



**BUCHAREST
STOCK
EXCHANGE**

BVB 3Q21 Results

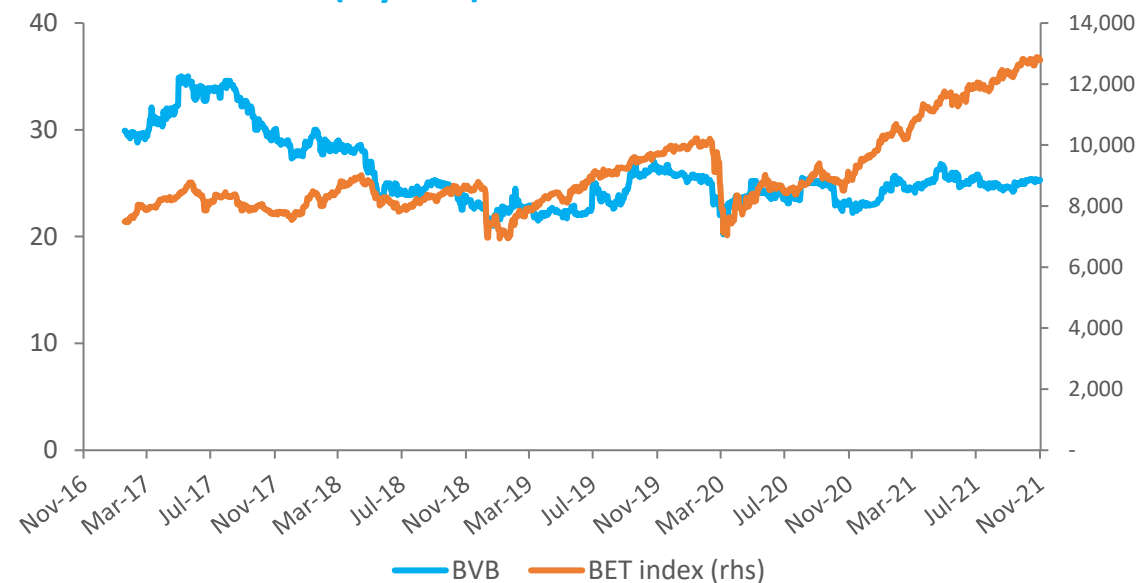


Own the future. Invest in it.

Bucharest Stock Exchange (BVB) Stock

Indicator	BVB
ISIN	ROBVBAACNORO
Refinitiv	ROBVB.BX
Bloomberg	BVB.RO
Share price (Sep 30, 2021)	EUR 5.05 / RON 25
Market Cap (Sept 30, 2021)	EUR 39.8 mn/ RON 201 mn
No. of outstanding shares	8,049,246
ADT 12TM	RON 0.15 mn
P/E (price as of Sept 2021, 12TM EPS)	91
P/BV (price as of Sept 2021)	1.9
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

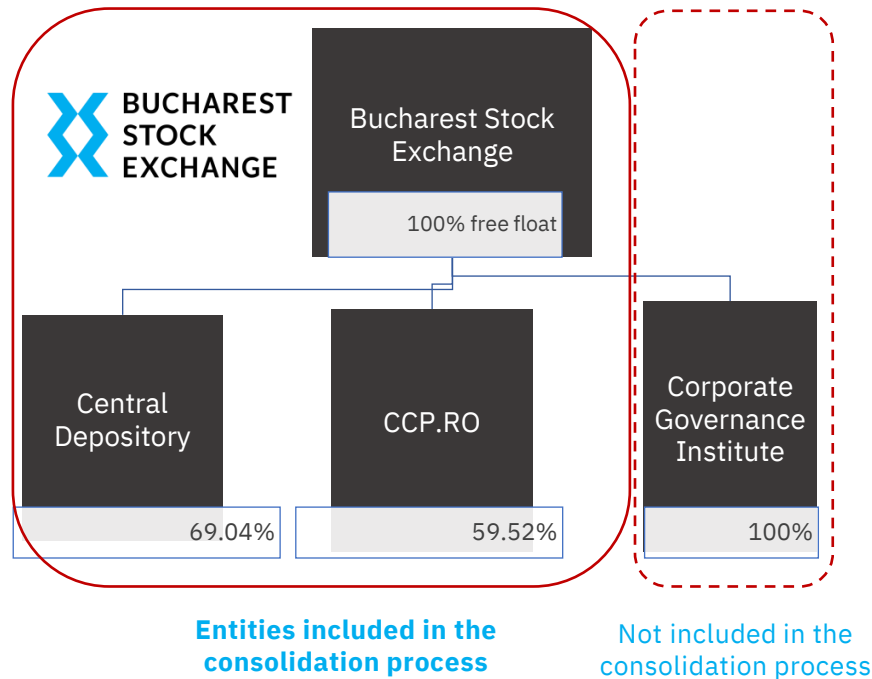


Significant investors > 5%: SIF Transilvania, NN Group N.V., Aegon Pensions



Shareholding structure as of Sept 2021:
 Romanian institutional investors – 74.57%
 Foreign institutional investors – 1.38%
 Romanian private investors – 22.32%
 Foreign private investors – 1.54%
 Bucharest Stock Exchange – 0.19%



BVB Group at a glance



Members: 27 (21 local / 6 foreign)

