

**Quarterly
REPORT**

as of 31 March 2021

Contents

| | |
|--|----|
| Executive summary | 2 |
| Financial and operating highlights | 4 |
| Analysis of the individual and consolidated results for the first quarter of 2021 | 7 |
| Condensed consolidated interim financial statements as at and for the period ended 31 March 2021 | 14 |
| Economic and financial ratios according to FSA Reg. 5 / 2018 | 30 |
| Contact us | 31 |
| Find out more about the Bucharest Stock Exchange | 31 |

Notes

The Directors' consolidated report herein presents the interim 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 March 2021 are not 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, Investors Compensation Fund, CCP.RO Bucharest.

Disclaimer

This English language report is a convenience translation of the Romanian language "*Raport preliminar întocmit la data de 31 March 2021*". The Romanian version of the report is the official document.

Executive summary for Q1 2021

Key events

Record of new listings on the Aero market
4 share listings → over **5.5 mn Euro** funds raised
5 bond listings → approximately 7 mn Euro funds raised



BET: new historical maximum



March 16, 2021: **10,844.45**

The BET index continued its rise at the end of Q1 2021, the value recorded at the end of March being 11,189.60 points, + **14.11%** compared to the beginning of the year.

On the regulated market
2 bond listings → **46.6 mn Euro**
Fidelis program new series of government bonds → about **1.4 billion Euro**

The **Bittnet** Group includes the FTSE Global Micro Cap indices, in February 2021, the second company listed on BVB that is part of these indices after TeraPlast.

Exchange Live, a terminal for real-time data dissemination is launched in February 2021 and 2 new significant projects, **Made in Romania** and **BVB Research Hub** are completed and officially launched in early Q2 2021.

Key figures

BVB Individual

Total assets reach the value of **121 mn lei**, 7% increase compared to the end of 2020.

Operating income of 5.79 mn lei, decrease of 27%, caused by the reduction of trading revenues by 32%, partially offset by the increase in revenues from issuing maintenance fees by 70% and the sale of stock exchange data by 80%.

Operating expenses decreased by 9% to the value of 3.8 mn lei compared to Q1 2020.

Net profit of 2.16 mn lei, directly influenced by the evolution of operational revenues.

BVB Group

Total assets reach the value of **217 mn lei**, 3% increase compared to the end of 2020.

Operating revenues of 9.88 mn lei, 18% decrease compared to Q1 2020, caused the reduction in trading revenues, a basic effect resulting from the significant volume of transactions recorded in March 2020.

Operating expenses of 9.07 mn lei, 13% increase compared to Q1 2020, based on the expenses generated by the activity of the CCP.RO branch.

Net profit of 2.04 mn lei, generated mainly by the Group's trading activity.

Expectations for Q2 2021

Positive signals for public offerings of shares on the main market of BVB. Confirmation is expected in Q2 2021.

High interest in financing through the AeRO market for small and medium-sized companies. New placements and listings are expected

BVB will be involved in the promotion and development of recently launched projects: **Exchange Live, Made in Romania and BVB Research Hub**.

On April 21, 2021, Law no. 88/2021 on the **Investor Compensation Fund** was published and will be in force on June 20, 2021 by introducing a new organizational and operational framework for the Investor Compensation Fund (FCI).

The legal status of FCI in the joint stock company is amended as a **legal entity under public law**, following that, FCI will not be a subsidiary of the BVB group. Therefore, FCI financial result was presented as result from discontinued operations.

Evolution of financial performance

Individual and consolidated results of BVB Group as of Q1 2021

Bucharest Stock Exchange (BVB)

Operating income BVB individual * decreased by 27%, -2.17 mn lei (from 7.96 mn lei to 5.79 mn lei), mainly due to the decrease of trading revenues by 32%, from which revenues from public offers - shares decreased by 1.30 mn lei, while revenues from transactions on the AERO market increased by 0.30 mn lei. The basic effect of the decrease in operating revenues is also represented by the “one-off” revenues registered in Q1 2020 from intra-group re-invoicing (0.97 million lei), a decrease partially offset by the increase in revenues from maintenance and sale data

Operating expenses, BVB individual *, Q1 2021, -9%, respectively 0.38 mn lei from 4.2 to 3.82 mn lei, mainly due to the decrease of personnel expenses and expenses provided by third parties, mainly consulting, in Q1 2020 being recorded one-off expenses.

Operating profit BVB individual * - Q1 2021, 1.96 mn lei, -48% compared to Q1 2020 (Q1 2020: 3.76 mn lei), with an operating margin of 34%, due to the reduction of revenues operating expenses by 27%, while operating expenses decreased by 9%. This includes intra-group transactions (for trading segment values, excluding intra-group transactions - see Note 6 Segment reporting)

Net financial income, BVB individual * - in Q1 2021 was 0.63 mn lei (Q1 2020: 0.55 mn lei), + 14%, increase due mainly to income from unrealized exchange rate differences, following the appreciation of EUR and USD vs RON.

