

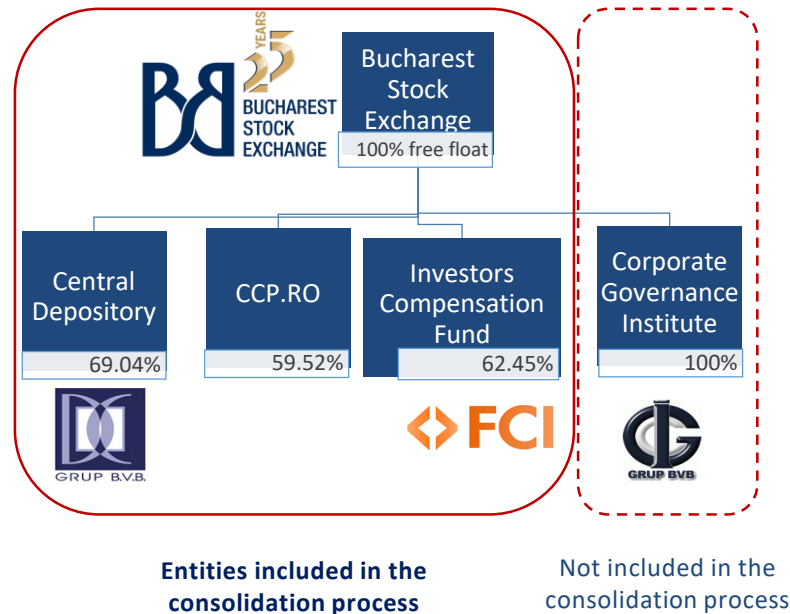


FINANCIAL RESULTS 3Q 2020
NOVEMBER 12, 2020



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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:
82 domestic and 2 foreign

Domestic market cap:
EUR 19.7 bn

Total market cap:
EUR 27.6 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



Romania's promotion to emerging market status becomes effective as of September 20. Banca Transilvania and Nuclearelectrica join the main FTSE Emerging Markets indices while Teraplast will be part of FTSE EM small-cap universe.



September trading volumes reach EUR 580 mn (almost double the YTD average) fueled by emerging markets indices rebalancing flows.



Ministry of Finance lists three issuances of retail dedicated Government bonds. Additional issuances are scheduled until the end of the year.



The CCP project enters the implementation phase as the contract with CC&G becomes effective as of October 1st.



BVB launches its first ESG related initiative in collaboration with Sustainalytics.

Key financial highlights - consolidated



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

	9M 2020	9M 2019	Change (%)	3Q 2020	3Q 2019	Change (%)
Operating revenues	31.63	26.45	20%	12.05	8.71	38%
Operating expenses	<u>(24.44)</u>	<u>(22.43)</u>	9%	<u>(8.40)</u>	<u>(7.25)</u>	16%
Operating profit	7.19	4.02	79%	3.65	1.46	151%
<i>Operating margin</i>	<i>23%</i>	<i>15%</i>		<i>30%</i>	<i>17%</i>	
Net financial revenue/(expenses)	2.22	3.93	-43%	0.64	1.89	-66%
Profit before tax	<u>9.41</u>	<u>8.01</u>	17%	<u>4.29</u>	<u>3.34</u>	28%
Profit for the period	7.91	6.69	18%	3.67	2.82	30%
<i>Net margin</i>	<i>25%</i>	<i>26%</i>		<i>30%</i>	<i>32%</i>	
EPS attributable to owners (RON/share)	0.9867	0.7844	26%	0.4444	0.3369	32%
<i>Return on equity</i>	<i>5%</i>	<i>6%</i>		<i>2%</i>	<i>2%</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)