Classification: FTSE Russell – Emerging (since Sept 2020)
MSCI – Frontier

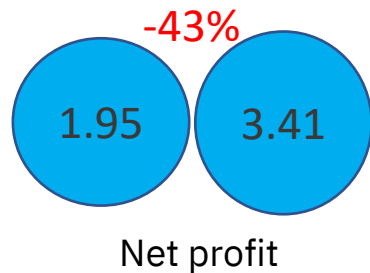
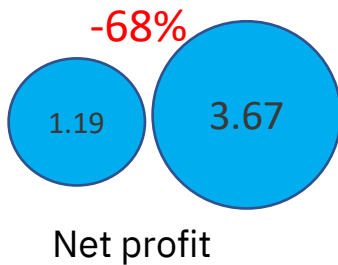
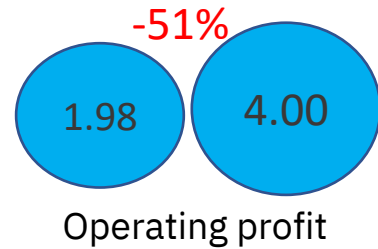
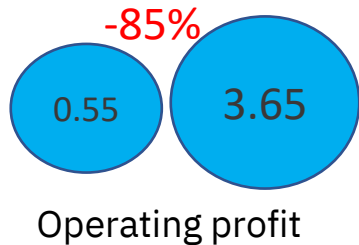
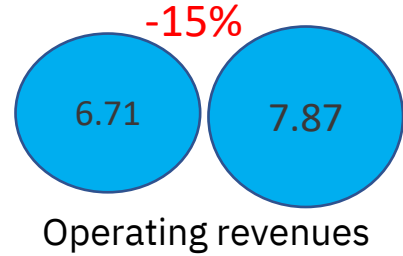
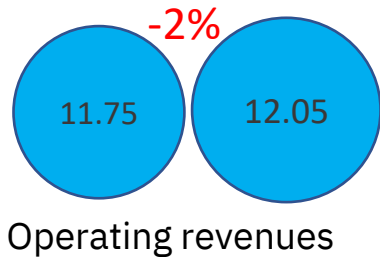
Markets operated by BVB

 <p style="text-align: center; color: #0070C0;"><u>Main Market</u></p> <p>Listed companies: 81 domestic and 3 foreign</p> <p>Domestic market cap: EUR 31 bn</p> <p>Total market cap: EUR 45 bn</p> <p>Average Trading Volume (2021): EUR 16 mn</p> <p>Instruments: shares, rights, corporate and municipal bonds, government securities, structured products, fund units, tradable UCITS (ETFs), warrants</p>	 <p style="text-align: center; color: #0070C0;"><u>ATS</u></p> <p>Listed companies: 280 domestic and 2 foreign</p> <p>Total market cap: EUR 3.4 bn</p> <p>Average Trading Volume (2021): EUR 1 mn</p> <p>Instruments: shares, rights, bonds</p>
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Highlights – Q3 Financials

Consolidated Q3 21 vs Q3 20 (RON mn)

Individual Q3 21 vs Q3 20 (RON mn)



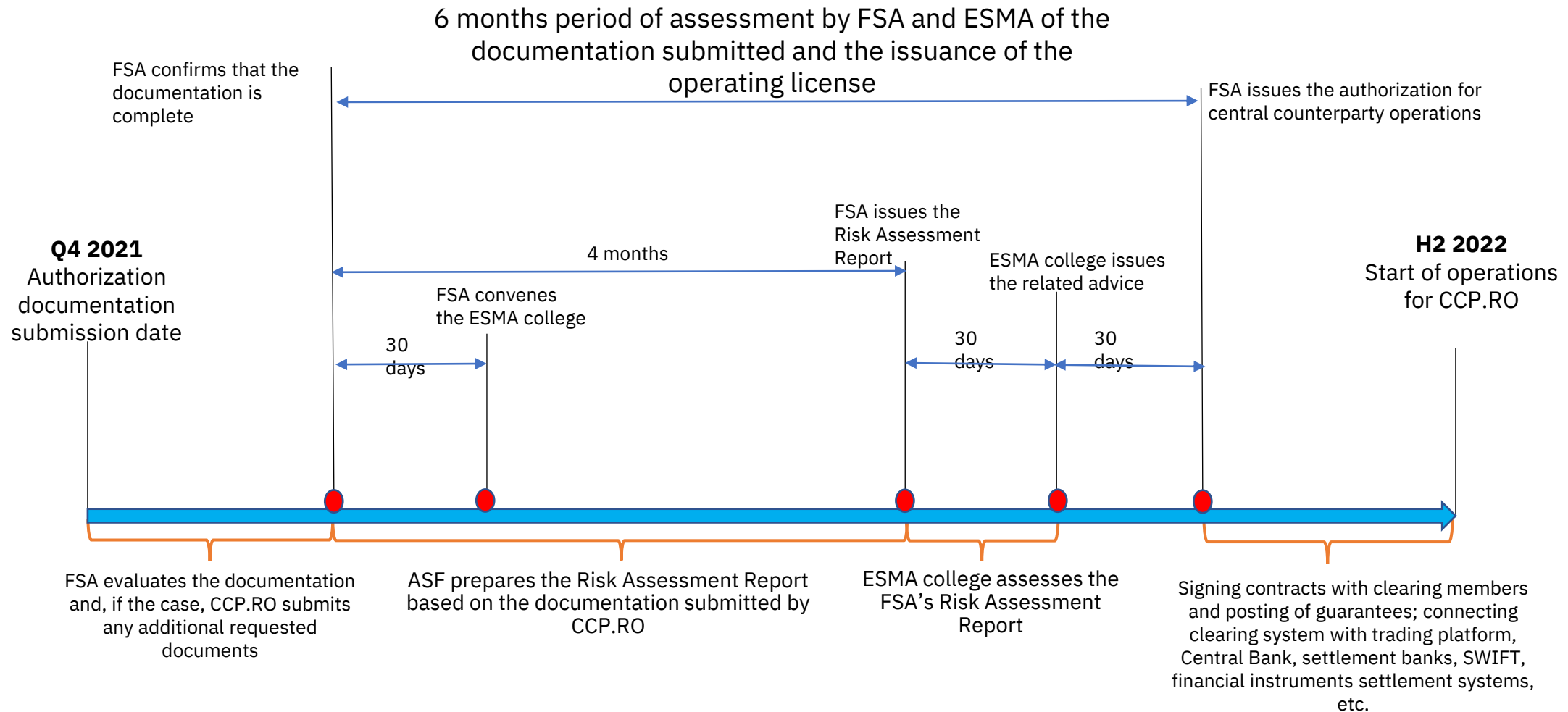
22% decrease in trading revenues driven by 56% lower equity trading volumes in Sept '21 vs Sept '20 (a massive month dominated by large one-offs: FP & SNP SPOs, FTSE inclusion, large transfers between local investors)

Individual expenses +22% y/y due to significant projects, Group expenses up 33%: 20% post-trading operations, 4x increase at CCP

