



# Preliminary report

as of 31 December 2022

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## Notes

The Directors' consolidated report herein presents the preliminary condensed consolidated financial statements of the Bucharest Stock Exchange, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union and in compliance with the rules and regulations of the Financial Supervisory Authority (FSA). The financial results as of 31 December 2022 are being audited.

The financial figures presented in the executive management commentary which are expressed in million RON are rounded off to the nearest integer and may result in small reconciliation differences.

Entities included in the consolidation process: Bucharest Stock Exchange, Central Depository, CCP.RO Bucharest.

## Disclaimer

This English language report is a convenience translation of the Romanian language "*Raport preliminar întocmit la data de 31 December 2022*". The Romanian version of the report is the official document.

# Executive summary

## Key events in 4Q 2022

A new series of Fidelis bonds – RON 1.65 bn raised  
BCR lists a new corporate bonds issue – RON 325.5 mn raised  
Raiffeisen Bank lists sustainable bonds issue - 334 mil RON.



### Markets bounce back in Q4:

As of December 31, 2022:

BET index: 11,663.53 -10,70% YTD

BET-TR index: 22,685.99 -1,85% YTD

Total traded value in 2022: RON 23.2 bn (+16% vs 2021).

The Bucharest Stock Exchange is celebrating 140 years since the establishment of the first stock exchange in Romania.

The share capital of the subsidiary CCP.RO was increased by RON 7 mn, through the contribution made by the new shareholder Societatea Energetică ELECTRICA S.A.

## Key figures for 2022

### BVB Standalone

*Increased investors' confidence in the perspectives offered by BVB - the closing price of the BVB share on December 31, 2022 reaches the value of RON 35.3 (+38% y/y)*

**Net profit of RON 11.04 mn**, increase of 34% or 2.83 mn RON y/y.

**Operating profit of RON 9.85 mn**, 2.2 mn RON higher vs. 2021 (+29% y/y.)

**Operating revenues of RON 32.70 mn**, 23% increase y/y, generated, mainly, by trading revenues.

**Operating expenses of RON 22.85 mn**, +21% y/y, influenced by higher personnel expenses, as well as other operating expenses, impact from inflation increase.

### BVB Group

*Financial results influenced by the positive evolution in all business segments.*

**Net profit of RON 10.43 mn**, 97% or RON 5.14 mn higher compared to 2021.

**Operating profit over 2x increase up to RON 8.79 mn**, RON 6.13 mn higher vs. 2021.

**Operating revenues of 56.54 mn**, increase of RON 10.37 mn vs. 2021, +22% y/y, influenced by revenues advance recorded on all Group's operating segments.

**Operating expenses of RON 47.75 mn**, increase of 10% y/y, following the advance of personnel expenses and other operating expenses on the trading and post-trading segments of the Group.

## Expectations for 1Q 2023

The official request for the authorization of the central counterparty CCP.RO, together with the related documentation, was submitted to the Financial Supervisory Authority (FSA), in accordance with the provisions of art. 14 and art. 17 of Regulation (EU) no. 648/2012 on OTC derivatives, central counterparties and central transaction registries (EMIR).

## Financial and operating highlights

**Standalone and consolidated financial performance for the year 2022** (RON mn, unless otherwise stated)

	BVB Standalone			GROUP		
	2022 (prelim.)	2021	Change (%)	2022 (prelim.)	2021	Change (%)
Operating revenue	32.70	26.60	23%	56.54	46.17	22%
Operating expenses	<u>(22.85)</u>	<u>(18.96)</u>	<u>21%</u>	<u>(47.75)</u>	<u>(43.51)</u>	<u>10%</u>
<b>Operating profit</b>	<b>9.85</b>	<b>7.64</b>	<b>29%</b>	<b>8.79</b>	<b>2.66</b>	<b>230%</b>
<i>Operating margin</i>	<i>30%</i>	<i>29%</i>		<i>16%</i>	<i>6%</i>	
<b>Net financial revenue/(expenses)</b>	<b><u>2.90</u></b>	<b><u>2.06</u></b>	<b><u>41%</u></b>	<b><u>3.52</u></b>	<b><u>3.69</u></b>	<b><u>-5%</u></b>
Profit before tax	<u>12.75</u>	<u>9.70</u>	<u>31%</u>	<u>12.31</u>	<u>6.35</u>	<u>94%</u>
<b>Net profit for the period</b>	<b>11.04</b>	<b>8.21</b>	<b>34%</b>	<b>10.43</b>	<b>5.29</b>	<b>97%</b>
<i>Net margin</i>	<i>34%</i>	<i>31%</i>		<i>18%</i>	<i>11%</i>	
EPS attributable to owners (RON/share)**	1.3710	1.0200	34%	1.3203	0.8030	97%
<i>Return on equity</i>	<i>10%</i>	<i>8%</i>		<i>7%</i>	<i>4%</i>	

\*\* 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.

**Standalone and consolidated financial performance – 4<sup>th</sup> Quarter 2022** (RON mn, unless otherwise stated)

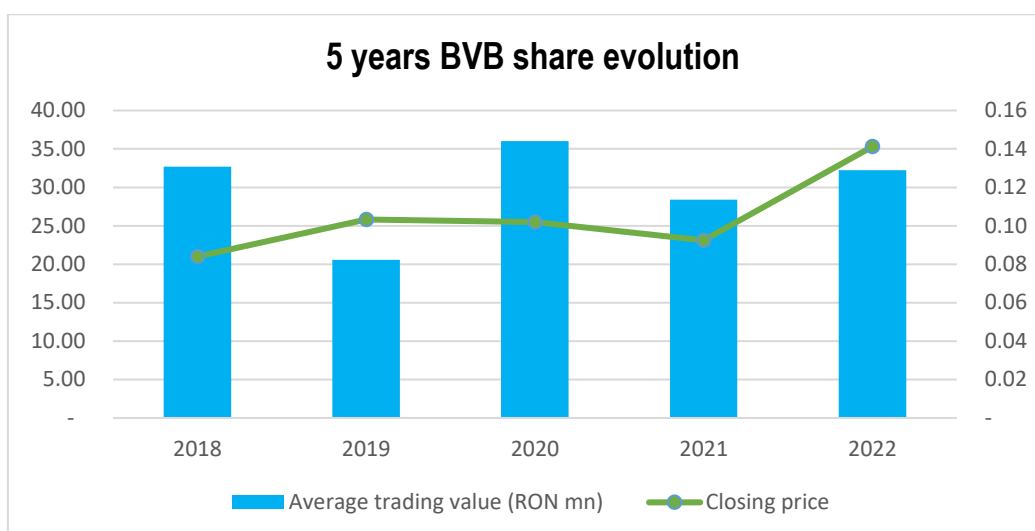
	BVB Standalone			GROUP		
	4Q 2022 (prelim.)	4Q 2021	Change (%)	4Q 2022 (prelim.)	4Q 2021	Change (%)
Operating revenue	8.16	8.20	0%	13.86	13.49	3%
Operating expenses	<u>(7.14)</u>	<u>(5.46)</u>	<u>31%</u>	<u>(14.21)</u>	<u>(12.50)</u>	<u>14%</u>
<b>Operating profit</b>	<b>1.02</b>	<b>2.74</b>	<b>-63%</b>	<b>(0.35)</b>	<b>0.99</b>	<b>-</b>
<i>Operating margin</i>	<i>13%</i>	<i>33%</i>		<i>-3%</i>	<i>7%</i>	
<b>Net financial revenue/(expenses)</b>	<b><u>(0.32)</u></b>	<b>0.35</b>	<b>-</b>	<b><u>0.17</u></b>	<b><u>0.74</u></b>	<b><u>-77%</u></b>
Profit before tax	<u>0.71</u>	<u>3.09</u>	<u>-77%</u>	<u>(0.18)</u>	<u>1.73</u>	<u>-</u>
<b>Profit for the period</b>	<b>0.52</b>	<b>2.68</b>	<b>-80%</b>	<b>(0.29)</b>	<b>1.47</b>	<b>-</b>
<i>Net margin</i>	<i>6%</i>	<i>33%</i>		<i>-2%</i>	<i>11%</i>	
EPS attributable to owners (RON/share)**	0.0651	0.3329	-80%	0.0298	0.2468	-88%
<i>Return on equity</i>	<i>0%</i>	<i>2%</i>		<i>0%</i>	<i>1%</i>	

## Standalone and consolidated financial position (RON mn, unless otherwise stated)

	BVB Standalone			BVB GROUP		
	31 Dec. 2022 (prelim.)	31 Dec. 2021	Change (%)	31 Dec. 2022 (prelim.)	31 Dec. 2021	Change (%)
<b>Total assets, out of which:</b>	<b>121.29</b>	<b>117.72</b>	<b>3%</b>	<b>198.58</b>	<b>189.56</b>	<b>5%</b>
Investments in associated entities	67.74	67.74	0%	-	-	-
Trade receivables and other receivables	5.22	2.86	82%	10.42	7.32	42%
Cash & cash equivalents	1.58	3.15	-50%	33.01	32.75	1%
Financial assets at amortized cost	30.69	30.38	1%	78.75	91.26	-14%
Restricted financial assets at amortized cost	-	-	-	22.15	24.09	-8%
<b>Payables, out of which:</b>	<b>9.35</b>	<b>8.96</b>	<b>4%</b>	<b>44.36</b>	<b>44.24</b>	<b>0%</b>
Trade and other payables	4.43	3.57	24%	33.01	32.08	3%
<b>Equity, out of which:</b>	<b>111.94</b>	<b>108.75</b>	<b>3%</b>	<b>154.23</b>	<b>145.33</b>	<b>6%</b>
Total shareholders' equity attributable to the owners of the Company	111.94	108.75	3%	109.31	106.16	3%
Non-controlling interests	-	-	-	44.92	39.17	15%

## Share statistics for BVB as parent company (RON, unless otherwise stated)

Share statistics for BVB as parent company	2022	2021	Change (%)	4Q 2022	4Q 2021	Change (%)
Closing price (e-o-p)	35.30	25.50	38%	35.30	25.50	38%
Weighted average price	28.65	24.81	15%	32.97	25.14	31%
High (intraday)	36.50	26.90	36%	36.50	26.10	43%
Low (intraday)	22.70	23.10	-2%	31.30	24.00	27%
Total trading value (RON mn)	32.36	36.33	-11%	9.56	6.31	-9%
Average trading value (RON mn)	0.13	0.14	-11%	0.15	0.17	-9%



