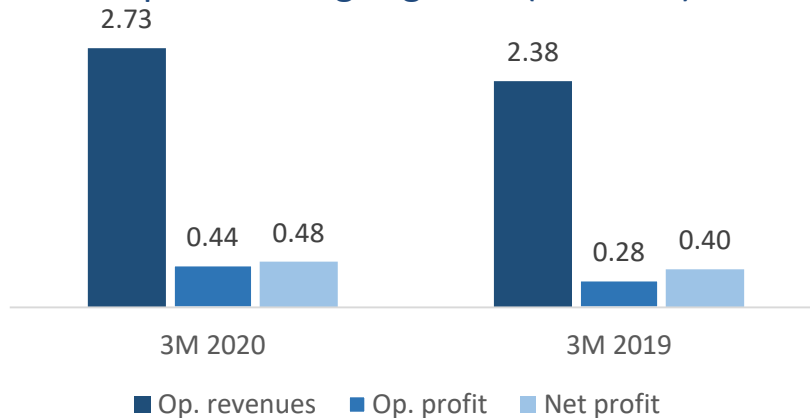
Average trading value, shares - regulated
market, incl. offers
(RON mn/day)



Analysis of the Group post-trading and registry segment revenues



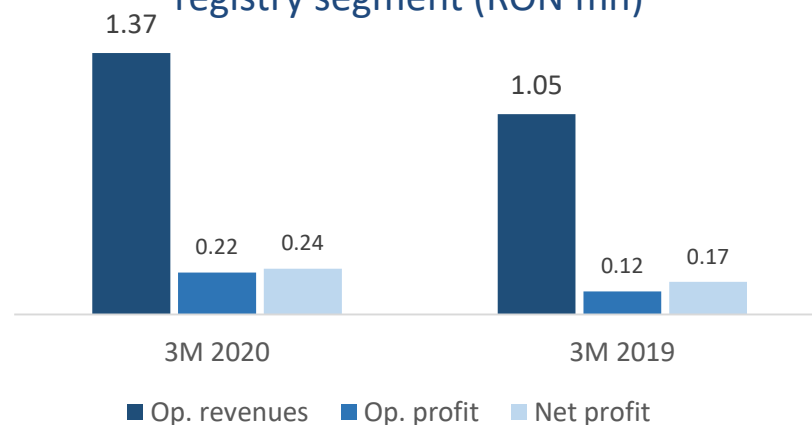
Operating revenues and profit, Group post-trading segment (RON mn)



Post-trading segment revenues

- The revenues related to the **post-trading segment** (DC) - Q1 2020, + 15% (from RON 2.38 mn to RON 2.73 mn) as a result of the increase of revenues from maintaining the quality of custodian in the DC system but also of increase in settlement revenues, influenced by the increase in values traded on BVB

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



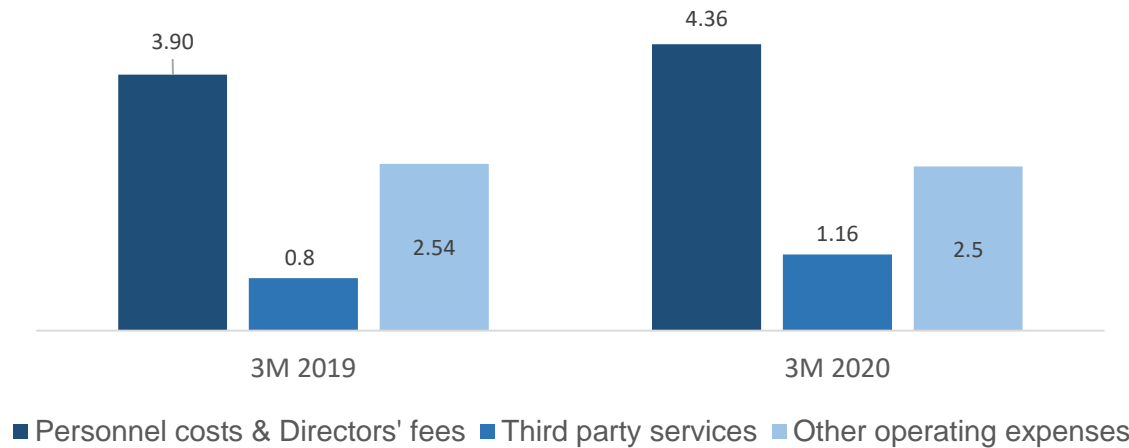
Registry segment revenues

- The revenues related to the **registry segment** (DC) - Q1 2020, increased by 30% (from RON 1.05 mn to RON 1.37 mn) mainly due to the registration of “one-off” revenues