Non-trading revenues at individual level: listing & maintenance and market data up 77% / 82% y/y

DC revenues +22% y/y, maintaining the trend from previous quarters driven by higher admission and maintenance fees and higher portfolios values

CCP Update - Timeline



Implementation stages

a. **Stage 1** (Year 1 of CCP.RO operation on EMIR compliant conditions, after 2 months from authorization):

- (i) **Forward contracts for physical delivery of the electricity;**
- (ii) **Electricity Futures, cash settled and with physical delivery option;**
- (iii) **Single Stock and Inices Futures with cash settlement;**

b. **Stage 2*** (Year 2 of CCP.RO operation on EMIR compliant conditions, after 12 months from Stage 1 starting) :

- (i) Piața spot de acțiuni și obligațiuni;
- (ii) Single Stock Futures with physical delivery;

c. **Stage 3*** (Year 3 of CCP.RO operation on EMIR compliant conditions, after 12 months from Stage 2 starting) :

- (i) Repo or FX;
- (ii) Securities and Indices Options cash settled;

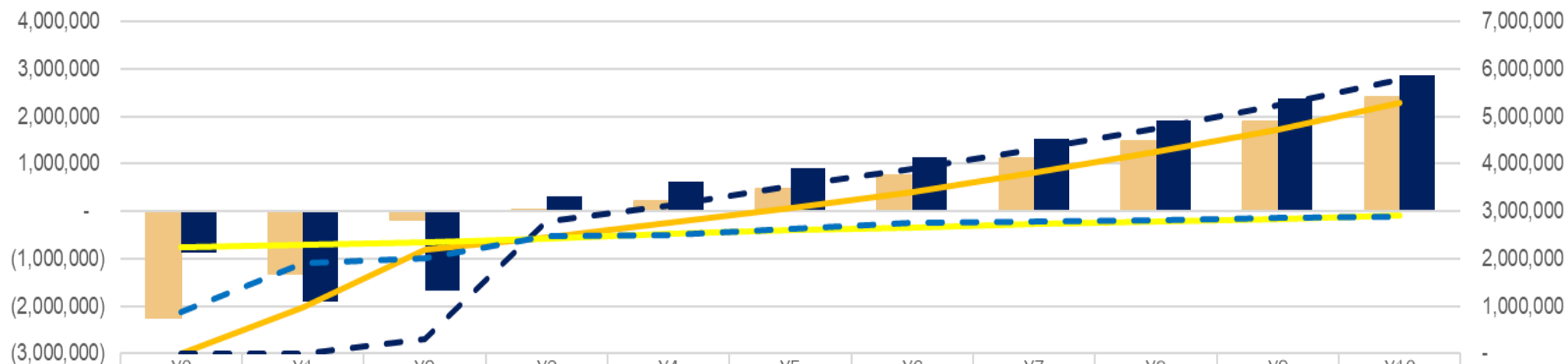
d. **Stage 4*** (Year 4 of CCP.RO operation on EMIR compliant conditions, after 12 months from Stage 3 starting) :

- (i) Repo or FX;
- (ii) Agricultural Futures.

***) Note:** The list of products for which clearing services are to be provided in steps 2, 3 and 4 may be amended in accordance with the conditions considered objective at the time of launching the specific actions for drawing up the documentation and carrying out the necessary developments. Only the list of products related to stage 1 of service implementation is firmly established.

CCP Update – Financial Variations Plan V.2021 vs V.2018

Evolution of operating income, operating expenses and operating result V.2021 vs V.2018



	Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Operating result 2018	(2,249,093)	(1,314,592)	(165,067)	18,850	214,823	455,618	751,232	1,102,155	1,481,103	1,884,440	2,393,634
Operating result 2021	(875,019)	(1,897,258)	(1,689,446)	306,782	623,795	901,450	1,149,856	1,534,046	1,920,224	2,385,103	2,882,969
OP. REV. 2018	-	981,284	2,182,583	2,439,485	2,751,337	3,065,700	3,416,411	3,824,029	4,261,020	4,723,731	5,294,473
OP. REV. 2021	-	-	307,615	2,782,970	3,121,380	3,525,820	3,901,283	4,318,318	4,737,952	5,237,686	5,771,357
OPEX 2018	2,249,093	2,295,876	2,347,651	2,420,635	2,536,514	2,610,083	2,665,178	2,721,875	2,779,917	2,839,290	2,900,839
OPEX 2021	875,019	1,897,258	1,997,061	2,476,188	2,497,585	2,624,370	2,751,427	2,784,272	2,817,728	2,852,583	2,888,388

Primary Markets



New listings momentum stays strong

- Main market:
 - IPOs: ONE – EUR 53mn listed in July 2021
 - New Green Bond issue listed – Raiffeisen Bank 1.2bn RON
 - New series of Govt bonds under Fidelis program – RON 900mn
 - Good prospects for Q4 – Aquila IPO ongoing (EUR 75-85 mil) as well as several bond listings
- Aero market:
 - 7 share listings – 14mn EUR raised;
 - 8 bond listings – 23.5mn EUR raised;
 - Strong pipeline until EoY;

OMV Petrom & Teraplast included in the main FTSE EM indices in September

Made in Romania program selected the 15 finalists, most promising entrepreneurial companies of 2021.

FTSE



Live projects



9M 2021 key financial highlights

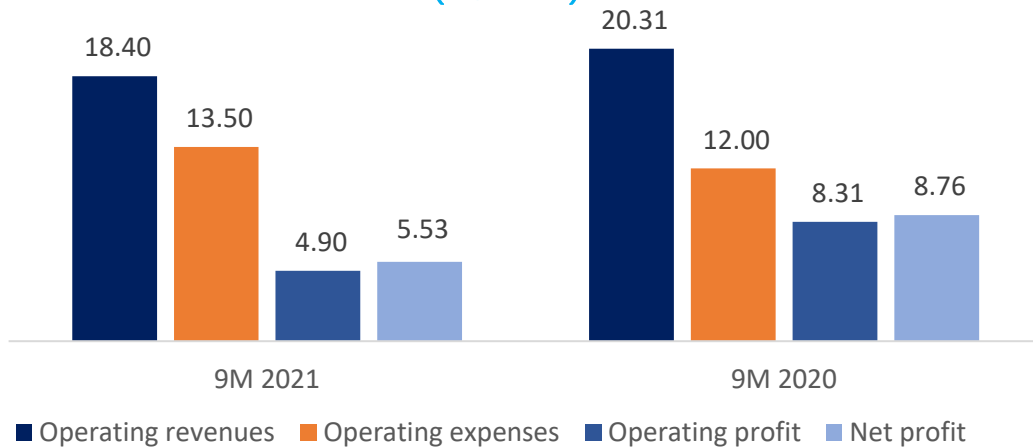
Financial performance, BVB individual and BVB Group (RON mn, unless otherwise stated)