### Operating highlights, trading segment (RON mn, all markets)

Transaction value	2022	2021	Change (%)	4Q 2022	4Q 2021	Change (%)
Shares, units, rights	13,703	12,325	11%	3,166	3,709	-15%
<i>Out of, Shares traded on regulated market, without offers</i>	<i>10,340</i>	<i>10,057</i>	<i>3%</i>	<i>2,294</i>	<i>2,851</i>	<i>-20%</i>
Certificates	821	871	-6%	136	254	-47%
Fixed-income investments	9,499	8,437	13%	2,675	3,656	-27%
<b>Total</b>	<b>24,023</b>	<b>21,633</b>	<b>11%</b>	<b>5,977</b>	<b>7,619</b>	<b>-22%</b>
Avg. daily value (shares, without initial public offers) *	41.19	39.59	4%	37.00	44.54	-17%
Avg. daily value (shares, including initial public offers)*	51.98	43.63	19%	49.70	51.70	-4%

\*Value for the Regulated market

### Operating indicators, post-trading and registry segments

	2022	2021	Change (%)	4Q 2022	4Q 2021	Change (%)
No. companies with registry contract at CSD	859	875	-2%	859	875	-2%
No. procedures resulted from issuers' corporate events	786	708	11%	451	420	7%
<u>Local settlement</u>						
Value of trades settled on net basis (RON bn)	38.26	31.90	20%	9.84	11.32	-13%
Value of trades settled on gross basis (RON bn)	3.05	2.37	29%	0.90	0.75	19%
<u>Settlements through T2S platform (euro)</u>						
Value of trades settled on gross basis (EUR mn)	725.18	738.26	-2%	197.46	217.38	-9%
Avg. monthly portfolio managed by custodians (RON bn)	62.44	56.81	10%	60.77	60.92	0%



# Analysis of the standalone and consolidated results for the fourth quarter and of the year 2022

## Macroeconomic and financial markets evolution in the fourth quarter of 2022

The last quarter of 2022 was further marked by the spillover effects of the ongoing war in Ukraine and by the persistent inflationary pressures that reached a significant level both globally and locally, in the context of a global economic slowdown.

On the local level, the latest figures on the dynamics of Romania's GDP have shown an economic growth in the third quarter of 3.8%, year-over-year, dynamic below analysts' expectations compared to the first two quarters due to a slowdown in consumption, but with an accelerated investment component.

The unemployment rate has increased compared to the previous quarter to the 5.6% level, but the labor market remains robust. Inflation has remained at a particularly high level of 16.4% in December and expectations are that it will return to a downward trend from the beginning of next year. However, over the medium term, inflation is likely to remain significantly above the central bank's target level, which will continue to put pressure on the monetary policy.

To continue the efforts to temper further price increases, the Board of Governors of the NBR decided in the meetings of October and November new increases in the monetary policy rate, ending the fourth quarter with a key rate of 6.25%. However, given the current level of inflation and the current uncertainties in the economy, further increases in the monetary policy rate are expected.

The EUR/RON exchange rate registered a slight increase in the fourth quarter of the year, fluctuating, on average, around the 4.92 level. In terms of the USD/RON exchange rate, it corrected compared to the previous quarter to the average level of 4.83, the US dollar still remaining relatively close to its historical highs.

Equity markets recovered in the fourth quarter amid signs that the inflation rate has reached the peak of this economic cycle. The Romanian market's BET index registered an increase of 9.6%, underperformed compared to the dynamics of the indices of developed markets in the European Union. In the US, the S&P 500 rose by 7.1%, while in the UK, the FTSE 100 gained 8.1%. Germany's DAX index also registered a positive performance of 15%, while the MSCI Emerging Markets index increased by 9.2%.

## Review of the standalone and consolidated financial results for the fourth quarter of the year 2022

**Operating revenues BVB standalone \*** in Q4 2022 remained relatively constant compared to Q4 2021, at the value of RON 8.16 mn (RON 8.20 mn in Q4 2021).

Q4 2022 vs Q3 2022: operating revenues increased 32% mainly due to higher trading revenues (+23%) both on the main market, shares - regular transactions, as well as from public offers, amplified by higher revenues from media and events partnerships and IT services for software developments performed in 2022.

**Operating revenues Central Depository (DC)\*** in Q4 2022: 12% advance compared to Q4 2021 to the value of RON 6.25 mn, generated by both business segments, post-transaction (+5%) following the increase the value of the portfolios managed by the custodians, as well as the registry, increase of 18% generated by the revenues from operations provided for issuers, following the indexation of some tariffs, including the maintenance tariff for issuers but also the increase in revenues for the services provided to holders of financial instruments.

Q4 2022 vs Q3 2022: 2% growth driven mainly by post-trade revenue (+10%), while registry revenue is down 15% due to lower dividend payouts and corporate events.

CCP.RO did not record operating income in the third quarter of 2022.

- **BVB Group's consolidated operating revenues** in Q4 2022, increase of 3% up to the value of RON 13.86 mn, compared to RON 13.49 mn in Q4 2021, mainly supported by the advance of the registry segment, with increase also on post trading segment.

Q4 2022 vs Q3 2022: consolidated operating revenues increased by 13% or RON 1.64 mn, influenced by the evolution of trading segment revenues.

**Operating expenses, BVB standalone\*** in Q4 2022 - increase of 31% or RON 1.68 mn compared to Q4 2021 up to the value of RON 7.14 mn based on the advance of personnel expenses, following the monthly estimates of bonuses and SOP recorded (reduced level in 2021) and the indexation and annual adjustment of salaries according to the Remuneration Policy (April 2022). The increase is also sustained by the evolution of third party services expenses, influenced by the events organized in the fourth quarter ("BVB 140 ani" Anniversary event), as well as by the third party services accruals performed at year end.

Q4 2022 vs Q3 2022: 38% increase in operating expenses in Q4 2022, influenced by the increase in personnel expenses, from bonuses & SOP and unused vacation days accrued expenses, of marketing and events expenses, as well as of year end third party services accruals.

**Operating expenses, Central Depository (DC)\*** in 4Q - 12% increase compared to Q4 2021, up to the value of RON 5.96 mn following higher personnel expenses, mainly as a result of the annual application of the Remuneration Policy and performance bonus estimates related to 2022, but also the advance of other operating expenses, impact from the increase in inflation.

\* including intra-group transactions



Q4 2022 vs Q3 2022: operating expenses increased by 18% or RON 0.92 mn, mainly generated by personnel expenses (estimated expenses with performance bonuses and unused vacations days) but also by the advance of other operating expenses.

**Operating expenses, CCP.RO\*** in Q4 2022: RON 1.67 mn, decrease of 18% compared to Q4 2021, due to lower consulting expenses, result of the capitalization of a component of the authorization consultancy contract, which met the classification criteria as intangible assets.

Q4 2022 vs Q3 2022: operating expenses increased by 45%, mainly influenced by the third party services related to the implementation and use of the Swift connection, as well as by the advance of personnel expenses following the estimation of the expenses for the unused vacation days related to 2022.

- **Consolidated operating expenses** in Q4 2022 increased by 14% or RON 1.71 mn up to the value of RON 14.21 mn compared to Q4 2021 due to the advance of personnel expenses and other operating expenses, influenced by the increase in inflation.

Q4 2022 vs Q3 2022: increase of 26% or RON 2.92 mn, influenced by the advance of personnel expenses at Group level but also of other operating expenses, mainly influenced by the increase in inflation.

**Operating profit, BVB standalone\*** in Q4 2022: profit in the amount of RON 1.02 mn, down 63% compared to Q4 2021, directly influenced by the increase in operating expenses.

**The consolidated operating result of the BVB Group** is a loss of RON 0.35 mn vs a profit of RON 0.99 mn in Q4 2021, the increase in consolidated operating expenses being higher than the advance of consolidated operating revenues.

**Net financial result, BVB standalone\*** in Q4 2022 is a loss of RON 0.32 mn vs profit of RON 0.35 mn, based on a loss from unrealized exchange rate differences, determined by the appreciation of the RON vs USD recorded in Q4 2022.

**Net financial result, Central Depository (DC)\*** in Q4 2022, profit of RON 0.12 mn, +26% vs Q4 2021, due to higher interest income compared to the previous period.

- **Consolidated net financial result** in Q4 2022, profit of RON 0.17 mn, down from RON 0.74 mn, influenced by the loss from unrealized exchange rate differences from the revaluation of financial investments in USD, amid the appreciation of RON vs. USD during the 4th quarter, recorded on trading segment.

**Net profit, BVB standalone \*** in Q4 2022: profit of RON 0.52 mn, RON 2.15 mn lower compared to Q4 2021, being directly influenced by the evolution of the operating result.

**Net profit, Central Depository (DC)\*** in Q4 2022: increases by 21% up to the value of RON 0.37 mn vs. Q4 2021 influenced by the positive evolution of both the operating and financial result.

**Net loss, CCP.RO\*** in Q4 2022: loss of RON 1.18 mn, an improved level compared to Q4 2021 (RON 1.52 mn) influenced by the decrease in operational expenses.

- **The consolidated net profit of the BVB Group** in Q4 2022: loss of RON 0.29 mn vs profit of RON 1.47 mn in Q4 2021, following the decrease in the operating result, as well as the financial result.