Net profit, BVB individual * - in Q1 2021, 2.16 mn lei, -42% from 3.73 mn lei in Q1 2020, with a net margin of 37%. This includes intra-group transactions (for trading segment values, excluding intra-group transactions - see Note 6 Segment reporting)

Central Depository (DC)

Operating revenues DC individual * increased by 2%, + 84 thousand lei (from 4.12 mn lei to 4.21 mn lei), as a result of the increase of settlement revenues by 9%, while the revenues of the register segment fell by 11%.

Operating expenses, DC individual*, Q1 2021, in amount of 3.58 mn lei, have a similar level with the expenses from Q1 2020, 3.51 mn lei.

Operating profit, DC individual * - Q1 2021, + 2%, up to the value of 0.62 mn lei, with an operating margin of 15%. This includes intra-group transactions (for post-trade segment and register values, excluding intra-group transactions - see Note 6 Segment reporting)

Net financial income, individual DC * - Q1 2021, increased from 0.15 mn lei to 0.18 mn lei.

Net profit, DC individual * - Q1 2021, + 4%, from 0.66 mn lei to 0.69 mn lei, with a constant net margin of 16%. This includes intra-group transactions (for post-trade segment and register values, excluding intra-group transactions - see Note 6 Segment reporting)

* before consolidation, including intra-group transactions

CCP.RO Bucharest (CCP.RO)

CCP.RO Bucharest did not register operating income.

Operational expenses, CCP.RO individual, Q1 2021, 1.75 mn lei (2020: 0.2 mn lei), the base of the operations of the new subsidiary were laid in the second half of 2020, by hiring staff and concluding contracts related to the start of the authorization process as a Central Counterparty

Operational loss CCP.RO individual * - Q1 2021, 1.75 mn lei generated by the registered operational expenses. This includes intra-group transactions (for post-trade segment and register values, excluding intra-group transactions - see Note 6 Segment reporting)

Net financial income, CCP.RO individual* - in Q1 2021 was 0.8 mn lei, +0.73 mn lei compared to the value recorded in Q1 2020 and was generated by unrealized income from exchange rate differences, Q1 2021 gain of 0.53 mn lei vs. loss of 0.29 mn lei recorded in Q1 2020, following the appreciation of EUR vs Leu, having a favorable impact on the value of investments denominated in EUR.

Net loss, CCP.RO individual* - Q1 2021, of 0.78 mn lei (Q1 2020: 0.14 mn lei). This includes intra-group transactions (for post-trade segment and register values, excluding intra-group transactions - see Note 6 Segment reporting)

Investor Compensation Fund (FCI)

The net loss of FCI individual * in Q1 2021, in amount of 35 thousand lei (Q1 2020: 79 thousand lei) is presented on the line "Profit from discontinued operations as a result of the classification of the Investor Compensation Fund as an entity with discontinued operations, according to IFRS 5, following the publication of Law 88/2021 by which the current Company will be transformed into a legal entity under public law. BVB will cease to consolidate FCI's results from the moment it loses control over the company.

BVB Group - consolidated

The consolidated operating revenues of the BVB Group in Q1 2020 were of 9.88 mn lei (Q1 2020: 12.11 mn lei), -18% or -2.23 mn lei, following the reduction of trading revenues, result of a basic effect of the significant volume of transactions recorded in March 2020

Consolidated operating expenses - Q1 2021, + 13%, respectively 1.05 mn lei, from 8.02 mn lei to 9.07 mn lei mainly, as a result of the advance of expenses generated by the activity of the CCP.RO subsidiary, CCP.RO started its operations in the second half of 2020 (impact in 2021 of +1.55 mn lei), the increase partially offset by the reduction of personnel and services expenses provided by third parties on the trading segment (impact -0, 32 mn lei)

Consolidated operating profit of the BVB Group - Q1 2021, -80%, from 4.09 mn lei to 0.81 mn lei, decrease generated both by the decrease of operating revenues, respectively of trading revenues, as well as by the advance of operational expenses consolidated.

Consolidated net financial income - in Q1 2021, doubled compared to Q1 2020, from 0.78 mn lei to 1.62 mn lei, mainly due to the recording of a gain from unrealized exchange rate differences from revaluation of financial instruments in foreign currency of RON 0.98 mn vs. RON 0.01 mn in Q1 2020, effect of the increase of the RON / EUR and RON / USD exchange rate.