	BVB individual			Group		
	9M 2021	9M 2020	Change (%)	9M 2021	9M 2020	Change (%)
Operating revenues	18.40	20.31	-9%	32.68	31.63	3%
Operating expenses	(13.50)	(12.00)	13%	(31.00)	(24.44)	27%
Operating profit	4.90	8.31	-41%	1.67	7.19	-77%
<i>Operating margin</i>	<i>27%</i>	<i>41%</i>		<i>5%</i>	<i>23%</i>	
Net financial revenue/(expenses)	1.71	1.84	-7%	2.95	2.22	33%
Profit before tax	6.61	10.15	-35%	4.62	9.41	-51%
Profit from continue operations						
Profit/(loss) from discontinued operations				32.68	31.63	3%
Profit for the period	5.53	8.76	-37%	3.83	7.91	-52%
<i>Net margin</i>	<i>30%</i>	<i>43%</i>		<i>12%</i>	<i>25%</i>	
EPS attributable to owners (RON/share)	0.6867	1.0890	-37%	0.5562	0.9867	-44%
<i>Return on equity</i>	<i>5%</i>	<i>8%</i>		<i>3%</i>	<i>5%</i>	

* The financial results for 9M 2021 are prepared in accordance with IFRS and are not audited.

Analysis of the financial results - BVB individual

BVB individual
Main financial indicators, 9M 21 vs. 9M 20
(RON mn)



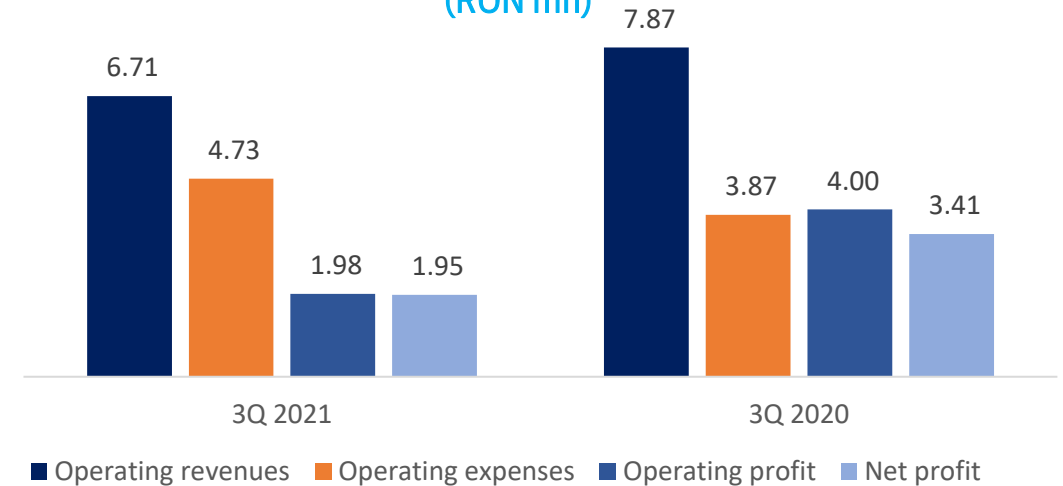
Operating income* down 9% vs 9M 20, result of 21% decrease in trading revenues, base effect of high volumes traded in special market conditions in Q1 2020 and in September 2020, out of which public offers -63%, and one-off intragroup revenues (related CCP.RO) netted off by +82% in maintaining fees and +77% sale of market data

Operating expenses* up 13% vs 9M 20 mainly driven by marketing & promotion expenses generated by new projects aimed to promote BVB and the capital market (BVB Research, ESG), BVB rebranding project and resuming of planned events (low level in 2020 due to pandemic context)

Net profit* down 37% vs 9M 20, with a net margin of 30%

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BVB individual
Main financial indicators, 3Q 21 vs. 3Q 20
(RON mn)



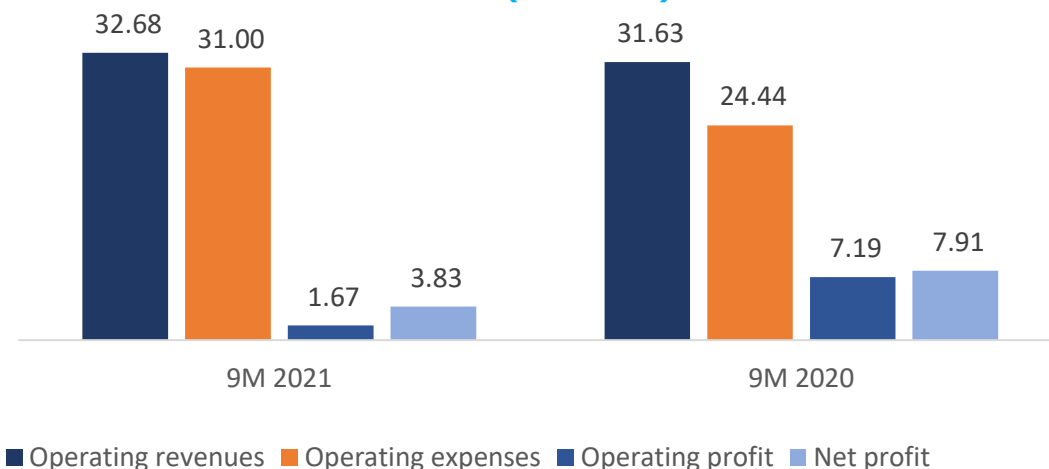
Operating income* down 15% vs 3Q 20, result of 22% decrease in trading revenues, effect of lower volatility & decreased value of public offers vs 2020(significant public offers issued in Q3 20 & the impact of the inclusion of 2 companies listed at BVB in FTSE Russel indices for Emerging Markets in Sep. 20).