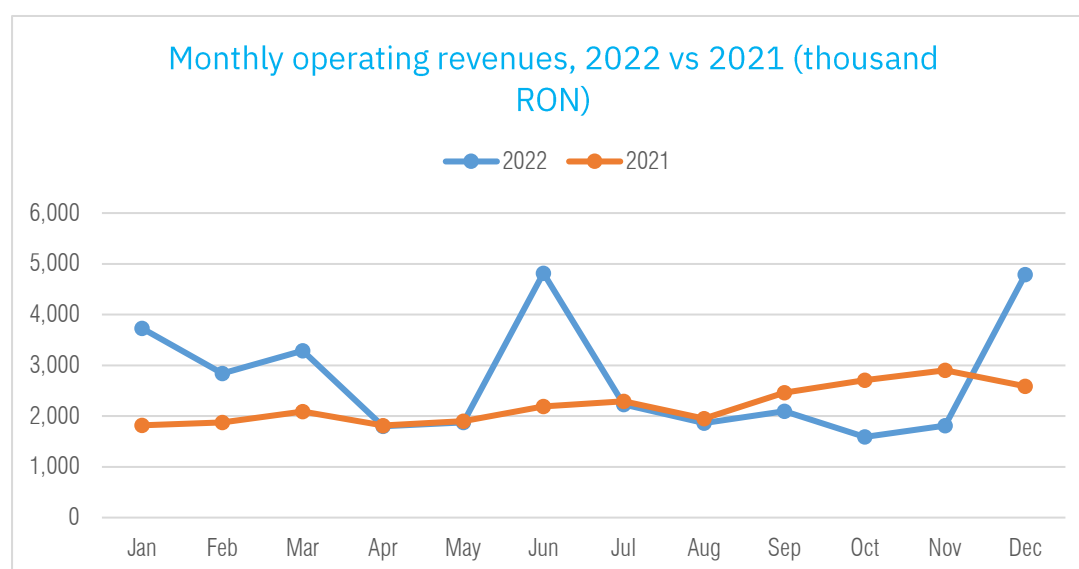
\* including intra-group transactions

## Evolution analysis of the main standalone and Group financial indicators in the year 2022

Operating revenues standalone BVB in 2022 increased by 23% or RON 6.10 mn compared to the previous period, from RON 26.60 mn to RON 32.70 mn, generated by the 25% advance of trading revenues, mainly of shares public offers revenues, increase of RON 4 mn compared to the previous year, but also by the 7% increase in revenues from the shares main market-regular transactions.

Revenues from issuers maintaining and admission fees increased by 7% compared to 2021, (increase including from the tariffs inflation rate indexation), and revenues from sale of market data by 10%, following the increase in the number of users.

The operating revenues increase is sustained, also, by the revenues from media and events partnerships, which are over 3x higher compared to the previous year, exceeding RON 1 mn.



\* including intra-group transactions

### Operating revenues, BVB standalone, 2022 vs 2021 (RON mn), including intra group transactions

Operating revenues	2022 (prelim.)	2021	% from total 2022	Abs. Change	%
<b>Revenues from Trading fees, out of which:</b>	<b>22.58</b>	<b>18.07</b>	<b>69%</b>	<b>4.52</b>	<b>25%</b>
Revenues from Regulated market	14.28	13.27	44%	1.01	8%
Revenues from Offers, Regulated market	6.53	2.10	20%	4.43	211%
Revenues from structured products	0.90	0.96	3%	-0.06	-6%
Revenues from ATS	0.88	1.74	3%	-0.86	-49%
Issuers admission & maintenance fees	4.53	4.22	14%	0.31	7%
Revenues from data vending	3.21	2.91	10%	0.31	11%
Other revenues	2.38	1.41	7%	0.97	69%
<b>Total operating revenues</b>	<b>32.70</b>	<b>26.60</b>	<b>100%</b>	<b>6.10</b>	<b>23%</b>

**Operating revenues Central Depository (DC)\*** in 2022: up 23% or RON 4.54 mn vs. Ron 24.66 mn, growth generated by revenues from both the post-trading segment and the registry, due to the increase of some of the tariffs, the average value of the financial instruments portfolio and the value of settled transactions.

*Revenues from post-trading segment \* (DC)* in 2022 are of RON 15.44 mn, +18% compared to the previous period, due to higher participants admission and retention revenues (+12% y/y), following increase in commission for maintaining the quality of participant, evolution amplified by the increase in value of the portfolios managed by the custodians, while the revenues from local settlement from BVB markets have increased by 35% y/y, being influenced by the values traded at the BVB. This segment represents 63% of DC's operating revenues.

*Revenues from registry segment \* (DC)* in 2022 increased by 29%, up to the value of RON 9.05 mn, due to the advance of 32% of revenues from operations provided to the issuers of financial instruments following the increase of some of the tariffs, including the issuers maintaining fee, but also the revenues from the holders of financial instruments (+8%) result of the increase in the number of requested services, some of them one-off. This segment represents 37% of DC's operating revenues.

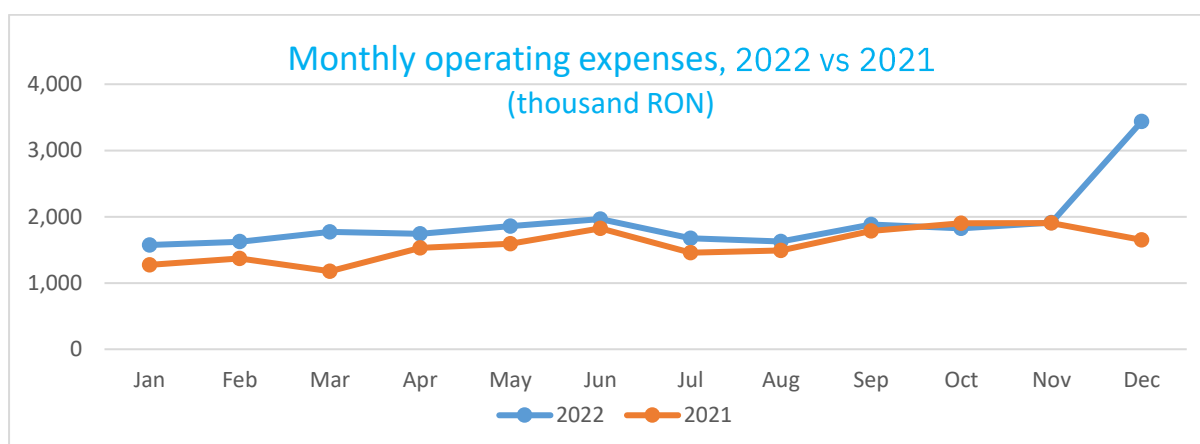
**CCP.RO Bucharest** did not record operating revenues in 2022.

- **The consolidated operating revenues of the BVB Group in 2022** recorded a 22% increase up to the value of RON 56.54 mn (RON 46.17 mn in 2021), generated by the 23% advance or RON 5.98 mn of trading segment revenues, but also by the increases recorded on the other active segments of the Group.

\* including intra-group transactions

**Operating expenses, BVB standalone\*** in 2022 - increase of 21% or RON 3.90 mn compared to 2021 to the value of RON 22.85 mn, mainly influenced by:

- *The advance of personnel expenses* by RON 2.22 mn (+ 23% y/y), up to the value of RON 12.16 mn, following the annual salaries indexation according to the Remuneration Policy, the increase in expenses with estimates for the Shares Option Plan (SOP) and performance bonuses, in 2021 being recorded at a reduced level, but also to the personnel fluctuation during the year
- *The advance of third party services* by RON 0.62 mn (+22% y/y), up to the value of RON 3.44 mn, result of the increase in expenses for services related to organized events, the most important being "BVB 140 ani", while in 2021 were at reduced level, as well as other third party services, while business development expenses recorded a decrease of 17%.
- *The advance of other operating expenses* by RON 1.06 mn, respectively 17% y/y, influenced by a lower positive impact from the reversal of the receivables impairment adjustments made in 2021, as well as the increase in administrative expenses, a negative impact generated by the increase in inflation.



#### Operating expenses BVB Standalone, 2022 vs 2021 (mn RON)

	2022 (prelim.)	2021	Abs. Var.	Var %
<b>Operating expenses</b>				
<b>Personnel expenses and Director's fees</b>	<b><u>12.16</u></b>	<b><u>9.94</u></b>	<b><u>2.22</u></b>	<b><u>23%</u></b>
<b>Services provided by third parties, out of which:</b>	<b><u>3.44</u></b>	<b><u>2.82</u></b>	<b><u>0.62</u></b>	<b><u>22%</u></b>
<i>Commissions and fees (legal, audit)</i>	0.65	0.56	0.09	16%
<i>Third party services-on events and promotion</i>	1.76	1.03	0.73	71%
<i>Third party services-business development projects</i>	1.02	1.23	-0.21	-17%
<b>Other operating expenses, out of which:</b>	<b><u>7.25</u></b>	<b><u>6.19</u></b>	<b><u>1.06</u></b>	<b><u>17%</u></b>
<i>Amortization and depreciation of fixed assets and right of use assets</i>	1.03	0.76	0.27	36%
<i>Consumables and stationery expenses</i>	2.23	1.97	0.27	14%
<i>Marketing, protocol and travel expenses</i>	1.68	1.65	0.03	2%
<i>IT maintenance expenses</i>	0.73	0.70	0.03	4%
<i>Receivables adjustments</i>	0.05	-0.34	0.39	-114%
<i>Sponsorship expenses</i>	<u>0.22</u>	<u>0.14</u>	<u>0.08</u>	<u>59%</u>
<b>Total Operating expenses</b>	<b>22.85</b>	<b>18.96</b>	<b>3.90</b>	<b>21%</b>

\* including intra-group transactions

**Operating expenses, Central Depository (DC)\*** in 2022, +16% or RON 2.90 mn compared to 2021, up to the value of RON 20.67 mn, increase generated by the 22% advance of personnel expenses from the impact of the company's alignment to the Group's accounting policies (monthly recognition of bonus estimates for the current year), as well as the indexation and annual adjustment of salaries according to the Remuneration Policy.

The increase is also sustained by the other operating expenses advance, from impact of rising inflation, but also result of higher IT maintenance expenses, fixed assets depreciation and higher litigation provision.