Consolidated net profit of the BVB Group - Q1 2021, -52%, from 4.21 mn lei to 2.03 mn lei, being generated, mainly, by the trading segment of the Group

* before consolidation, including intra-group transactions

Financial and operating highlights

Individual and consolidated financial performance – BVB Group (RON mn, unless otherwise stated)

| | BVB Individual | | | GROUP | | |
|--|----------------|-------------|-------------|-------------|-------------|-------------|
| | Q1 2021 | Q1 2020 | Change (%) | Q1 2021 | Q1 2020 | Change (%) |
| Operating revenue | 5.79 | 7.96 | -27% | 9.88 | 12.11 | -18% |
| Operating expenses | (3.82) | (4.20) | -9% | (9.07) | (8.02) | 13% |
| Operating profit | 1.96 | 3.76 | -48% | 0.81 | 4.09 | -80% |
| <i>Operating margin</i> | 34% | 47% | | 8% | 34% | |
| Net financial revenue/(expenses) | 0.63 | 0.55 | 14% | 1.62 | 0.78 | 108% |
| Profit before tax | 2.59 | 4.31 | -40% | 2.44 | 4.88 | -50% |
| Profit from continue operations | 2.16 | 3.73 | -42% | 2.04 | 4.21 | -51% |
| Profit/(loss) from discontinued operations | - | - | - | (0.01) | - | 100% |
| Profit for the period | 2.16 | 3.73 | -42% | 2.03 | 4.21 | -52% |
| <i>Net margin</i> | 37% | 47% | | 21% | 35% | |
| EPS attributable to owners (RON/share)** | 0.2686 | 0.4637 | -42% | 0.2666 | 0.5064 | -47% |
| <i>Return on equity</i> | 2% | 3% | | 1% | 3% | |

** 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.

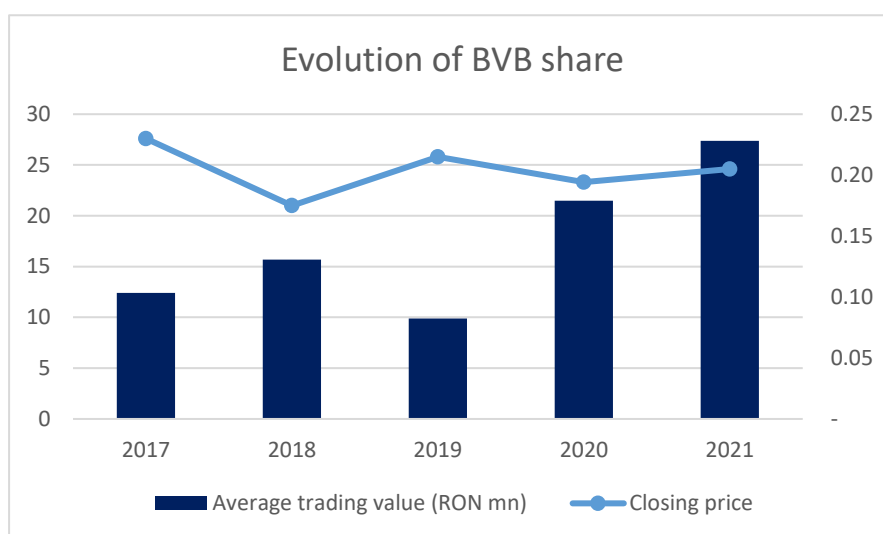
The proposal for the distribution of BVB's profit in the form of dividends is made from the net profit of the Bucharest Stock Exchange SA (BVB individual) according to the dividend policy published on the BVB website, in the "Investor Relations" section.

Individual and consolidated financial position – BVB Group (RON mn, unless otherwise stated)

| | BVB individual | | | GROUP | | |
|---|----------------|---------------|--------------|---------------|---------------|--------------|
| | 31 Mar. 2021 | 31 Dec. 2020 | Variație (%) | 31 Mar. 2021 | 31 Dec. 2020 | Variație (%) |
| Total assets, out of which: | 120.78 | 112.93 | 7% | 216.98 | 211.45 | 3% |
| <i>Cash & cash equivalents</i> | 3.1 | 2.15 | 44% | 12.36 | 6.57 | 88% |
| <i>Financial assets at amortized cost</i> | 33.1 | 31.66 | 5% | 93.5 | 121 | -23% |
| <i>Restricted financial assets at amortized cost</i> | - | - | - | 47.84 | 49.51 | -3% |
| Payables, out of which: | 9.94 | 4.25 | 134% | 66.1 | 62.6 | 6% |
| <i>Trade and other payables</i> | 3.03 | 2.63 | 15% | 32.45 | 34.98 | -7% |
| Equity, out of which: | 110.84 | 108.68 | 2% | 150.88 | 148.85 | 1% |
| <i>Total shareholders' equity attributable to the owners of the Company</i> | 110.84 | 108.68 | 2% | 110.18 | 108.03 | 2% |
| <i>Non-controlling interests</i> | - | - | - | 40.70 | 40.82 | 0% |

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

| | Q1 2021 | Q1 2020 | Change (%) |
|--------------------------------|------------|------------|---------------|
| Closing price (e-o-p) | 24.60 | 23.30 | 6% |
| Weighted average price | 24.46 | 23.02 | 6% |
| High (intraday) | 25.80 | 25.90 | 0% |
| Low (intraday) | 23.10 | 19.00 | 22% |
| Total trading value (RON mn) | 14.37 | 11.11 | 29% |
| Average trading value (RON mn) | 0.23 | 0.18 | 27% |