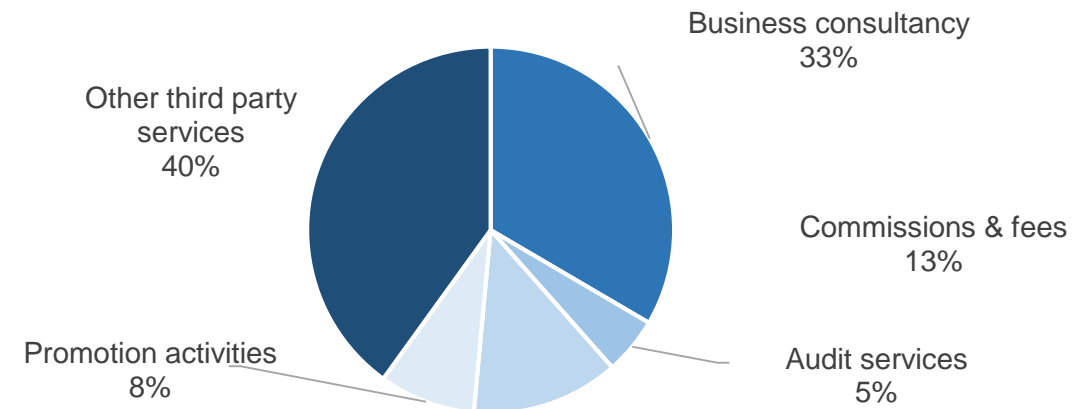
Overview of the consolidated financial position



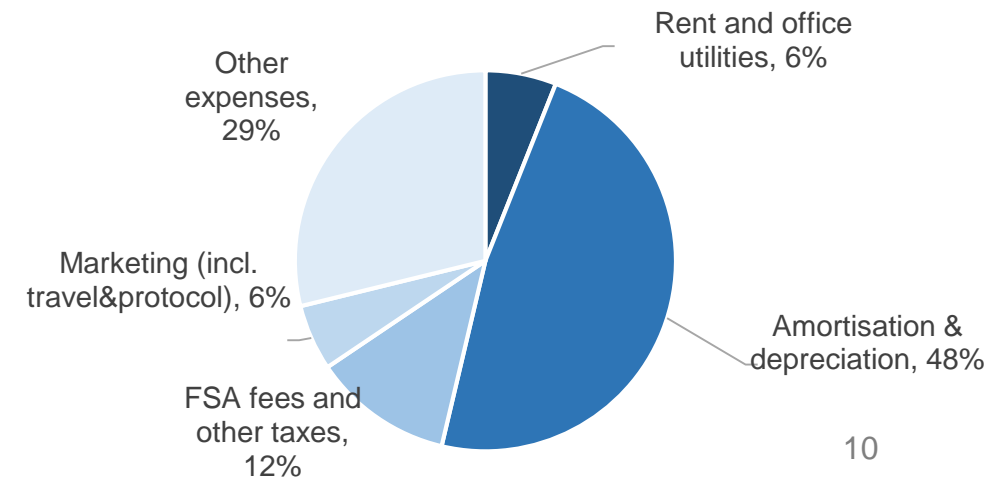
Breakdown of operating expenses, 1Q 2020 vs. 1Q 2019 (RON mn)



Third party services, 1Q 2020 (%)



Other operating expenses, 1Q 2020 (%)