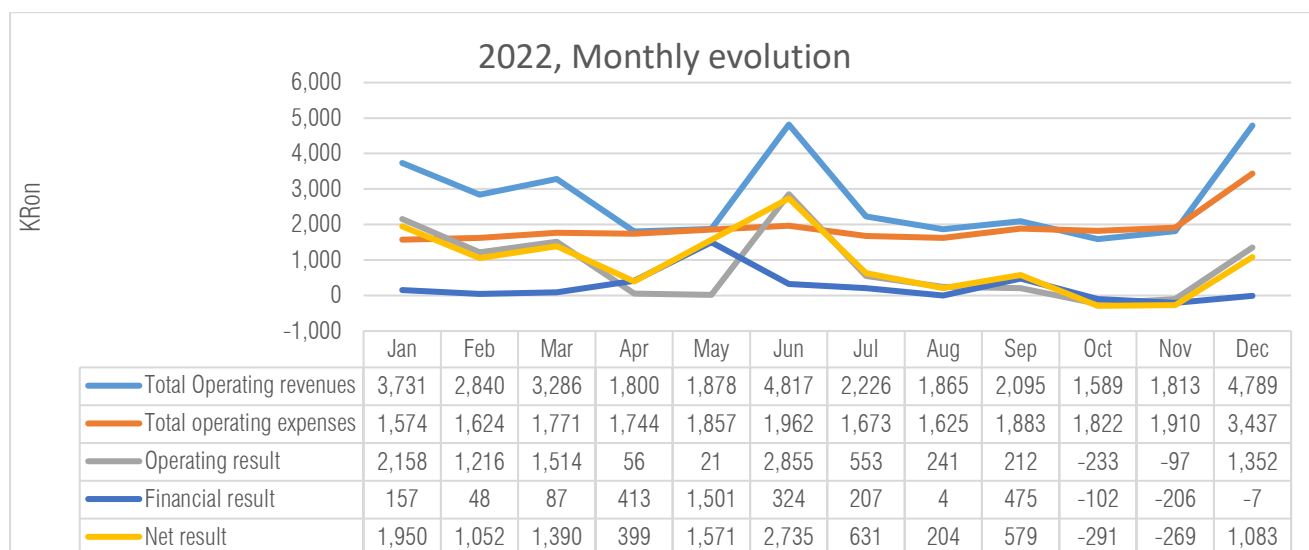
**Operating expenses, CCP.RO\*** in 2022 of RON 5.04 mn, down from RON 7.33 mn in 2021, -31% y/y, determined by the reduction of consulting expenses for authorization as Counterparty Central, a component of the consulting contract meeting the capitalization criteria as intangible assets.

**Consolidated operating expenses** in 2022 increased by 10% y/y up to the value of RON 47.75 mn, being influenced by:

- 21% increase, respectively RON 4.57 mn up to the value of RON 26.67 mn of *consolidated personnel expenses*, influenced by the impact of estimates related to annual performance bonuses, including the alignment of the Central Depository to the accounting policies adopted at Group level, (impact + RON 1.34 mn) and the annual application of the Remuneration Policy - indexation and adjustment to the market level - (in the case of BVB and DC).
- 24% decrease in expenses with third party services from RON 8.10 mn to RON 6.20 mn, result of lower consulting services recorded by CCP.RO
- 12% or RON 1.59 mn increase in other operating expenses up to the value of RON 14.90 mn following the increase in fixed assets depreciation and IT maintenance expenses, as well as administrative expenses, negative impact of rising inflation.

**Operating profit, BVB standalone \*** in 2022 of RON 9.85 mn, +29% compared to 2021 (RON 7.64 mn), with an improved operating margin of 30%, the evolution of operating revenues exceeding the advance of operating expenses.

#### Monthly evolution, BVB standalone 2022 (thousand RON)



.\* Including intra-group transactions

**Operating profit, Central Depository (DC) \*** in 2022 of RON 3.99 mn, +70% compared to 2021, with an operating margin of 16%, result of the increase in operating revenues exceeding the advance of operating expenses.

**Operating loss of CCP.RO \*** in 2022 of RON 5.05 mn, decrease of 31% compared to 2021 (RON 7.33 mn), a similar evolution to that of operating expenses considering that the company does not record operating revenues.

- **Consolidated operating profit** in 2022 of RON 8.79 mn, over 2x increase or RON 6.13 mn compared to the previous period, mainly generated by the advance of consolidated operating revenues, increases recorded on all Group's operating segments.

**Net financial income, BVB standalone\*** in 2022 of RON 2.90 mn, increase of 41% compared to 2021 (RON 2.06 mn), based on dividends income from Central Depository for 2021, in amount of RON 1.53 mn, while the gain from unrealized exchange rate differences was lower, result of the appreciation of RON vs. EUR, but also as a result of the adverse impact of RON/USD exchange rate fluctuation recorded during 2022 on the financial investments in USD.

*Dividends revenues from the Central Depository were eliminated during consolidation process, therefore they are not included in the consolidated financial income for the 2022.*

**Net financial income, Central Depository (DC) \*** in 2022 increase of 138% up to RON 1.11 mn generated by the higher interests on financial investments constituted.

**Net financial income, CCP.RO** in 2022 decreased of 40% down to RON 1.03 mn compared to RON 1.74 mn in 2021 due to the appreciation of RON vs. EUR, adverse impact on the value of investments denominated in EUR.

**Consolidated net financial income** in 2022 of RON 3.52 mn, 5% decrease compared to 2021.

**Net profit, BVB standalone \*** in 2022 of RON 11.04 mn, +34% or RON 2.83 mn compared to previous year (RON 8.21 mn), with a net margin of 34%, directly influenced by the evolution the operating result as well as the financial result.

**Net profit, Central Depository (DC) \*** - in 2022 of RON 4.31 mn, +82% y/y (2021: RON 2.36 mn), result of the positive impact generated by the evolution of the operating result and the financial result.

**Net loss, CCP.RO \*** in 2022 of RON 3.38 mn, improved result compared to the previous period (2021: RON 4.70 mn) influenced by the evolution of the operating loss.

**Consolidated net profit of the BVB Group** in 2022 reaches RON 10.43 mn, +97% y/y, (RON 5.29 mn in 2021), being directly influenced by the positive evolution of the operating result

\* includes intra-group transactions



## Review of BVB standalone financial position at the end of 2022

**Total assets** as of December 31, 2022, in amount of RON 121.29 mn, 3% increase compared to December 2021 (December 31, 2021 – RON 117.72 mn).

**Fixed assets**, - 2% decrease compared to the beginning of the year, from RON 96.78 mn to RON 94.82 mn, mainly due to the reclass of financial instruments with a maturity of less than one year into current assets.

**Current assets** increase of 26% or RON 5.54 mn compared to the beginning of the year, from RON 20.94 mn to RON 26.47mn, due to increase in the value of financial instruments with a maturity of less than one year and bank deposits, amplified by the increase in the balance of trade receivables following the higher trading revenues by 111% obtained in December 2022 compared to previous period.

**Total liabilities** are in amount of RON 9.35 mn, a increase of 4% compared to the value as of December 31, 2021 (RON 8.97 mn), mainly due to the increase in trade payables and other payables due to year end accruals for third party services and personnel accrued expenses.

**Equity**, slight increase of 3% compared to December 31, 2021, up to the value of RON 111.94 mn, influenced by the advance of the current result.

## Review of the consolidated financial position as of the end of 2022

**Total assets** as of 31 December 2022, +5% compared to December 2021, in amount of RON 198.58 mn, consisting of:

**Fixed assets** of RON 77.54 mn, +10% compared to the beginning of the year, influenced by the acquisitions of financial investments with a maturity higher than one year, made during 2022.

**Current assets** of RON 121.05 mn, +2% compared to the beginning of the year, based on the increase in trade receivables of the trading segment.

**The total liabilities of the Group** are mainly short-term, as of RON 44.36 mn, similar level compared to December 31, 2021 (44.24 mn).

43% of the total debts are represented by the dividends for payment held on behalf of the clients by the Central Depository, in amount of RON 19.06 mn, and 7% represent guarantee, compensation and margin funds for the settlement of transactions, in amount of RON 3.07 mn.

**Equity** of RON 154.23 mn, +6% compared to the beginning of the year, impact from the increase in the share capital of CCP.RO performed at the end of December, through the cash contribution of RON 7 mn by a new shareholder, which determined the increase in minority interests and the decrease of BVB share in CCP.RO from 59.52% to 54.72%.

## Condensed standalone and consolidated interim financial statements as at 31 December 2022

Prepared in accordance with  
International Financial Reporting Standards  
as adopted by the European Union

## Condensed standalone and consolidated income statement and statement of comprehensive income

All amounts are indicated in RON, unless otherwise stated

	BVB standalone		BVB Group	
	Twelve months period ended			
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
	Unaudited	Audited	Unaudited	Audited
Revenues from services	31,688,695	26,281,738	55,374,485	45,729,969
Other revenues	<u>1,013,763</u>	<u>322,610</u>	<u>1,169,855</u>	<u>440,509</u>
Operating revenue	<b>32,702,458</b>	<b>26,604,348</b>	<b>56,544,340</b>	<b>46,170,478</b>
Personnel expenses and Directors' fees	(12,167,799)	(9,920,763)	(26,674,786)	(22,104,868)
Third- party services expenses	(3,439,080)	(2,827,603)	(6,179,756)	(8,095,224)
Other operating expenses	<u>(7,249,771)</u>	<u>(6,212,568)</u>	<u>(14,901,774)</u>	<u>(13,309,168)</u>
Operating profit	<b><u>9,845,808</u></b>	<b><u>7,643,414</u></b>	<b><u>8,788,024</u></b>	<b><u>2,661,218</u></b>
Net financial revenues/(expenses)	2,900,730	2,059,753	3,517,939	3,688,560
Profit before tax	<b><u>12,746,538</u></b>	<b><u>9,703,167</u></b>	<b><u>12,305,963</u></b>	<b><u>6,349,778</u></b>
Corporate income tax expense	<u>(1,710,832)</u>	<u>(1,496,607)</u>	<u>(1,874,970)</u>	<u>(1,057,655)</u>
Profit for the period	<b><u>11,035,706</u></b>	<b><u>8,206,560</u></b>	<b><u>10,430,992</u></b>	<b><u>5,292,124</u></b>
Profit attributable to:				
Non-controlling interests	-	-	(196,405)	(1,171,547)
Owners of the Company	<u>11,035,706</u>	<u>8,206,560</u>	<u>10,627,397</u>	<u>6,463,671</u>
Profit for the period	<b><u>11,035,706</u></b>	<b><u>8,206,560</u></b>	<b><u>10,430,992</u></b>	<b><u>5,292,124</u></b>
Earnings per share				
Earnings per share – base/diluted (RON)	1.3710	1.0200	1.3203	0.8030

The notes on pages 26 to 34 are an integral part of these condensed consolidated financial statements.