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

| | Q1 2021 | Q1 2020 | Change (%) |
|--|--------------|--------------|---------------|
| Trading value | | | |
| Shares, units, rights | 2,726 | 3,530 | -23% |
| <i>Out of, Shares traded on regulated market, without offers</i> | 2,441 | 3,094 | -21% |
| Certificates | 193 | 137 | 41% |
| Fixed-income investments | 2,066 | 25 | 8,164% |
| Total | 4,985 | 3,692 | 35% |
| Avg. daily value (shares, without initial public offerings) * | 38.74 | 49.90 | -22% |
| Avg. daily value (shares, including initial public offerings)* | 43.27 | 55.18 | -22% |

*Value for the Regulated market

Operating indicators, post-trading and registry segments

| | Q1 2021 | Q1 2020 | Change (%) |
|--|------------|------------|---------------|
| No. companies with registry contract at CSD | 854 | 866 | -1% |
| No. procedures resulted from issuers' corporate events | 346 | 331 | 5% |
| <u>Local settlement</u> | | | |
| Value of trades settled on net basis (RON bn) | 6.09 | 7.33 | -17% |
| Value of trades settled on gross basis (RON bn) | 0.51 | 0.61 | -99% |
| <u>Settlements through T2S platform (euro)</u> | | | |
| Value of trades settled on gross basis (EUR mn) | 309.55 | 11.76 | 2532% |
| Avg. monthly portfolio managed by custodians (RON bn) | 50 | 44.95 | 11% |

Analysis of the individual and consolidated results for the first quarter of 2021

Macroeconomic and financial markets evolution in the first quarter of 2021

Romania's GDP dynamics from the last quarter of 2020 revealed only a 1.5% contraction YoY, which indicates to a contraction of 3.9% for the whole year, significantly lower than the initial expectations created by the pandemic. The unemployment reached 5.7% and although it still remains above the levels prior to the crisis, the evidence suggests that the labour market is starting to add new open positions which will, most likely, lead to a decrease in unemployment in the next period. Inflation has reversed its most recent trend and increased to the 3.05% level as of March 2021 and expectations are that, over the medium term, it will stay slightly above the central bank's target rate.

At its first policy meeting of 2021, the National Bank of Romania (NBR) decided to reduce the key interest rate from 1.50% to 1.25% and to keep the symmetrical corridor defined by interest rates on standing facilities around the monetary policy rate at ± 0.5 percentage points.

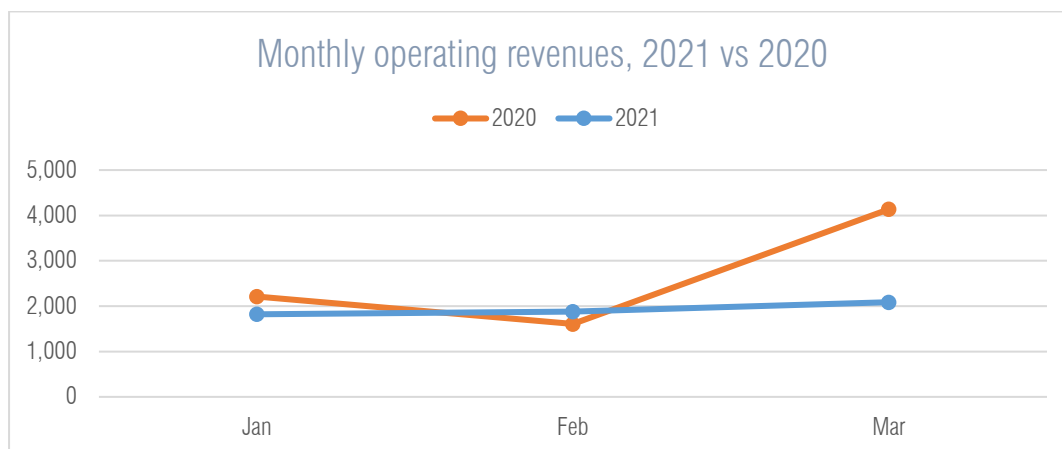
The EUR/RON exchange rate increased further in the first quarter, fluctuating, on average, near the level of 4.88. In terms of the USD/RON exchange rate, it continued to move lower towards the average level of 4.05, mainly due to the prevalence of FED's monetary easing measures.

The first quarter of 2021 has rewarded investors for their patience throughout 2020 as the financial markets recorded a strong performance. The Romanian blue chips index, BET, increased by 14.1%, above the EU markets performance. In the US, the S&P 500 advanced by 5.8%, while in the UK the FTSE 100 moved higher by 3.9%. The German index, DAX, increased by 9.4%, while the MSCI Emerging Markets Index increased only by 1.95%, underperforming the developed markets indices.