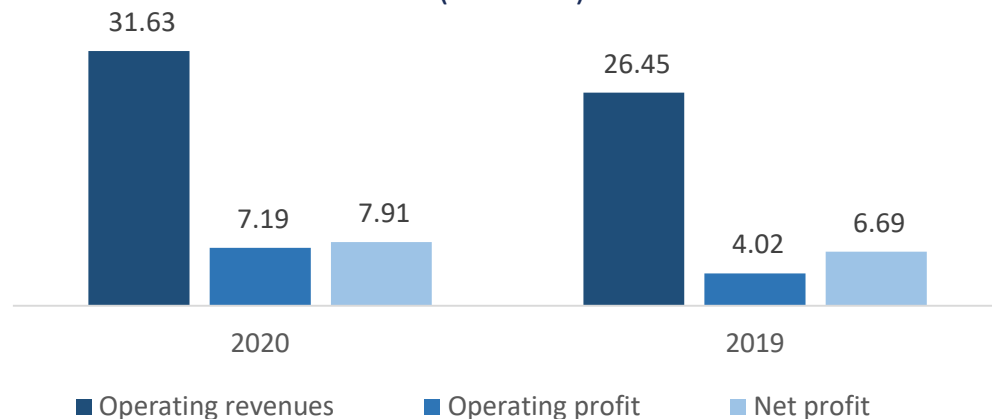
	9M 2020	9M 2019	Change (%)	3Q 2020	3Q 2019	Change (%)
Operating revenues	20.31	15.24	33%	7.87	4.91	60%
Operating expenses	(12.00)	(11.97)	0%	(3.87)	(3.59)	8%
Operating profit	8.31	3.24	156%	4.00	1.32	202%
<i>Operating margin</i>	<i>41%</i>	<i>21%</i>		<i>51%</i>	<i>27%</i>	
Net financial revenue/(expenses)	1.84	4.63	-60%	0.05	1.60	-97%
Profit before tax	<u>10.15</u>	<u>7.93</u>	28%	<u>4.04</u>	2.92	38%
Profit for the period	8.76	6.82	29%	3.41	2.45	39%
<i>Net margin</i>	<i>43%</i>	<i>45%</i>		<i>43%</i>	<i>50%</i>	
<i>Return on equity</i>	<i>8%</i>	<i>6%</i>		<i>3%</i>	<i>2%</i>	

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Analysis of the consolidated results for 9M 2020

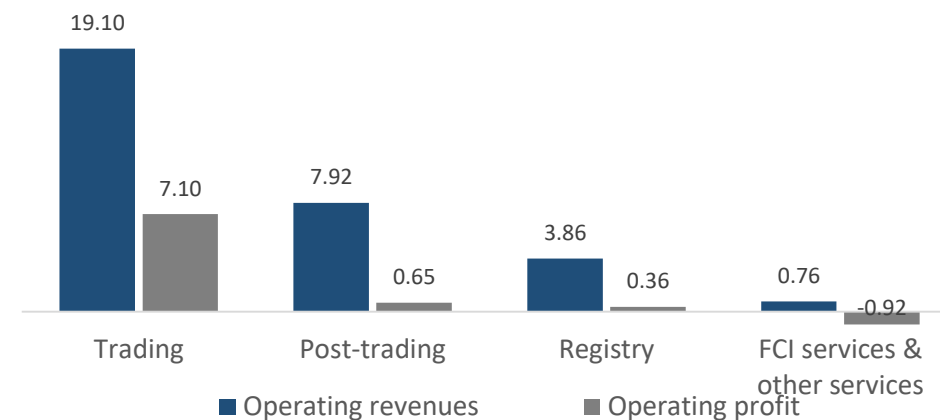


Main financial indicators, 9M 2020 vs. 9M 2019
(RON mn)



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Distribution of operating revenues and result, by segment, 9M 2020 (RON mn)