CEO,

Adrian Tănase

CFO,

Virgil Adrian Stroia

	BVB standalone		BVB Group	
	Three months period ended			
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
	Unaudited	Audited	Unaudited	Audited
Revenues from services	7,592,623	8,091,354	13,292,332	13,314,555
Other revenues	<u>572,568</u>	<u>109,447</u>	<u>565,537</u>	<u>179,477</u>
Operating revenue	<b>8,165,191</b>	<b>8,200,801</b>	<b>13,857,869</b>	<b>13,494,032</b>
Personnel expenses and Directors' fees	(3,687,594)	(2,830,155)	(7,835,346)	(6,214,558)
Third- party services expenses	(1,181,638)	(597,196)	(1,817,079)	(2,117,280)
Other operating expenses	(2,274,601)	(2,030,551)	(4,558,897)	(4,172,953)
Operating profit	<b><u>1,021,358</u></b>	<b><u>2,742,899</u></b>	<b><u>(353,452)</u></b>	<b><u>989,241</u></b>
Net financial revenues/(expenses)	(315,666)	349,154	171,048	742,111
Profit before tax	<b><u>705,692</u></b>	<b><u>3,092,053</u></b>	<b><u>(182,404)</u></b>	<b><u>1,731,352</u></b>
Corporate income tax expense	<u>(181,861)</u>	<u>(412,570)</u>	<u>(102,716)</u>	<u>(264,794)</u>
Profit from continuing operations	<b><u>523,831</u></b>	<b><u>2,679,483</u></b>	<b><u>(285,119)</u></b>	<b><u>1,466,557</u></b>
Profit from discontinued operations	-	-	-	-
Profit for the period	<b><u>523,831</u></b>	<b><u>2,679,483</u></b>	<b><u>(285,119)</u></b>	<b><u>1,466,557</u></b>
Profit attributable to:				
Non-controlling interests	-	-	(525,055)	(520,254)
Owners of the Company	<u>523,831</u>	2,679,483	239,937	1,986,811
Profit for the period	<b><u>523,831</u></b>	<b><u>2,679,483</u></b>	<b><u>(285,119)</u></b>	<b><u>1,466,557</u></b>
Earnings per share				
Earnings per share – base/diluted (RON)	0.0651	0.3329	0.0298	0.2468

The notes on pages 26 to 34 are an integral part of these condensed consolidated financial statements.

CEO,

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CFO,

Virgil Adrian Stroia

## Condensed standalone and consolidated statement of financial position

All amounts are indicated in RON, unless otherwise stated

	BVB standalone		BVB Group	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
	Unaudited	Audited	Unaudited	Audited
<b>Non-current assets</b>				
Tangible assets	5,276,255	5,170,026	8,679,773	7,665,725
Intangible assets	1,533,668	1,096,889	4,559,157	3,684,671
Right-of-use assets	2,968,222	3,481,098	4,819,904	6,406,691
Deferred tax receivables	-	-	1,976,856	1,343,385
Financial assets at amortized cost	17,297,417	19,291,177	57,501,111	51,663,280
Investments in associated entities	<u>67,743,735</u>	<u>67,743,735</u>	-	-
<b>Total Non-current assets</b>	<b><u>94,819,297</u></b>	<b><u>96,782,925</u></b>	<b><u>77,536,801</u></b>	<b><u>70,763,752</u></b>
<b>Current assets</b>				
Trade and other receivables	5,223,733	2,863,407	10,416,192	7,318,472
Prepayments	619,492	637,781	870,502	847,220
Bank deposits	5,650,562	3,191,526	33,347,787	14,203,018
Restricted bank deposits covering the guarantee fund and the margin	-	-	3,087,625	3,005,471
Other financial assets at amortized cost	13,397,434	11,089,859	21,247,852	39,594,235
Cash and cash equivalents	1,582,318	3,149,786	33,013,534	32,746,712
Other restricted assets at amortized cost	-	-	19,062,207	<u>21,085,052</u>
<b>Total current assets</b>	<b><u>26,473,539</u></b>	<b><u>20,932,359</u></b>	<b><u>121,045,699</u></b>	<b><u>118,800,180</u></b>
<b>Total assets</b>	<b><u>121,292,836</u></b>	<b><u>117,715,284</u></b>	<b><u>198,582,500</u></b>	<b><u>189,563,932</u></b>
<b>Equity</b>				
Share capital	80,492,460	80,492,460	80,492,460	80,492,460
Treasury shares and Share-base benefits	(75,528)	110,096	(75,528)	110,096
Share premiums	6,303,263	6,303,263	6,297,386	6,297,386
Legal reserve	10,798,007	10,160,680	12,969,425	12,076,959
Revaluation reserve	1,748,513	1,748,513	3,385,355	3,385,355
Retained earnings	12,675,674	<u>9,933,606</u>	<u>6,242,878</u>	<u>3,796,969</u>
<b>Total shareholders' equity attributable to the owners of the Company</b>	<b><u>111,942,389</u></b>	<b><u>108,748,618</u></b>	<b><u>109,311,976</u></b>	<b><u>106,159,225</u></b>
Non-controlling interests	-	-	44,915,398	39,166,249
<b>Total shareholders' equity</b>	<b><u>111,942,389</u></b>	<b><u>108,748,618</u></b>	<b><u>154,227,374</u></b>	<b><u>145,325,474</u></b>

## Condensed standalone and consolidated statement of financial position (continued)

All amounts are indicated in RON, unless otherwise stated

	BVB standalone		BVB Group	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
	Unaudited	Audited	Unaudited	Audited
<b>Liabilities</b>				
Operating lease liabilities	<u>2,178,409</u>	<u>2,753,360</u>	<u>3,103,995</u>	<u>4,677,633</u>
<b>Total non-current liabilities</b>	<u><b>2,178,409</b></u>	<u><b>2,753,360</b></u>	<u><b>3,103,995</b></u>	<u><b>4,677,633</b></u>
Trade and other payables	4,428,738	3,565,633	33,009,196	32,079,437
Deferred income	1,612,834	1,381,369	1,648,237	1,401,234
Operating lease liabilities	948,605	853,734	2,057,984	2,084,773
Current corporate income tax payables	181,861	412,570	315,203	552,480
Provisions	-	-	1,146,332	542,519
Guarantee and clearing funds and settlement operation margin	-	-	3,074,179	2,900,382
<b>Total current liabilities</b>	<u><b>7,172,037</b></u>	<u><b>6,213,306</b></u>	<u><b>41,251,131</b></u>	<u><b>39,560,825</b></u>
<b>Total liabilities</b>	<u><b>9,350,447</b></u>	<u><b>8,966,666</b></u>	<u><b>44,355,126</b></u>	<u><b>44,238,458</b></u>
<b>Total liabilities and equity</b>	<u><b>121,292,836</b></u>	<u><b>117,715,284</b></u>	<u><b>198,582,500</b></u>	<u><b>189,563,932</b></u>

The notes on pages 26 to 34 are an integral part of these condensed consolidated financial statements.

CEO,  
Adrian Tănase

CFO,  
Virgil Adrian Stroia



## Condensed standalone statement of changes in equity

All amounts are indicated in RON, unless otherwise stated

Unaudited	Share capital	Share premiums	Treasury shares and Share-base benefits	Retained earnings	Revaluation reserve	Legal reserve	Total attributable to shareholders	Non-controlling interests	Total shareholders' equity
Balance as at 1 January 2022	<u>80,492,460</u>	<u>6,303,263</u>	<u>110,096</u>	<u>9,933,606</u>	<u>1,748,513</u>	<u>10,160,680</u>	<u>108,748,618</u>	<u>-</u>	<u>108,748,618</u>
<b>Comprehensive income for the year</b>									
Profit or loss	-	-	-	11,035,706	-	-	11,035,706	-	11,035,706
<b>Other items of comprehensive income</b>									
Legal reserve increase	-	-	-	(637,327)	-	637,327	-	-	-
Total other items of comprehensive income	-	-	-	(637,327)	-	637,327	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	<u>10,398,379</u>	-	<u>637,327</u>	<u>11,035,706</u>	<u>-</u>	<u>11,035,706</u>
<b>Contributions by and distributions to owners of the Company</b>									
Acquisition of treasury shares	-	-	(1,074,170)	-	-	-	(1,074,170)	-	(1,074,170)
Benefits granted to employees settled in shares	-	-	914,303	-	-	-	914,303	-	914,303
Losses as effect of granting shares for free within SOP	-	-	(25,757)	25,757	-	-	-	-	-
Dividend paid to BVB shareholders	-	-	-	(7,682,067)	-	-	(7,682,067)	-	(7,682,067)
<b>Total contributions by and distributions to owners of the Company</b>	-	-	<u>(185,624)</u>	<u>(7,656,310)</u>	-	-	<u>(7,841,934)</u>	-	<u>(7,841,934)</u>
<b>Total transactions with owners</b>	-	-	<u>(185,624)</u>	<u>(7,656,310)</u>	-	-	<u>(7,841,934)</u>	-	<u>(7,841,934)</u>
Balance as at 31 December 2022	<u>80,492,460</u>	<u>6,303,263</u>	<u>(75,528)</u>	<u>12,675,674</u>	<u>1,748,513</u>	<u>10,798,007</u>	<u>111,942,389</u>	<u>-</u>	<u>111,942,389</u>