Review of the individual and consolidated financial results for the first quarter of 2021

Operating income of the trading segment (BVB, excluding intra-group transactions), Q1 2021, -27%, from 7.96 mn lei to 5.79 mn lei as a result of the reduction in the value traded on the main market shares both transactions as well as offers, result of the basic effect of significant trading values recorded in March 2020, in exceptional market conditions.

Monthly operating revenues, BVB individual, 2021 vs. 2020 (thousand RON)



Operating revenues, BVB individual, 2021 vs 2020 (thousand RON), including intra group transactions

| Operating revenues | Q1 2021 | Q1 2020 | % from total 2021 | Abs. Var | % Var |
|---|--------------|--------------|-------------------|---------------|-------------|
| Revenues from Trading fees, out of which: | 3,941 | 5,802 | 68% | -1,862 | -32% |
| <i>Revenues from Regulated market</i> | 3,456 | 4,312 | 60% | -857 | -20% |
| <i>Revenues from Offers, Regulated market</i> | 132 | 1,425 | 2% | -1,294 | -91% |
| <i>Revenues from ATS</i> | 353 | 61 | 6% | 291 | 474% |
| Issuers admission & maintenance fees | 919 | 543 | 16% | 376 | 69% |
| Revenues from data vending | 669 | 375 | 12% | 295 | 79% |
| Other revenues | <u>257</u> | <u>1,237</u> | 4% | <u>-980</u> | -79% |
| Total operating revenues | 5,786 | 7,957 | 100% | 2,171 | -27% |

- Trading revenues, **regulated market, excluding offers** - Q1 2021, -20% compared to the similar period of 2020, from 4,312 thousand lei to 3,456 thousand lei. The trading activity at BVB on the regulated stock market - Q1 2021, registered a decrease of 18%, reaching the level of 2.44 billion lei.
- Trading revenues **from public offers on the regulated market**, decrease of 91% (from 1,425 thousand lei to 132 thousand lei), influenced by the decrease of the value of secondary public offers on the stock market from 328 mn lei to 34 mn lei following the listing in Q1 2020 of 7 public offers totaling 328 mn lei, the most significant being Sif Oltenia (105 mn lei), Fondul Proprietatea (172 mn lei) and TMK Artrom (42 mn lei).
- The revenues from the AERO market increased over 5 times, up to 353 thousand lei vs 2020 (Q1 2020: 61 thousand lei), on the background of the new listings carried out; represents 6% of the total trading income
- The revenues from admission and maintenance in Q1 2021 are in the amount of 919 thousand lei, + 69% compared to Q1 2020, as a result of the increase of tariffs for the issuers listed both on the regulated market and on Aero. It represents 16% of BVB's operating income.

The revenues from the sale of stock exchange data in Q1 2021 are in the amount of 669 thousand lei, increase of 79%, as a result of the increase of the data sale tariffs starting with January 1, 2021 and represent 12% of the operational revenues of BVB.

Other operating revenues (revenues from IT services, partnerships, participant fees) in Q1 2021, -79% to the value of 257 thousand lei, decrease determined mainly by the "one-off" revenues invoiced in Q1 2020 (re-invoicing of the GAP Study on the establishment the central counterparty in Romania to the subsidiary CCP.RO Bucharest SA and the revenues from partnerships events). Represents 4% of operating income.

- The main operating indicators for the **trading activity** registered by BVB during the reporting period, compared to the year-ago period, are presented below:

| Trading value (RON mn) | Q1 2021 | Q1 2020 | Change (%) |
|--|--------------------|--------------------|-----------------------|
| Trading value – shares, rights, units* | 2,726 | 3,530 | -23% |
| Trading value – certificates | 193 | 137 | 41% |
| Trading value – fixed-income* | <u>2,066</u> | <u>25</u> | <u>8,164%</u> |
| Total | 4,985 | 3,692 | 35% |

Note: Figures refer to all markets and include offers

Revenues Central Depository (DC) Individual– Q1 2021, +2% vs Q1 2020, slight increase from 4.12 mn lei to 4.21 mn lei

Revenues related to the post-trading segment (DC) - Q1 2021, + 9% (from 2.72 mn lei to 2.95 mn lei) due to the increase of revenues from maintaining the quality of custodian in the DC system following the increase in value portfolios managed by custodians, while settlement revenues decreased by 4% compared to Q1 2020 influenced by the decrease in values traded on BVB. Represents 70% of operating revenues

Revenues related to the register segment (DC) - Q1 2021, decreased by 11%, from 1.38 mn lei to 1.22 mn lei, mainly due to the registration of "one-off" revenues in Q1 2020.