Operating expenses* up 22% vs 3Q 20 mainly driven by the projects carried-out (BVB rebranding expenses, BVB Research) and personnel costs (yearly adjustments & higher number of employees).

Net profit* down 43% vs 9M 20, with a net margin of 29%

Analysis of the financial results - BVB Group

BVB Group
Main financial indicators, 9M 21 vs 9M 20
(RON mn)



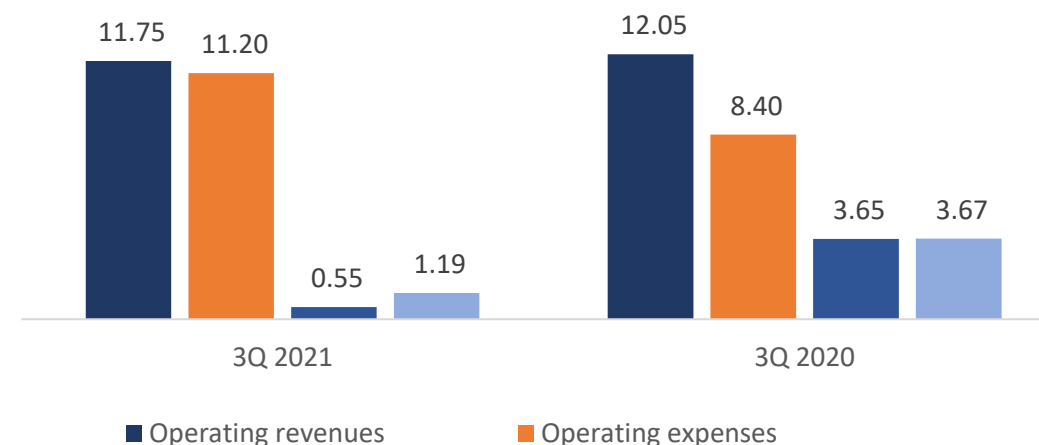
Operating income* up 3% vs 9M 20, result of **17% increase of post trading revenues** (higher portfolio value held by custodians and increase in fees), **+34% registry segment revenues** (higher one-off transactions and increase in issuers tariffs), netted-off by lower revenues in **trading segment by 9%**

Operating expenses* up 27% vs 9M 20 mainly driven by CCP.RO expenses (+ RON 4.23 mn) and the projects implemented at BVB Group level.

Net profit* down 52% vs 9M 20, with a net margin of 12%, with an impact in 2021 from CCP.RO net loss of RON 2.26 mn.

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BVB Group
Main financial indicators, 3Q 21 vs. 3Q 20
(RON mn)



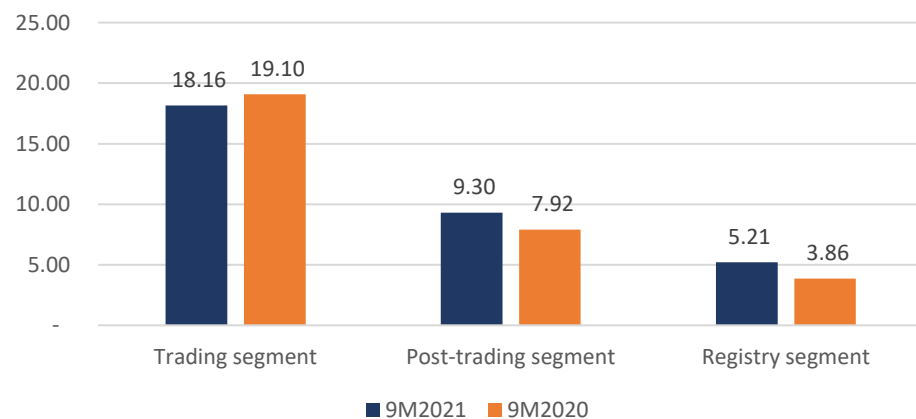
Operating income* down 2% vs 3Q 20, advance of 25% in post trading segment, result of higher value in portfolios held at custodians was offset by 15% decline in trading segment

Operating expenses* up 33% vs 3Q 20 mainly driven by CCP.RO consultancy and personnel expenses, together with the expenses generated by the projects carried out at BVB Group level.

Net profit* down to RON 1.19 mn vs 9M 20, with a net margin of 10%

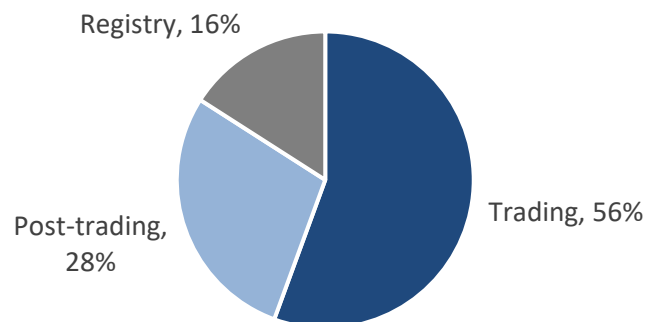
Analysis of the consolidated revenues - BVB Group

Revenues by segment 9M 21 vs 9M 20 (RON mn)

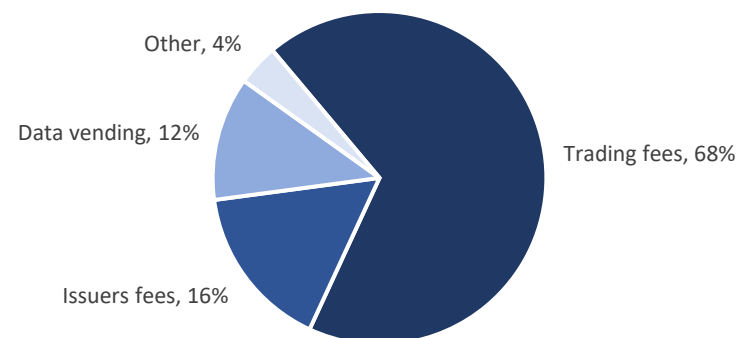


- **Trading segment** down 5% vs 9M 20, result of trading revenues decrease, mainly from public offers, netted off by advance in issuers maintaining fees and sale of market data revenues following the increase in tariffs.
- **Post-trading segment** up 17% vs 9M 20, mainly due to advance of 24% in revenues from admission and maintaining participants and the increase in value of the portfolios managed by the custodians, amplified by higher fees by 20%. T2S settlement operations up 70% (+RON 0.3 mn)
- **Registry segment** up 34% vs 9M 20 influenced by one-off revenues (“squeeze-out” commissions) and increase in tariffs, including the maintaining tariff for issuers by 15%.