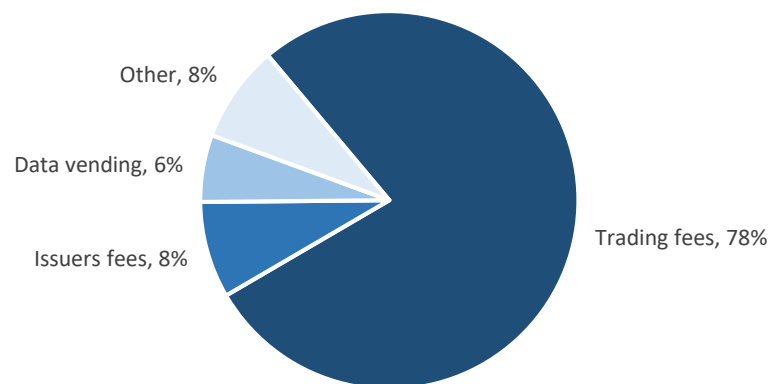


- **The operating revenues** of the BVB Group in Group in 9M 2020 were RON 31.63 mn, + 20% compared to the similar period of the previous year (9M 2019: RON 26.45 mn), an increase influenced by all business segments of the Group
- **The consolidated operating expenses** of the BVB Group - 9M2020, + 9%, respectively RON 2.01 mn, from RON 22.43 mn to RON 24.44 mn mainly due to the advance of personnel expenses by RON 1,28 mn and expenses with services provided by third parties by RON 0.68 mn
- **The consolidated operating profit** of the BVB Group - 9M 2020, + 79%, from RON 4.02 mn to RON 7.19 mn as a result of the advance of operating revenues by 20% while the advance of operational expenses was 9%
- **Net financial income**, 9m 2020, -43%, decrease from RON 3.93 mn to RON 2.22 mn, as a result of the reduction of unrealized exchange rate differences from the revaluation of financial instruments in foreign currency, which generated a gain of RON 0.04 lei vs. RON 1.28 mn in 9M 2019, but also due to the registration of one-off revenues from the sale of government securities in Q3 2019, revenues that were not recorded in 2020
- **The consolidated net profit** of the BVB Group - 9M 2020, +18%, from RON 6.69 mn to RON 7.91 mn, 82% being generated by the trading segment of the Group

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



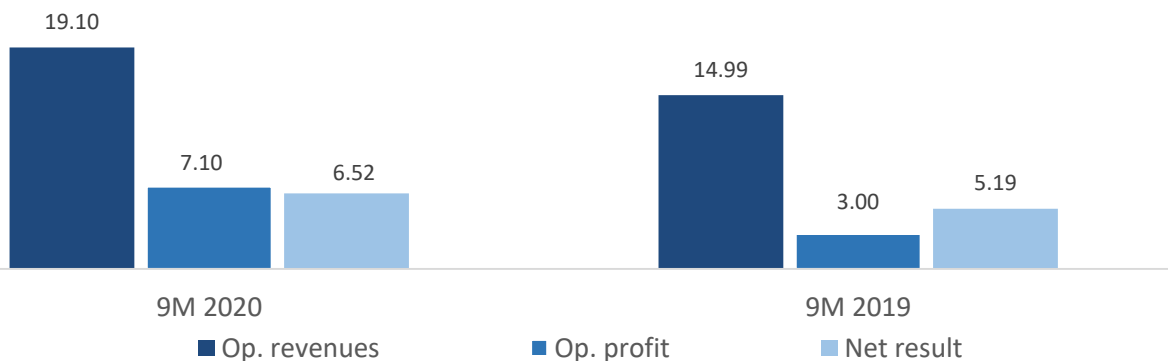
Breakdown of the Group trading segment revenues in 9M 2020 (%)



Trading segment revenues

- The **trading segment revenues** - BVB, 9M 2020, + 27%, from RON 14.99 mn to RON 19.10 mn as a result of the increase of the value traded on the main stock market, both regular transactions as well as offers
- Trading activity at BVB on the stock market – 9M 2020, +26%, reaching the level of RON 9.65 bn, transactions with “regular” shares advancing by 13% compared to 9M 2019, up to RON 8.86 bn, while the “offers” shares transactions (secondary public offers) increased more than 4 times from RON 206 mn to RON 1.187 mn
- The market of fixed income instruments (bonds and government securities) – 9M 2020, increased more than 17 times, from RON 116 mn to RON 2.167 influenced by the listing of government securities for retail investors
- The structured products market increased more than 3 times, compared to 9M 2019, from RON 133 mn to RON 591 mn