The table below presents the main operating indicators registered by the Central Depository during the reporting period as compared to the year-ago period:

| | Q1 2021 | Q1 2020 | Change (%) |
|--|--------------------|--------------------|-----------------------|
| No. companies with registry contract at CSD | 854 | 866 | -1% |
| No. procedures resulted from issuers' corporate events | 346 | 331 | 5% |
| <u>Local settlement</u> | | | |
| Value of trades settled on net basis (RON bn) | 6.09 | 7.33 | -17% |
| Value of trades settled on gross basis (RON bn) | 0.51 | 0.61 | -17% |
| <u>Settlements through T2S platform (euro)</u> | | | |
| Value of trades settled on gross basis (EUR mn) | 309.55 | 11.76 | 2.532% |
| | | | |
| Avg. monthly portfolio managed by custodians (RON bn) | 50 | 44.95 | 11% |

* Trades executed at BVB as well as allocation transactions. Value presented on a single-counted basis.

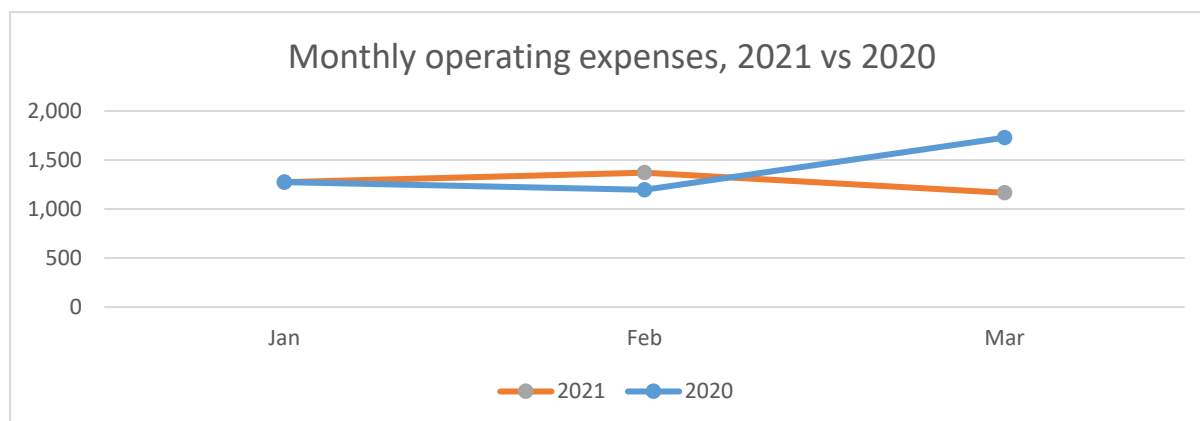
** Trades executed outside trading systems and deal-type trades executed at BVB and settled on gross basis. Value presented on a single-counted basis.

CCP.RO Bucharest did not register operating income in 2021.

- **The consolidated operating revenues of the BVB Group** in the first 3 months of 2021 were 9.88 mn lei, -18% compared to the similar period of the previous year (Q1 2020: 12.11 mn lei), an increase mainly influenced, by the Group's trading segment.

Operating expenses, individual BVB * in Q1 2021, -9%, respectively 0.38 mn lei from 4.2 to 3.82 mn lei, mainly due to the decrease of personnel expenses, as a result of the reduction of monthly estimates for SOP and bonuses, which will be recorded in the following quarters after the performance review and the expenses provided by third parties by 29%, mainly consulting, in Q1 2020 being recorded "one off" expenses for the CCP.RO project.

BVB Individual monthly operating expenses, Q1 2021 vs Q1 2020 (thousand lei)



* including intra-group transactions

Operating expenses BVB Individual, 2021 vs 2020 (thousand RON)

| Operating expenses | Q1 2020 | Q1 2020 | Abs. Var. | Var % |
|--|--------------|--------------|-------------|-------------|
| Personnel expenses and Director's fees | 2,132 | 2,236 | -104 | -5% |
| Services provided by third parties, out of which: | 531 | 743 | -212 | -29% |
| <i>Business consulting services</i> | 133 | 462 | -328 | -71% |
| <i>Other third party services</i> | 218 | 142 | 77 | 54% |
| | 122 | 98 | 23 | 24% |
| Other operating expenses, out of which: | 1,161 | 1,220 | -59 | -5% |
| <i>Rent and office utilities</i> | 172 | 164 | 8 | 5% |
| <i>Amortization and depreciation of fixed assets and right of use assets</i> | 498 | 566 | -69 | -12% |
| <i>Marketing and protocol expenses</i> | 183 | 115 | 68 | 59% |
| <i>IT maintenance expenses</i> | 143 | 107 | 37 | 34% |
| Total Operating expenses | 3,824 | 4,200 | -376 | -9% |