Breakdown of operating revenues BVB Group 9M 21



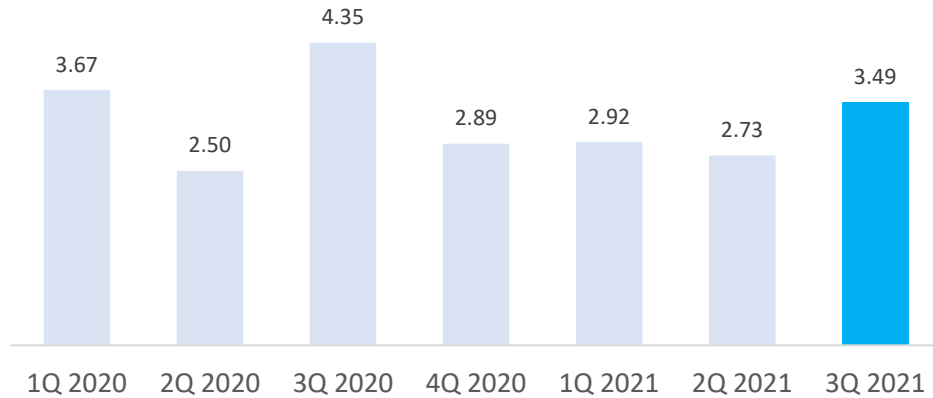
Breakdown of the Group trading segment revenues 9M 2021 (%) *



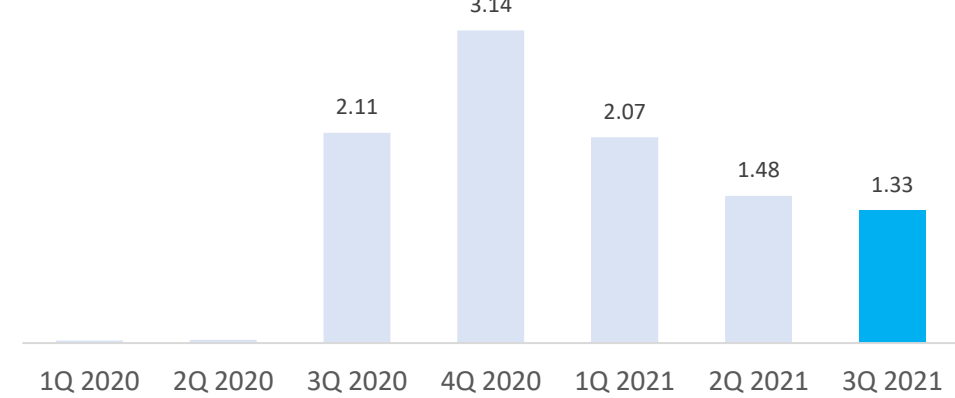
*Includes intragroup revenues
The financial results for 9M 2021 are prepared in accordance with IFRS and are not audited.

Analysis of the Group trading segment revenues

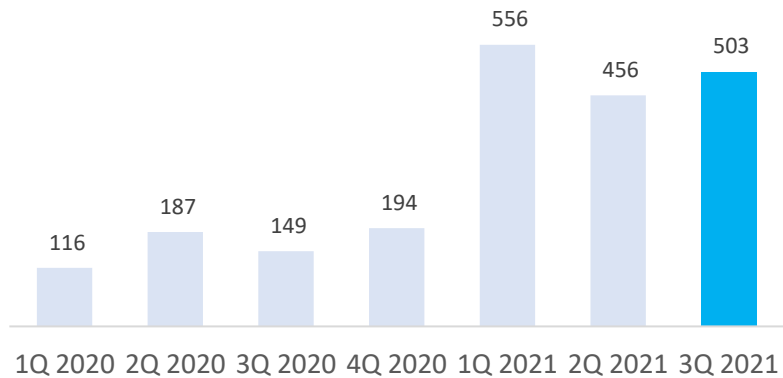
Trading value for shares, rights, units, certificates (RON bn)



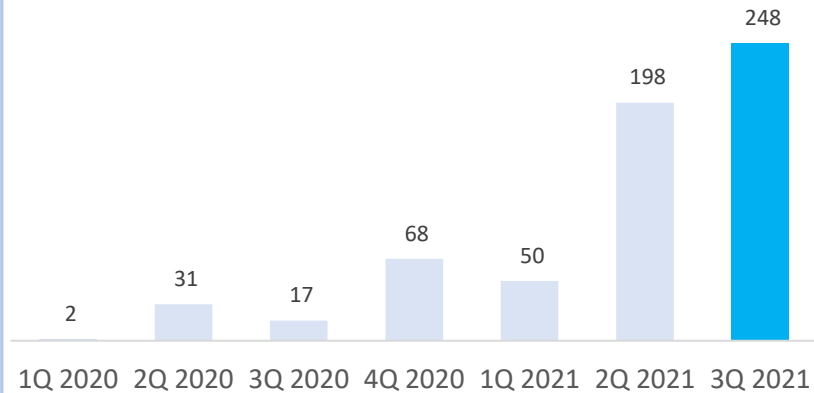
Trading value, fixed-income instruments (RON bn)