## Condensed standalone statement of changes in equity (continue)

All amounts are indicated in RON, unless otherwise stated

Audited	Share capital	Share premiums	Treasury shares and Share-base benefits	Retained earnings	Revaluation reserve	Legal reserve	Total attributable to Non-controlling shareholders	Non-controlling interests	Total shareholders' equity
Balance as at 1 January 2021	<u>80,492,460</u>	<u>6,303,263</u>	<u>(246,950)</u>	<u>10,706,592</u>	<u>1,748,513</u>	<u>9,675,522</u>	<u>108,679,400</u>	-	<u>108,679,400</u>
<b>Comprehensive income for the year</b>									
Profit or loss	-	-	-	8,206,560	-	-	8,206,560	-	8,206,560
<b>Other items of comprehensive income</b>									
Legal reserve increase	-	-	-	(485,158)	-	485,158	-	-	-
Total other items of comprehensive income	-	-	-	<u>(485,158)</u>	-	<u>485,158</u>	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	<u>7,721,402</u>	-	<u>485,158</u>	<u>8,206,560</u>	-	<u>8,206,560</u>
<b>Contributions by and distributions to owners of the Company</b>									
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-
Benefits granted to employees settled in shares	-	-	436,647	-	-	-	436,647	-	436,647
Losses as effect of granting shares for free within SOP	-	-	(79,602)	79,602	-	-	-	-	-
Dividend paid to BVB shareholders	-	-	-	<u>(8,573,989)</u>	-	-	<u>(8,573,989)</u>	-	<u>(8,573,989)</u>
<b>Total contributions by and distributions to owners of the Company</b>	-	-	<u>357,046</u>	<u>(8,494,388)</u>	-	-	<u>(8,137,342)</u>	-	<u>(8,137,342)</u>
<b>Total transactions with owners</b>	-	-	<u>357,046</u>	<u>(8,494,388)</u>	-	-	<u>(8,137,342)</u>	-	<u>(8,137,342)</u>
Balance as at 31 December 2021	<u>80,492,460</u>	<u>6,303,263</u>	<u>110,096</u>	<u>9,933,606</u>	<u>1,748,513</u>	<u>10,160,680</u>	<u>108,748,618</u>	-	<u>108,748,618</u>

## Condensed consolidated statement of changes in equity

All amounts are indicated in RON, unless otherwise stated

	Treasury shares						Total		Total
Unaudited	Sare <u>capital</u>	Share and <u>premiums</u>	Share-base <u>benefits</u>	Retained <u>earnings</u>	Revaluation <u>reserve</u>	Legal <u>reserve</u>	attributable to Non-controlling <u>shareholders</u>	interests	shareholders' <u>equity</u>
Balance as at 1 January 2022	<u>80,492,460</u>	<u>6,297,386</u>	<u>110,096</u>	<u>3,796,970</u>	<u>3,385,355</u>	<u>12,076,959</u>	<u>106,159,226</u>	<u>39,166,248</u>	<u>145,325,474</u>
<b>Comprehensive income for the year</b>									
Profit or loss	-	-	-	10,627,396	-	-	10,627,396	(196,405)	10,430,992
<b>Other items of comprehensive income</b>									
Legal reserve increase	-	-	-	(892,466)	-	892,466	-	-	-
Total other items of comprehensive income	=	=	=	<u>(892,466)</u>	=	<u>892,466</u>	=	=	=
<b>Total comprehensive income for the year</b>	-	-	-	<b>9,734,930</b>	-	<b>892,466</b>	<b>10,627,396</b>	<b>(196,405)</b>	<b>10,430,992</b>
<b>Contributions by and distributions to owners of the Company</b>									
Acquisition of treasury shares	-	-	(1,074,170)	-	-	-	(1,074,170)	-	(1,074,170)
Benefits granted to employees settled in shares	-	-	914,303	-	-	-	914,303	-	914,303
Losses/gains as effect of granting shares for free within SOP	-	-	(25,757)	25,757	-	-	-	-	-
Dividend paid to BVB shareholders	=	=	0	(7,682,022)	-	-	(7,682,022)	-	(7,682,022)
<b>Total contributions by and distributions to owners of the Company</b>	-	=	<u>(185,624)</u>	<u>(7,656,265)</u>	=	=	<u>(7,841,889)</u>	=	<u>(7,841,889)</u>
Dividend paid to minority shareholders	-	-	-	-	-	-	-	(687,202)	(687,202)
Change in retain earnings of minority interests				367,243			367,243	(367,243)	-
Share capital increase of minority interests								7,000,000	7,000,000
<b>Total changes in interests in subsidiaries</b>	-	=	=	<u>367,243</u>	=	=	<u>367,243</u>	<u>5,945,555</u>	<u>6,312,798</u>
<b>Total transactions with owners</b>	=	=	<u>(185,624)</u>	<u>(7,289,022)</u>	=	=	<u>(7,474,646)</u>	<u>5,945,555</u>	<u>(1,529,091)</u>
<b>Balance as at 31 December 2022</b>	<u>80,492,460</u>	<u>6,297,386</u>	<u>(75,528)</u>	<u>6,242,878</u>	<u>3,385,355</u>	<u>12,969,425</u>	<u>109,311,976</u>	<u>44,915,398</u>	<u>154,227,374</u>

## Condensed consolidated statement of changes in equity (continued)

All amounts are indicated in RON, unless otherwise stated

	Sare capital	Share premiums	Treasury shares and Share-base benefits	Retained earnings	Revaluation reserve	Legal reserve	Total attributable to shareholders	Non-controlling interests	Total shareholders' equity
Unaudited									
Balance as at 1 January 2021	<u>80,492,460</u>	<u>6,297,386</u>	<u>(246,950)</u>	<u>6,584,133</u>	<u>3,385,355</u>	<u>11,519,745</u>	<u>108,038,004</u>	<u>40,816,355</u>	<u>148,854,359</u>
<b>Comprehensive income for the year</b>									
Profit or loss	-	-	-	6,463,671	-	-	6,463,671	(1,171,547)	5,292,124
<b>Other items of comprehensive income</b>									
Legal reserve increase	-	-	-	(626,084)	-	626,084	-	-	-
Total other items of comprehensive income	-	-	-	<u>(626,084)</u>	-	<u>626,084</u>	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	<u>5,837,587</u>	-	<u>626,084</u>	<u>6,463,671</u>	<u>(1,171,547)</u>	<u>5,292,124</u>
<b>Contributions by and distributions to owners of the Company</b>									
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-
Benefits granted to employees settled in shares	-	-	436,647	-	-	-	436,647	-	436,647
Losses as effect of granting shares for free within SOP	-	-	(79,601)	79,601	-	-	-	-	-
Dividend paid to BVB shareholders	-	-	-	(8,573,989)	-	-	(8,573,989)	-	(8,573,989)
Increase/decrease in subsidiaries	-	<u>(5,877)</u>	-	<u>(130,362)</u>	-	<u>(68,870)</u>	<u>(205,109)</u>	<u>(48,426)</u>	<u>(253,535)</u>
<b>Total contributions by and distributions to owners of the Company</b>	-	<u>(5,877)</u>	<u>357,046</u>	<u>(8,624,750)</u>	-	<u>(68,870)</u>	<u>(8,342,451)</u>	<u>(48,426)</u>	<u>(8,390,876)</u>
Dividend paid to minority shareholders	-	-	-	-	-	-	-	(258,044)	(258,044)
Decrease in non-controlling interests	-	-	-	-	-	-	-	(172,089)	(172,089)
<b>Total changes in interests in subsidiaries</b>	-	-	-	-	-	-	-	<u>(430,134)</u>	<u>(430,134)</u>
<b>Total transactions with owners</b>	-	<u>(5,877)</u>	<u>357,046</u>	<u>(8,624,748)</u>	-	<u>(68,870)</u>	<u>(8,342,451)</u>	<u>(478,560)</u>	<u>(8,821,010)</u>
Balance as at 31 December 2021	<u>80,492,460</u>	<u>6,297,386</u>	<u>110,096</u>	<u>3,796,969</u>	<u>3,385,355</u>	<u>12,076,959</u>	<u>106,159,225</u>	<u>39,166,249</u>	<u>145,325,474</u>

## Condensed individual and consolidated statement of cash flows

All amounts are indicated in RON, unless otherwise stated

	BVB standalone		Group	
	Twelve months period ended			
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
	Unaudited	Audited	Unaudited	Audited
<b>Fluxuri de trezorerie din activități de exploatare</b>				
Profit for the year	11,035,706	8,206,560	10,430,992	5,292,124
Adjustments to remove non-cash items and reclassifications:				
Depreciation of fixed assets	2,234,661	1,968,701	5,461,144	4,992,272
Net interest income	(1,173,007)	(964,638)	(3,581,371)	(2,543,354)
Dividends income	(1,532,490)	(575,453)	-	-
Income from the sale of financial assets	-	-	106,325	-
Loss from impairment of uncollected receivables	6,700	20,941	101,044	104,861
Net expenses/(revenue) with receivables adjustment	47,477	(342,139)	27,324	(394,548)
Provisions for litigations	-	-	603,813	542,519
Corporate income tax expense – reclassification	1,710,832	1,496,608	1,874,970	1,057,655
Income from the production of intangible assets	(370,756)	(456,963)	(370,756)	(456,963)
(Revenues)/Expenses with Expected credit losses IFRS 9	12,867	(9,285)	76,851	(27,933)
Expense with employees’ benefits settled in shares	914,303	436,647	914,303	436,647
<b>Cash flows used in operating activities</b>	<b>12,886,293</b>	<b>9,780,979</b>	<b>15,644,638</b>	<b>9,003,280</b>
Change in trade and other receivables	(2,420,677)	93,717	(1,568,825)	4,894,085
Change in prepayments	18,288	(163,801)	(23,281)	(200,661)
Change in trade and other payables, including amounts due for dividends payment to clients	969,389	683,343	1,163,362	(3,089,305)
Change in deferred income	231,465	160,051	247,004	80,029
Changes in guarantee and clearing funds and the margin	-	-	173,798	(36,930)
Corporate income tax paid	(1,941,541)	(1,150,016)	(2,745,718)	(1,445,699)
<b>Net cash from operating activities</b>	<b>9,743,218</b>	<b>9,404,272</b>	<b>12,890,978</b>	<b>9,204,799</b>
<b>Cash flows from investing activities</b>				
Interest received	1,553,179	1,711,175	4,237,988	4,763,089
Dividends received	1,532,490	575,453	-	-
(Payments) for acquisitions of financial assets	(12,958,030)	7,798,111)	(49,223,604)	(44,667,526)
Proceeds from sales/maturation of financial assets	12,257,350	8,332,375	61,237,016	72,201,947
Change in bank deposits balance	(2,459,036)	(1,159,331)	(19,226,924)	(2,459,526)
Acquisition of tangible and intangible assets	(1,459,049)	(979,970)	(4,803,542)	(2,169,782)
Proceeds from the sale of financial assets	-	-	(106,325)	14,926
Change in held for sale assets	-	215,040	-	-
<b>Net cash from investing activities</b>	<b>(1,533,096)</b>	<b>896,630</b>	<b>(7,885,392)</b>	<b>27,683,128</b>