- **Personnel expenses, BVB individual**, in the amount of 2.13 mn lei, -5% compared to Q1 2020, as a result of the reduction of monthly estimates for SOPs and bonuses, which will be recorded in the following quarters / Q4 after the evaluation results obtained, partially offset by expenses with higher CA Remunerations in Q1 2021 (in Feb 2020 no expenses with CA remunerations were recorded).
- **The expenses with services provided by third parties, BVB individual ***, are in the amount of 531 thousand lei, decreasing by 29% compared to Q1 2020, generated by:
 - Decrease in consulting expenses due to the "one-off" expenditure for the CCP.RO project recorded in Q1 2020 (EUR 80 thousand), decrease partially offset by the increase in expenses with the project in progress aimed to promote issuers started in 2020 (ESG)
 - Increasing expenses with legal advice for the BVB Group projects and debt recovery
 - Advance of the expenses provided by third parties, specifically analysis reports prepared in order to increase the visibility of the issuers
- **Other operating expenses, BVB individual ***, decrease of 5%, up to the value of 1.16 mn, as a result of:
 - Recovery of receivables provided in the last years of 93 thousand lei, especially for AERO maintenance fees, following the steps taken to recover receivables.

- Increase of marketing expenses, as a result of intensified efforts to promote BVB in digital media
- Decrease of the depreciation expenses as a result of the complete depreciation of some hardware equipment and some licenses.

Operating expenses, DC individual * in Q1 2021, + 2%, from 3.51 mn lei to 3.58 mn lei, mainly generated by;

- The advance of 2% of the personnel expenses, as a basic effect being the implementation of the remuneration policy of the employees of the Central Depository in September 2020
- Decrease of the expenses with third parties by 24% or 90 thousand lei, as a result of postponing some expenses in the first 3 months of 2021 vs the first 3 months of 2020.
- The advance of 9% or 0.12 mn lei of the category Other operating expenses is generated, mainly, by the expense with losses from uncollected receivables (84 thousand lei).

Operating expenses, individual CCP.RO*, in Q1 2021, 1.76 mn lei, the operations of the new company in the year were put in place in the second half of 2020, and are mainly represented by:

- Personnel expenses, as a result of hiring staff during 2020, in the amount of 658 thousand lei, +583 thousand lei compared to the value registered in Q1 2020 considering that the average number of employees in Q1 2021 was 8 while in Q1 2020 it was 0.7;
- Expenses with services provided by third parties in the amount of 880 thousand lei +862 thousand lei compared to the value in Q1 2020, variation influenced by the registration of consulting expenses under the contract with CC&G starting with October 2020
- Other operating expenses in the amount of 210 thousand lei + 109 thousand lei, compared to the value in Q1 2020, variation mainly influenced by the recording of expenses with depreciation of fixed assets used by the company that were put into use in December

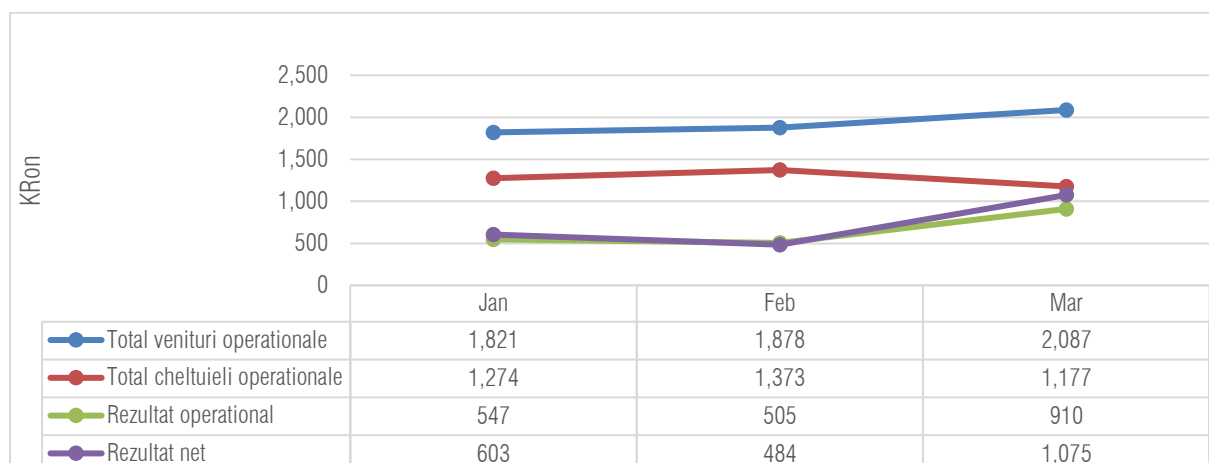
➤ **Consolidated operating expenses** - Q1 2021, + 13%, respectively 1.05 mn lei, from 8.02 mn lei to 9.07 mn lei, mainly due to:

- The advance of 8%, respectively 0.37 mn lei of the consolidated personnel expenses, following the registration of 0.66 mn lei personnel expenses of the new subsidiary CCP.RO (75 thousand lei in 2020), while BVB recorded a reduction in SOP and Bonus expenses as a result of the reduction in SOP estimates and annual bonuses, which will be recorded in the following quarters / Q4 based on the results obtained
- The increase of the expenses with the services provided by third parties by 45%, respectively 0.53 mn lei, from 1.16 mn lei to 1.68 mn lei as a result of the consulting services registered by CCP.RO within the contract with CC&G (performed starting with the second half of 2020) +0.86 mn, an increase partially offset by the reduction of other consulting expenses that were either "one off" in Q1 2020 or have not yet been realized.
- The advance of 6% of other operational expenses up to the value of 2.66 mn lei, increase attributable mainly to the new subsidiary CCP.RO as a result of the registration of expenses with depreciation of fixed assets used by the company, put into use in December 2020, as well as projects initiated in the area of marketing and promotion in order to increase the visibility of issuers and the capital market.