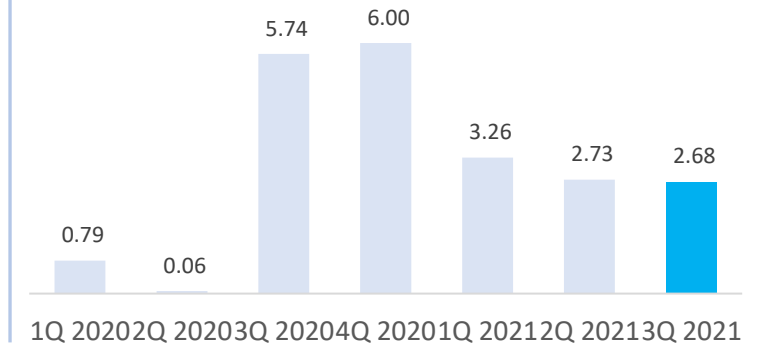
Trading value for Aero market - regular transactions (RON mn)



Trading value for Aero market - offers (RON mn)

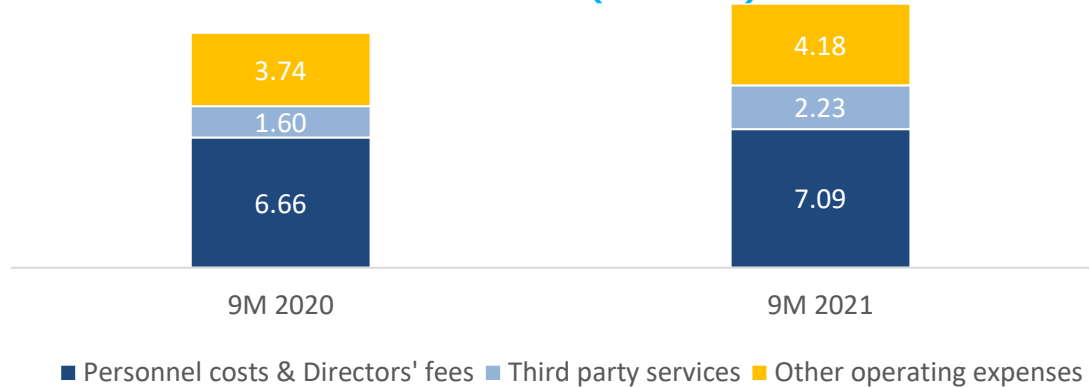


Main market, Trading value - offers Bonds, government securities (RON bn)

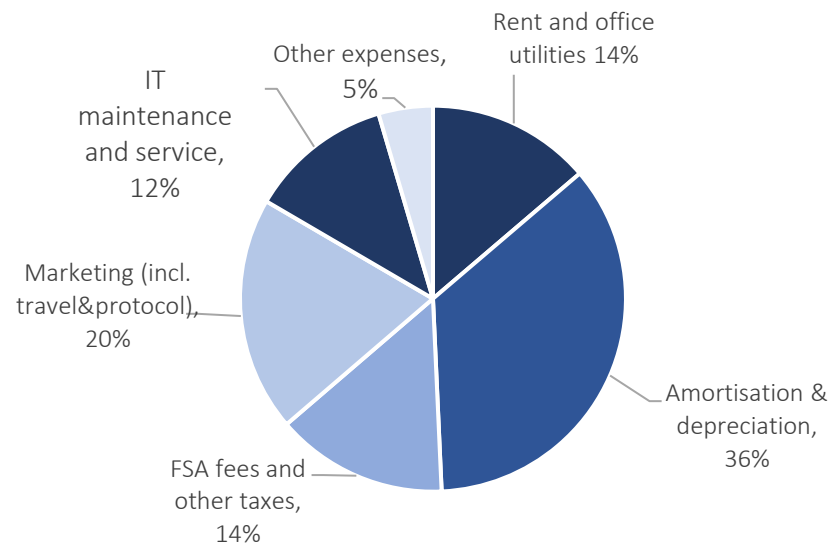


Analysis of operating expenses – BVB individual

BVB individual Breakdown of operating expenses, 9M 21 vs. 9M20 (RON mn)



Other operating expenses, 9M 2021 (%)



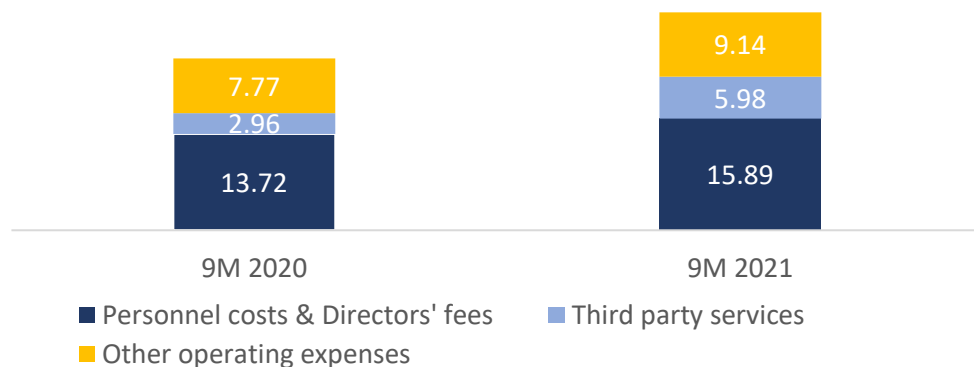
Operating expenses up 13% vs 9M 20, to the value of RON 13.5 mn mainly driven by:

- Higher third party services costs by 40% generated by the projects implemented. aimed to increase BVB and capital market visibility (BVB Research HUB project, ESG project), as well as the BVB rebranding project.
- 15% advance in **other operating expenses**, mainly in marketing and events costs result of the intensified efforts to promote BVB in digital environments as well as the resuming of the planned events (low level in 2020 due to pandemic context)
- Salary costs +6% amid the application of remuneration policy in April 2021 and increase in the number of employees, partially offset by lower SOP estimates.