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



Trends in trading activity

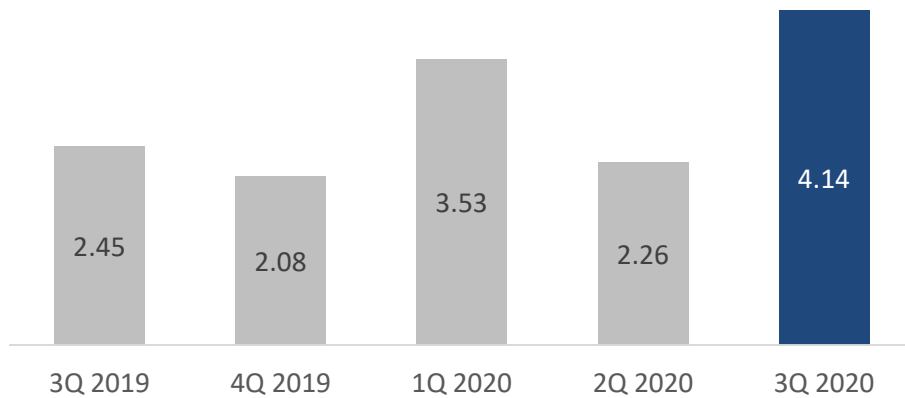
- At the end of September 2020, the market value of all the companies listed on the Main Market of BVB reached RON 134.60 bn, the equivalent of EUR 27.64 bn

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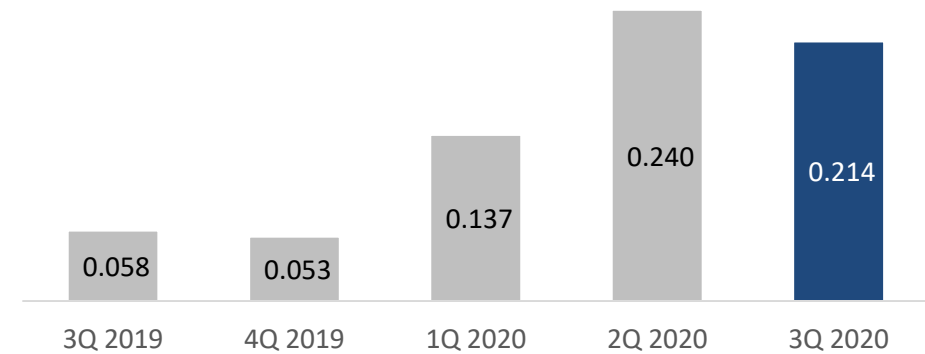
Analysis of the Group trading segment revenues (2/2)



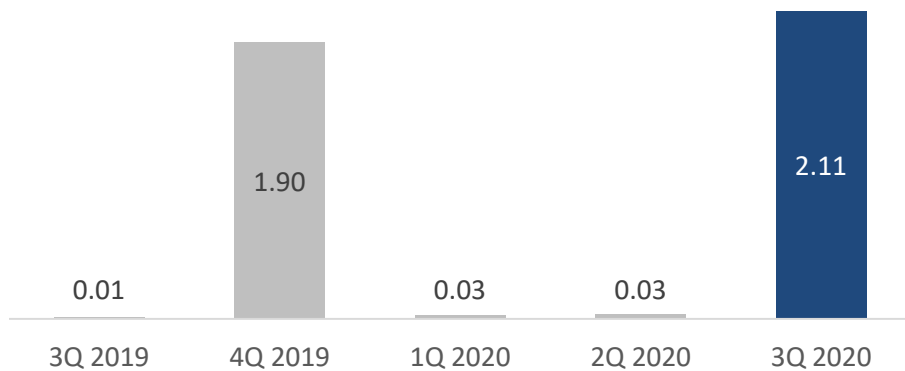
Trading value for shares, rights and units (RON bn)