- The consolidated operating expenses of the BVB Group - Q1 2020, advanced by 11%, from RON 7.24 mn to RON 8.02 mn
- Consolidated **personnel expenses** - Q1 2020, + 12% or RON 0.46 mn, from RON 3.90 mn to RON 4.36 mn as a result of the advance of salary expenses, as a result of the salary adjustments that took place starting with 2Q 2019, but also as a base effect considering that in 1Q 2019 at the level of DC no expenses were registered with Board allowances. At the same time, the estimated expenses with the benefits to be granted in shares to BVB management and employees decreased compared to 1Q 2019
- Consolidated expenditure with **services provided by third parties** - 1Q 2020, + 45%, from RON 0.80 mn to RON 1.16 mn, mainly due to the increase with the estimated consultancy expenses related to the CCP Project
- The category of consolidated **other operating expenses** - 1Q 2020, -2% or RON 0.04 mn, from RON 2.54 mn to RON 2.50 mn, influenced by the net decrease of the expenses with the rents and utilities (rents expenses + right of use assets depreciations), reduction of protocol expenses as a result of the postponement of some events of the Group, while the expenses with the IT maintenance services increased on the background of the increasing requirements of the regulations in force

Key events during 1Q 2020

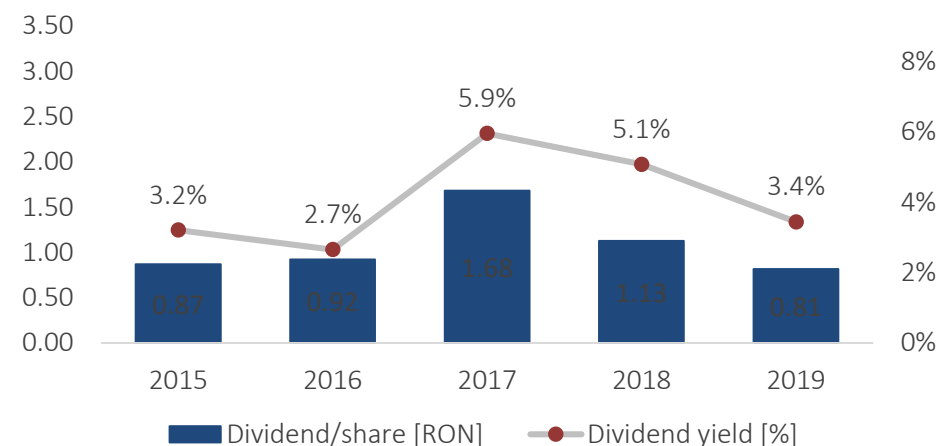


Consolidated financial position (RON mn)

	Mar 2020	Dec 2019
Non-current assets	62.1	66.1
Current assets	158.3	151.5
Total assets	220.4	217.6
Shareholders' equity attributable to owners of the Company	111.0	107.8
Minority interest	42.2	42.1
Total liabilities	67.2	67.7
Total equity and liabilities	220.4	217.6

- At the end of March 2020, **total assets** of the BVB Group +1% or RON 2.76 mn vs. the value from December 31, 2019, up to RON 220.39 mn, influenced by the increase of current assets at a higher level than the decrease of non-current assets
- **Current assets**, +5% compared to the beginning of the year, from RON 151.51 mn to RON 158.34 mn, mainly as a result of the increase of short-term financial assets but also of the value of trade receivables due to the increase of the invoiced value at the end of March
- **Non-current assets**, -6% compared to the beginning of the year, from RON 66.12 mn to RON 62.05 mn, mainly due to the reclassification as current assets of some government securities whose maturity decreased below 1 year
- **Total payables** of the Group are mainly short-term, at March 31, 2020 amounting to RON 67.15 mn, -1% compared to the value as of December 31, 2019 of RON 67.70 mn, mainly due to the reduction of debts with dividends to be paid by the Central Depository in the amount of RON 1.93 mn
- **Shareholder's equity**, + 2% compared to the beginning of the year, up to RON 153.24 mn, influenced by the registration of the current result of 1Q but also due to the acquisition of treasury shares by BVB.

Attractive dividend yield



Note: Dividend yields are calculated using the price on the corresponding ex-dates, except for 2019, where the closing price as of 29 April 2019 (GSM date) was used.

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



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