Operating expenses 3Q 2021 – RON 3.87mn, up 22% result of the marketing and promotion project ongoing and increase in salary costs due to higher number of employees (+2 vs Q3 20)

Analysis of operating expenses – BVB Group

BVB Group
Breakdown of operating expenses,
9M 21 vs. 9M20 (RON mn)

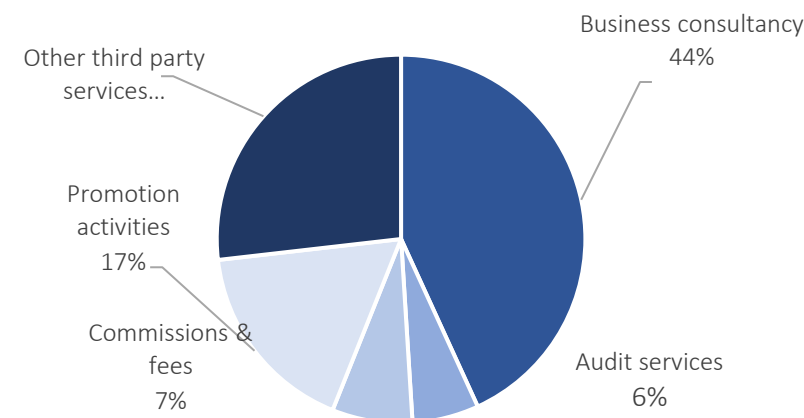


Operating expenses +27% or RON 6.56 mn vs 9M 20 up to RON 31 mn, result of:

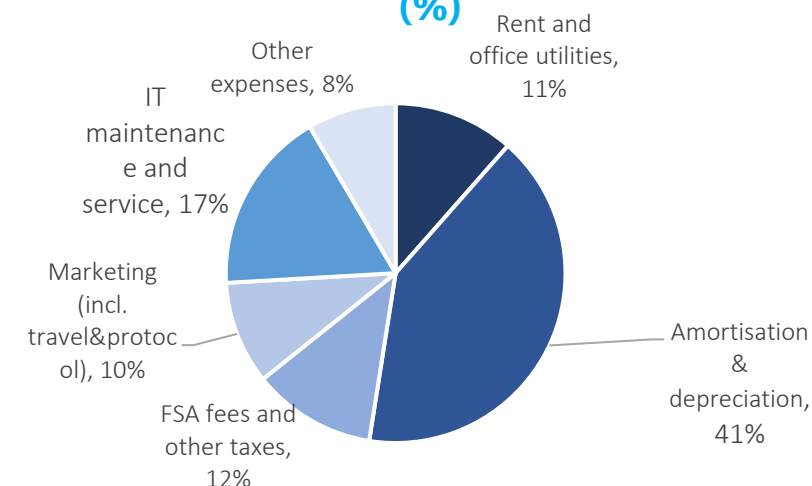
- Operating expenses of the new subsidiary CCP.RO +RON 4.23 mn vs 9M 20 represented by consulting services related to the authorization process and the personnel expenses. (operating bases were laid in the second part of 2020)
- Higher level of expenses with third party services, as a result of new projects carried out at the level of BVB Group.
- Increase of other operating expenses result of marketing and promotion expenses recorded in BVB and depreciation expenses following the tangible and intangible assets upgrades performed in DC.

Operating expenses 3Q 2021 – RON 11.2 mn, up 33% result of CCP.RO consultancy and personnel costs increase, amplified by marketing and promotion costs generated by the BVB projects carried-out.

Third party services, 9M 21 (%)



Other operating expenses, 9M 2021 (%)



Overview of the financial position

Financial position, BVB individual and BVB Group

(RON mn, unless otherwise stated)

	BVB individual		GROUP	
	Sep 2021	Dec 2020	Sep 2021	Dec 2020
Non-current assets	96.29	99.40	86.01	82.38
Current assets	18.56	13.53	102.91	129.07
Total assets	114.86	112.93	189.92	211.45
Shareholders' equity attributable to owners of the Company	105.92	108.68	104.02	108.04
Minority interest	-	-	39.69	40.82
Total liabilities	8.94	4.25	46.21	62.60
Total equity and liabilities	114.86	112.93	189.92	211.45

BVB Individual

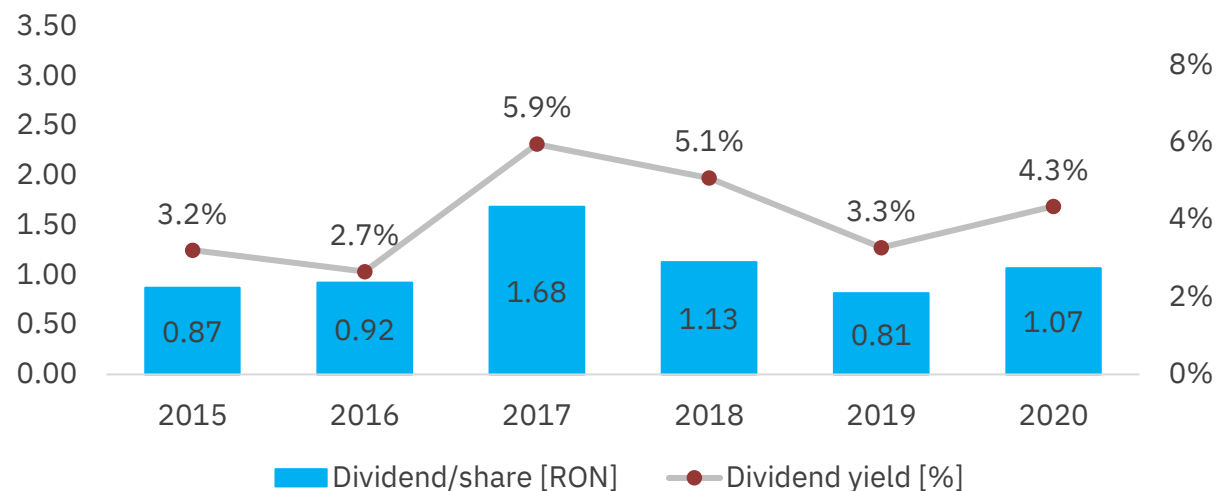
- **Total assets** – up by 2% vs Dec 20, mainly driven by the recognition of right of use assets according IFRS 16 in non-current assets and increase in receivables following increase in issuers maintaining fees and sale of market data tariffs, compensated by lower financial assets by 6%.
- **Total liabilities** up 110% vs Dec 20 due to recognition of lease debt related to right-of-use assets, according to IFRS 16 and higher deferred income, result of higher issuers maintaining fees.

BVB Group

- **Total assets** down 10% vs Dec 20, influenced by the deconsolidation of the Investors' Compensation Fund SA (FCI), as result of the status change of legal entity of public law (impact RON -20.56 mn)
- **Total liabilities** down 26% 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.

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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