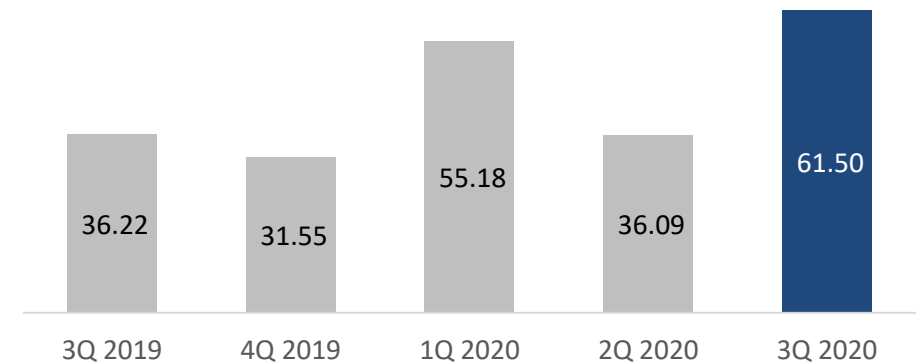
Trading value for certificates (RON bn)



Trading value, fixed-income instruments (RON bn)



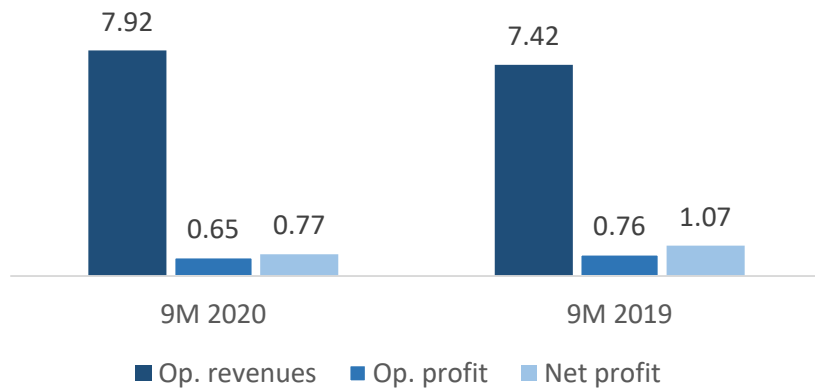
Average trading value, shares - regulated market (RON mn/day)



Analysis of the Group post-trading and registry segment revenues



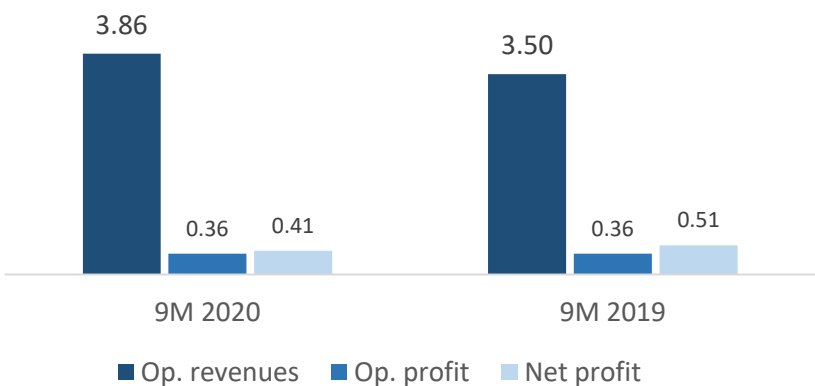
Operating revenues and profit, Group post-trading segment (RON mn)



Post-trading segment revenues

- The revenues related to the **post-trading segment** (DC) - 9M 2020, + 7% (from RON 7.42 mn to RON 7.92 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)