## Condensed consolidated statement of cash flows (continued)

All amounts are indicated in RON, unless otherwise stated

	BVB standalone		Group	
	Twelve months period ended			
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
	Unaudited	Audited	Unaudited	Audited
<b>Cash flows from financing activities</b>				
Dividends paid shareholders of the parent	(7,788,352)	(8,534,715)	(7,788,352)	(8,534,715)
Dividends paid to the minority interests	-	-	(687,222)	(258,101)
Principal elements of operating lease payments, including interests	(915,068)	(768,177)	(2,189,020)	(1,921,707)
Proceeds from share capital increase of minority interests	-	-	7,000,000	-
Acquisition of treasury shares	<u>(1,074,170)</u>	-	<u>(1,074,170)</u>	-
<b>Net cash used in financing activities</b>	<b>(9,777,590)</b>	<b>(9,302,892)</b>	<b>(4,738,763)</b>	<b>(10,714,523)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(1,567,468)</b>	<b>998,010</b>	<b>266,822</b>	<b>26,173,404</b>
Cash and cash equivalents 1 January	<u>3,149,786</u>	<u>2,151,776</u>	<u>32,746,712</u>	<u>6,573,308</u>
<b>Cash and cash equivalents December 31</b>	<b>1,582,318</b>	<b>3,149,786</b>	<b>33,013,534</b>	<b>32,746,712</b>

The notes on pages 26 to 34 are an integral part of these condensed consolidated financial statements.



# Notes to the condensed consolidated financial statements

All amounts are indicated in RON, unless otherwise stated

## 1. General information

### Identification data

34-36 Carol I Blvd., floors 13-14, District 2, Bucharest

Address

J40/12328/2005

Trade Register No

17777754

Sole Registration Code

The Bucharest Stock Exchange (BVB) was established on 21 June 1995 as a public non-profit institution, based on the Decision of the National Securities Commission (NSC) no. 20/1995 and in July 2005 it became a joint stock company.

BVB is the leading exchange in Romania and operates several markets:

- The Regulated Market where financial instruments such as shares and rights issued by international and Romanian entities, debt instruments (corporate, municipality and government bonds issued by Romanian entities and international corporate bonds), UCITs (shares and fund units), structured products, tradable UCITS (ETFs) are traded.
- SMT/AeRO Market, designed for start-ups and SMEs, launched on 25 February 2015; separate sections of the alternative trading system are available for trading foreign stocks listed on other markets.

### Main activity

Administration of financial markets

CAEN code 6611

BVB's operating revenues are generated mainly from the trading of all the listed financial instruments, from fees charged to issuers for the admittance and maintenance to the trading system, as well as from data vending to various users.

### Share tickers

BVB

BVB.RO (Bloomberg)

BBG000BBWMN3

(Bloomberg [BBGID](#))

ROBVB.BX (Reuters)

ROBVBAACNORO (ISIN)

Since 8 June 2010, BVB is a listed company on its own spot regulated market and is included in the Premium Tier. The company's share capital consists of 8,049,246 shares with a nominal value of RON 10.

In accordance with the provisions of article 136 paragraph 5 of Law no. 126/2018 on financial instruments, no shareholder of a market operator can hold, directly or indirectly, more than 20% of the total voting rights. At the end of June 2022, there were no shareholders holding stakes exceeding this threshold.

BVB is included in indices focused on listed stock exchanges and other trading venues (FTSE Mondo Visione Exchanges Index and Dow Jones Global Exchanges Index), as well as in local market indices: BET and its total return version BET-TR, BET-XT and BET-XT-TR, BET-BK, BET Plus.

As of September 19, 2022, BVB shares have been included in the FTSE Russell Emerging Markets Indices (FTSE Global Micro Cap).

### Subsidiaries

BVB is the parent company of BVB Group, which includes the following subsidiaries:

- Central Depository (Depozitarul Central), 69.04% owned by BVB, performs clearing / settlement operations for transactions with securities carried out at BVB and keeps the register of shareholders.
- CCP.RO Bucharest, 54.72% owned by BVB, was registered at the Trade Register on November 4, 2019 and aims to ensure the role of central counterparty in the derivative transactions market. The effective launch of the operations is estimated to last up to 24 months, taking into account the authorization process by the FSA in accordance with EMIR rules.

On December 30, 2022 was officially recorded the share capital increase of CCP RO from RON 79.8 mn to RON 86.8 mn , following the receipt of capital contribution of RON 7 mn by the new shareholder Societatea Energetică ELECTRICA S A .

Thus, BVB's ownership in the CCP.RO subsidiary decreased from 59.52% to 54.72%.

The preliminary consolidated financial statements of BVB for the year ended 31 December 2022 include the financial information of the Company and its subsidiaries, except for the Corporate Governance Institute, an entity considered by BVB management as insignificant for inclusion in the Group's consolidated financial statements and reports.

## 2. Basis of preparation

The interim condensed consolidated financial statements for the year ended 31 December 2022 have been prepared in accordance with IAS 34, 'Interim financial reporting'. They do not include all the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards. These interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2021, which have been prepared in accordance with IFRSs.

In the condensed consolidated financial statements, subsidiaries – those companies in which the Group, directly or indirectly, holds more than half of the voting rights or which have the power to exercise control over operations – are fully consolidated.

## 3. Accounting policies

The accounting policies and methods of computation followed in these condensed consolidated financial statements are consistent with those used in the most recent annual financial statements, prepared for the year ended 31 December 2021.

Taxes on income in the interim periods are accrued using the tax rate and calculation methodology that would be applicable to expected total annual profit or loss.

## 4. Estimates

The preparation of standalone condensed quarterly financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual standalone financial statements for the year ended 31 December 2021.

## 5. Financial risk management and financial instruments

### 5.1 Financial risk factors

The company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The consolidated condensed financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the company's annual financial statements as of 31 December 2021.

There have been no changes in risk management or in any risk management policies since the year end.

### 5.2 Liquidity risk

Compared to year end, there was no material change in the company's liquidity position.

### 5.3 Fair value estimation

The various levels at which the company measures the fair value of financial instruments have been defined as follows:

- Quoted prices (unadjusted) in active markets for similar instruments (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the financial instrument, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the financial instrument that are not based on observable market data (that is, unobservable inputs) (Level 3).

During the reporting period there have been no significant changes in carrying amounts and fair values of the main categories of assets and liabilities, as compared to 31 December 2021.

### 5.4 Fair value of financial assets and liabilities measured at amortized cost

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Trade and other receivables
- Other current financial assets
- Cash and cash equivalents
- Trade and other payables

## 6. Segment reporting

The segment information is reported by the Group's activities. Intra-group transactions are conducted under normal market conditions. Segment assets and payables include both items directly attributable to these segments and items that may be allocated using a reasonable basis.

The Group's activity consists of the following main business segments:

- Capital markets - trading (securities and financial instruments transactions on regulated markets and alternative trading systems)
- Post-trading services (services provided after a transaction is completed and the bank account is debited, and the securities are transferred to the portfolio).
- Registry services (storage and updating of the registry of stakeholders for the listed companies)
- Services of the FCI and other services - related to the investors compensation scheme and other services.

The companies in the Group have been organized by segments as follows: BVB represents the "trading services" segment, the activity of the Central Depository is divided between the "post-trading services" segment and the "registry services" segment according to the share of the related revenues, while the CCP.RO Bucharest is present separately.

The Group's revenues, expenses and operating profit for 2022 are shown below, by segment:

2022	Trading services	Post-trading services	Registry services	CCP.RO	Group
Revenues from clients outside the Group	32,051,087	15,443,384	9,049,870	-	56,544,340
Revenues from intra-group transactions*	651,371	111,836	51,456	-	814,663
Operating expenses	<u>(22,693,356)</u>	<u>(11,049,135)</u>	<u>(8,968,207)</u>	<u>(5,045,617)</u>	<u>(47,756,315)</u>
- out of which Personnel expenses and Director's fees	(12,167,799)	(6,294,462)	(5,116,978)	(3,095,547)	(26,674,786)
<b>Operating profit</b>	<b>9,357,732</b>	<b>4,394,248</b>	<b>81,663</b>	<b>(5,045,617)</b>	<b>8,788,024</b>
<b>Net financial income /(expenses)</b>	<b>1,368,242</b>	<b>677,892</b>	<b>437,063</b>	<b>1,034,743</b>	<b>3,517,939</b>
<b>Profit before tax</b>	<b>10,725,972</b>	<b>5,072,140</b>	<b>518,726</b>	<b>(4,010,874)</b>	<b>12,305,963</b>
Corporate income tax	(1,710,832)	(714,613)	(82,996)	633,472	(1,874,970)
<b>Net profit</b>	<b>9,015,140</b>	<b>4,357,527</b>	<b>435,730</b>	<b>(3,377,403)</b>	<b>10,430,992</b>

\* eliminated on consolidation

The Group's revenues, expenses and operating profit for the first nine months of 2021 are shown below, by segment:

2021	Trading services	Post-trading services	Registry services	CCP.RO	Group
Revenues from clients outside the Group	26,071,432	13,095,057	7,003,989	-	46,170,478
Revenues from intra-group transactions*	532,916	11,703	4,071	-	548,690
Operating expenses	<u>(18,945,159)</u>	<u>(11,316,639)</u>	<u>(5,916,743)</u>	<u>(7,330,719)</u>	<u>(43,509,260)</u>
out of which Personnel expenses and Director's fees	(9,920,763)	(6,100,245)	(3,225,599)	(2,858,261)	(22,104,868)
<b>Operating profit</b>	<b>7,126,272</b>	<b>1,778,418</b>	<b>1,087,247</b>	<b>(7,330,719)</b>	<b>2,661,218</b>
<b>Net financial income /(expenses)</b>	<b>1,484,300</b>	<b>321,564</b>	<b>147,643</b>	<b>1,735,053</b>	<b>3,688,560</b>
<b>Pre-tax profit</b>	<b>8,610,573</b>	<b>2,099,982</b>	<b>1,234,889</b>	<b>(5,595,666)</b>	<b>6,349,778</b>
Corporate income tax	(1,496,609)	(296,234)	(160,923)	896,111	(1,057,654)
<b>Net profit</b>	<b>7,113,964</b>	<b>1,803,748</b>	<b>1,073,966</b>	<b>(4,699,555)</b>	<b>5,292,124</b>

\* eliminated on consolidation

The Group's assets and payables and capital expenses are presented below, by segment:

Q4 2022	Trading services	Post-trading services	Registry services	CCP.RO	Group
Assets	53,485,474	30,945,305	32,607,747	81,543,974	198,582,500
Liabilities	9,350,447	7,082,155	22,150,244	5,772,281	44,355,126
Capital expenditures	1,836,888	3,318,364	1,931,587	2,604,370	9,691,210

Q4 2021	Trading services	Post-trading services	Registry services	CCP.RO and FCI	Group
Assets	49,907,889	27,879,622	34,222,810	77,553,612	189,563,932
Liabilities	8,966,665	5,972,612	23,894,667	5,404,515	44,238,458
Capital expenditures	1,437,181	434,587	230,609	133,866	2,236,243

## 7. Operating expenses

The operating expenses include the following:

### 7.1 Personnel expenses and Director's fees

	2022	2021
Personnel expenses and Director's fees, including contributions and taxes	23,859,078	21,640,830
Estimated expenses for personnel and Director's (SOP & bonuses)	<u>2,815,708</u>	<u>464,038</u>
<b>Total</b>	<b>26,674,786</b>	<b>22,104,868</b>

### 7.2 Services provided by third parties

	2022	2021
Business consulting services	344,900	3,446,624
Financial, IT and internal audit services	793,012	447,781
Commissions & fees (legal, contributions, etc.)	655,486	607,003
Promotion activities of BVB Group	588,599	766,149
Services provided by third party for business development	1,021,983	1,229,215
Other services provided by third parties for business purposes	<u>2,775,775</u>	<u>1,598,451</u>
<b>Total</b>	<b>6,179,756</b>	<b>8,095,224</b>

Within the category of expenditures "Business consultancy services", are included the expenditures related to the CCP Project. Their decrease compared to the previous period is due to the fact that a component of the consulting contract meets the capitalization conditions to be classified as intangible asset.



### 7.3 Other operating expenses

	2022	2021
Office utilities and other rent	1,877,627	1,447,981
Tangible asset depreciation	1,681,874	1,467,601
Intangible asset amortization	1,603,890	1,436,228
Right of use assets depreciation	2,175,380	2,088,443
Costs related to FSA fees and other taxes	1,512,838	1,457,981
Consumables	275,184	347,194
IT maintenance and service	2,013,823	2,004,929
Insurance for professional equipment, etc.	335,605	317,979
Protocol	761,447	350,410
Marketing and advertising	744,473	1,199,084
Transport of goods and personnel	366,326	246,458
Post and telecommunications	381,891	340,979
Bank charges	82,054	71,790
Loss from non-paying customers	101,044	104,861
Expenses / (Revenue) from provisions for litigation	648,813	542,519
Net expenses/(income) from adjustment of receivables	27,324	(394,548)
Other expenses	<u>312,182</u>	<u>279,279</u>
<b>Total</b>	<b>14,901,774</b>	<b>13,309,168</b>

## 8. Financial income and financial costs

Financial income and expenses recognized in profit or loss account include:

	2022	2021
Net Interest income from financial assets	3,581,371	2,543,354
(Net loss)/Net gain from exchange rate differences	436,013	1,461,851
Interest expense with lease contracts IFRS 16 and other financial expenses	(316,269)	(344,580)
Net expected credit losses (IFRS 9)	<u>(76,850)</u>	<u>27,933</u>
<b>Net financial income</b>	<b>3,517,939</b>	<b>3,688,560</b>

## 9. Income taxes

The **current income tax expense** is recognized based on the annual income tax rate and calculation methodology for the full financial year. The tax rate used for the period ended 31 December 2022 is 16% (the tax rate for the year ended 31 December 2021 was also 16%).

**Deferred income tax income** was calculated for temporary deductible differences resulting from the investment in the CCP.RO subsidiary and is based on the loss recorded by CCP.RO in the current year. The recognized temporary differences are estimated to be deducted from the taxable profit obtained in the following years. The legal annual tax rate used for the period ended 31 December 2022 is 16% (the legal tax rate for the year ended December 31, 2021 was also 16%).

## 9.1 Income Tax expense

Income Tax expense presented in the consolidated Income Statement is comprised of:

	2022	2021
Current income tax expense	2,508,442	1,953,766
Revenue from the deferred Income tax	<u>(633,472)</u>	<u>(896,111)</u>
<b>Total</b>	<b>1,874,970</b>	<b>1,057,655</b>

## 10. Dividends

The General Meeting of BVB Shareholders from April 28, 2022, approved the proposal for the distribution of the statutory net profit for 2021 of the Bucharest Stock Exchange, in the amount of RON 8,206,560, as follows: the amount of RON 485,158 for the legal reserve, and the rest in the form gross dividends. Thus, the amount to be distributed in 2021 in the form of gross dividends related to 2021 is RON 7,721,402. The dividends payment date was June 22, 2022.

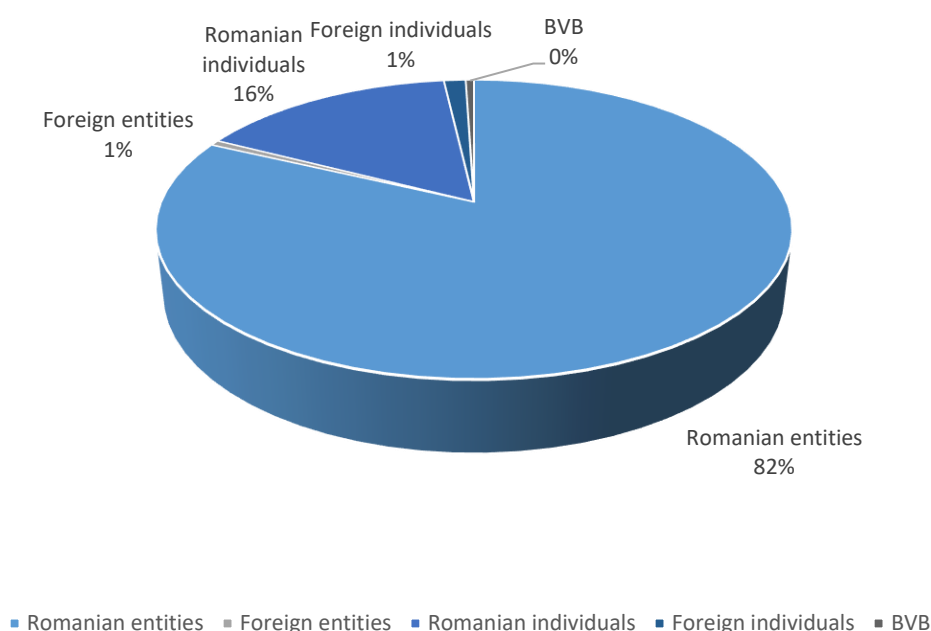
The General Assembly of the Central Depository from 26.05.2022 approved the distribution of the statutory net profit for 2021, in the amount of RON 2,360,572, as follows: the amount of RON 140,926 for the legal reserve, and the remaining RON 2,219,646 in the form of dividends. The dividends payment was made in September 2022.

## 11. Share capital

As of 31 December 2022, BVB had a share capital amounting to RON 80,492,460 divided into 8,049,246 shares with a nominal value of RON 10/share, dematerialized, with the same voting rights, divided into the following categories:

	Number of shares	% of the share capital
<b>Legal entities, of which:</b>	<b>6,646,434</b>	<b>82.57%</b>
Romanian	6,599,588	81.99%
Foreign	46,846	0.58%
<b>Individuals, of which:</b>	<b>1,362,393</b>	<b>16.93%</b>
Romanian	1,256,153	15.61%
Foreign	106,240	1.32%
<b>Bucharest Stock Exchange</b>	<b>40,419</b>	<b>0.50%</b>
<b>Total</b>	<b>8,049,246</b>	<b>100%</b>

## BVB Shareholders Structure as of December 31, 2022



In accordance with the provisions of the article 136, paragraph 5 of law no. 1226/2018 on financial instruments, a shareholder of a market operator cannot own directly or indirectly more than 20% of the total voting rights.

As of 31 December 2022, there were no shareholders holding stakes exceeding this threshold.

## 12. Significant events to report

In February 2022, an armed conflict broke out between Russia and Ukraine, which continues to affect the economies of the two countries and results, among other things, in a significant flow of refugees from Ukraine to neighboring countries (including Romania), as well as a series of sanctions imposed by the international community on Russia and Belarus and some of the companies of Russian origin. The medium and long-term impact of this conflict and the sanctions imposed on Russia cannot be anticipated at this moment with sufficient accuracy. Taking into account that the Company does not have activities significantly dependent on the area in conflict or affected by sanctions (especially Russia, Ukraine, Belarus), neither in terms of purchases, nor sales or investments, we consider that the ability of the Company to continue its activity in the foreseeable future it will not be significantly affected, although there are still uncertainties related to the evolution of the conflict and the potential impact on the countries in the vicinity of the conflict zone and the global economy.

The Company's Preliminary Report as at December 31, 2022 does not include adjustments as a result of this event.

## 13. Subsequent events

No subsequent events to report.

## Contact us

### Investor Relations contact information

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### Financial reports availability

Financial reports are available in our Investor Relations section on our corporate website at this [link](#)

### Earnings conference calls

Permanent replays of our recorded earnings conference calls and the related presentations are available [here](#)

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