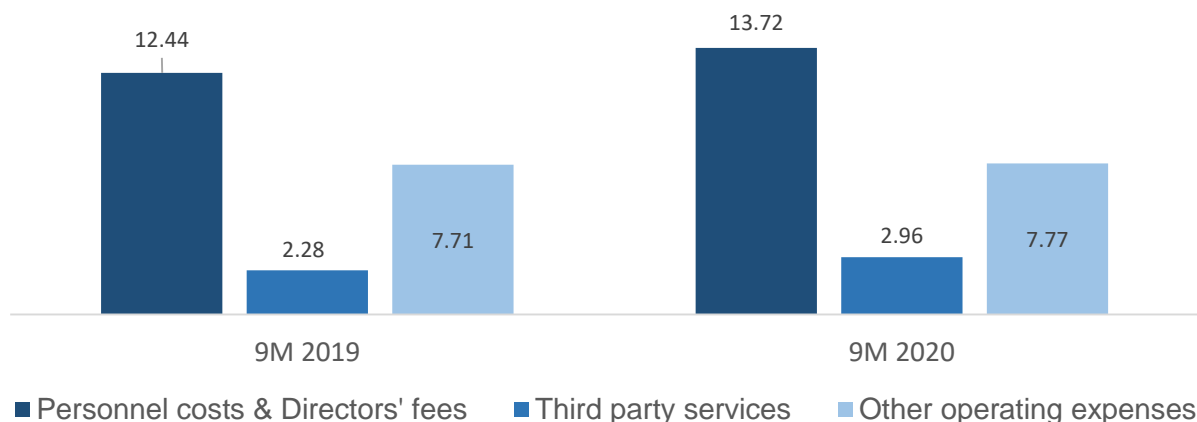
Registry segment revenues

- The revenues related to the **registry segment** (DC) - 9M 2020, increased by 10%, from RON 3.50 mn to RON 3.86 mn, mainly due to the registration of “one-off” revenues

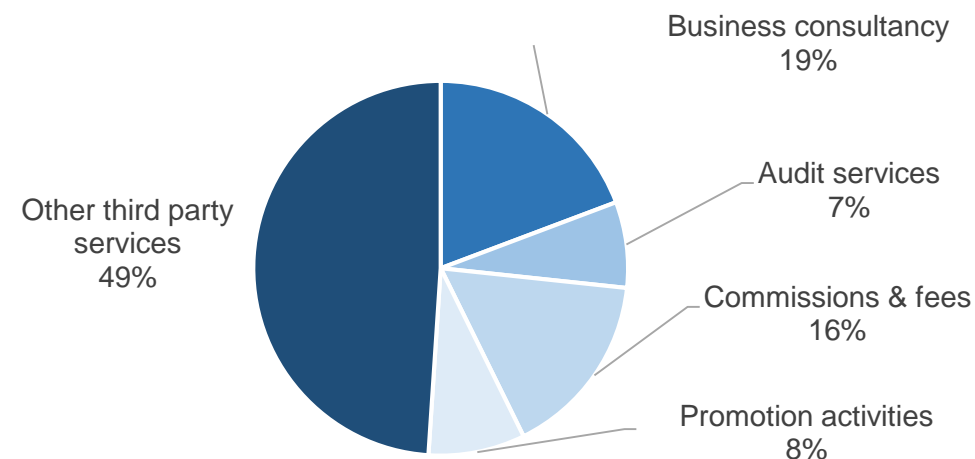
Analysis of operating expenses for BVB Group



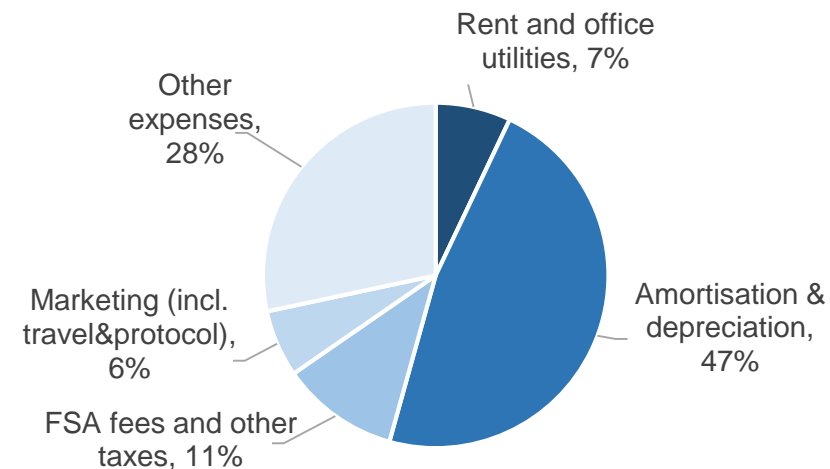
Breakdown of operating expenses, 9M 2020 vs. 9M 2019 (RON mn)



Third party services, 9M 2020 (%)



Other operating expenses, 9M 2020 (%)



- The consolidated operating expenses of the BVB Group – 9M 2020, advanced by 9%, from RON 22.43 mn to RON 24.44 mn
- Consolidated **personnel expenses** - 1H 2020, +10% or RON 1.27 mn, from RON 12.44 mn to RON 13.72 mn as a result of the advance of salary expenses, following the application of the Remuneration Policy at the level of the BVB Group, respectively of the salary adjustments that took place starting with Q3-Q4 2019, but also as a base effect considering that in Q1 2019 at the DC level no expenses were registered with Board allowances. Also, a base effect is generated by the registration of personnel expenses by CCP.RO in 9M 2020 (RON 0.52 mn), because in the similar period of 2019 no such expenses were recorded
- Consolidated expenditure with **services provided by third parties** - 9M 2020, +30%, from RON 2.28 mn to RON 2.96 mn, mainly due to the increase in estimated consultancy expenditures related to the CCP Project
- The category of consolidated **other operating expenses** – 9M 2020, 1%, from RON 7.71 mn to RON 7.77 mn, influenced by the advance of the expenses with the IT maintenance services increased on the background of the increasing requirements of the regulations in force, the increase of the net expenses with uncertain clients partly covered while the protocol expenses decreased as a result of the postponement of some events of the Group

Overview of the consolidated financial position

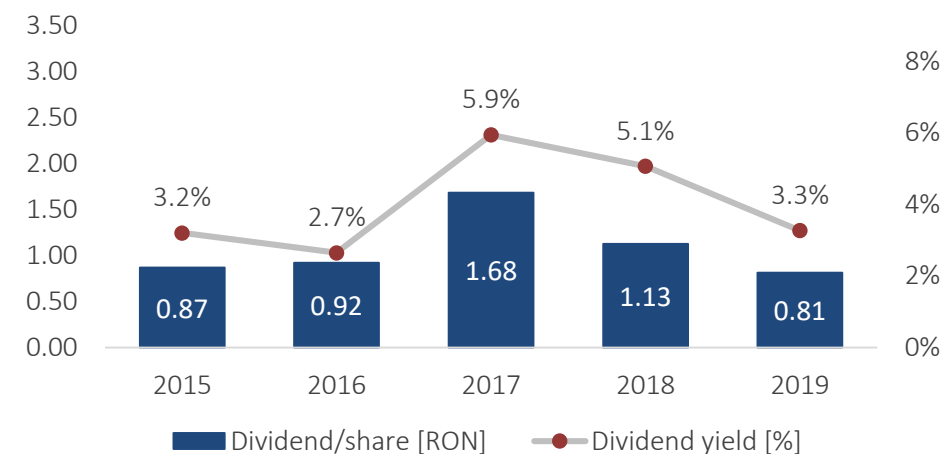


Consolidated financial position (RON mn)

	Sept 2020	Dec 2019
Non-current assets	78.8	66.1
Current assets	136.7	151.5
Total assets	215.5	217.6
Shareholders' equity attributable to owners of the Company	108.1	107.8
Minority interest	41.6	42.1
Total liabilities	65.8	67.7
Total equity and liabilities	215.5	217.6

- At the end of September 2020, **total assets** of the BVB Group -1% or RON 2.15 mn vs. the value from December 31, 2019, up to RON 215.46 mn, influenced by the decrease of current assets with a higher level than the increase of non-current assets
- **Non-current assets**, +19% compared to the beginning of the year, from RON 66.12 mn to RON 78.80 mn, mainly due to the acquisition of government bonds, thus reducing cash
- **Current assets**, -10% compared to the beginning of the year, from RON 151.51 mn to RON 136.67 mn, mainly due to the acquisition of government bonds with maturities of more than 1 year
- **Total liabilities** of the Group are mainly short-term, at September 30, 2020 amounting to RON 65.79 mn -3% compared to the value as of December 31, 2019 of RON 67.70 mn, mainly due to the reduction of trade and other payables
- **Shareholder's equity**, value close to that at the beginning of the year, respectively RON 149.69 mn, influenced by the registration of a net result in the first 9 months of the year comparable to the value of dividends distributed from the net result of 2019 and of the acquisition of 60,369 treasury shares by BVB in the amount of RON 1.39 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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