Operating profit, individual BVB * - Q1 2021, was 1.96 mn lei, -48% compared to Q1 2020 (Q1 2020: 3.76 mn lei), with an operating margin of 34% and is the result of reduced revenues operating expenses by 27%, while operating expenses decreased by only 9%. This includes intra-group transactions (for trading segment values, excluding intra-group transactions - see Note 6 Segment reporting)

* including intra-group transactions

Monthly evolution, BVB individual (thousand RON) Q1 2021



Operating profit, individual DC * - Q1 2021, + 2%, up to the value of 0.62 mn lei, with an operating margin of 15%. This includes intra-group transactions (for post-trade segment and register values, excluding intra-group transactions - see Note 6 Segment reporting)

Operational loss of individual CCP.RO * - Q1 2021, 1.75 mn lei. This includes intra-group transactions (for post-trade segment and register values, excluding intra-group transactions - see Note 6 Segment reporting)

- **Consolidated operating profit of BVB Group** in Q1 2021, -80%, from 4.09 mn lei to 0.81 mn lei, decrease generated by the decrease of operating revenues by 18%, respectively of trading revenues by 32% , as well as the advance of operational expenses by 13%

Net financial income, individual BVB * - in Q1 2021 was 0.63 mn lei (Q1 2020: 0.56 mn lei), + 14%, increase due mainly to income from unrealized exchange rate differences, following the appreciation of EUR and USD vs RON. For trading segment values, excluding dividend income from the Central Depository - see Note 6 Segment reporting

Net financial income, individual DC * - in Q1 2021, + 24%, from 0.15 mn lei to 0.18 mn lei. For post-trade segment and register values - see Note 6 Segment reporting

Net financial income, individual CCP.RO * - in Q1 2021 was 0.8 mn lei, +0.71 mn lei compared to the value recorded in Q1 2020 and was generated by unrealized income from exchange rate differences, Q1 2021 gain of 0.53 mn lei vs. loss of 0.29 mn lei recorded in Q1 2020, following the appreciation of EUR vs RON, positively impacting the value of investments denominated in EUR. For post-trade segment and register values - see Note 6 Segment reporting

- **Consolidated net financial income** - in Q1 2021, doubled compared to Q1 2020, from 0.78 mn lei to 1.62 mn lei, mainly due to the recording of a profit from unrealized exchange rate differences from the revaluation financial instruments in foreign currency of 0.98 mn lei vs 13 thousand lei in Q1 2020, effect of the increase of the exchange rate Leu / EUR and Leu / USD.

Net profit, individual BVB * - in Q1 2021, -42%, from 3.73 mn lei to 2.16 mn lei, with a net margin of 37%. This includes intra-group transactions (for trading segment values, excluding intra-group transactions - see Note 6 Segment reporting)

Net profit, individual DC * - Q1 2021, + 4%, from 0.66 mn lei to 0.69 mn lei, with a constant net margin of 6%. This includes intra-group transactions (for post-trade segment and register values, excluding intra-group transactions - see Note 6 Segment reporting)

Net loss, individual CCP.RO * - Q1 2021, of 0.78 mn lei, loss registered according to the forecasts from the Business Plan of the CCP Project. This includes intra-group transactions (for post-trade segment and register values, excluding intra-group transactions - see Note 6 Segment reporting)

* including intra-group transactions

- **Consolidated net profit of the BVB Group** - Q1 2021, -52%, from 4.26 mn lei to 2.03 mn lei, being generated, mainly, by the trading segment of the Group

Review of BVB individual financial position at the end of the first quarter of 2021

Total assets as of March 31, 2021, + 7% or 7.83 mn lei compared to December 2020, up to 120.78 mn lei, influenced by the increase of current assets, in this case financial assets with a maturity of less than one year, with a higher level of decrease in fixed assets

- **Fixed assets**, -2% compared to the beginning of the year, from RON 99.4 mn to RON 97.63 mn, mainly due to the reclassification of financial assets with a maturity of less than one year in current assets, decrease offset by the recognition of rights of use for the renewal of the premises lease agreement, according to IFRS 16.
- **Current assets**, +71% compared to the beginning of the year, from 112.93 mn lei to 120.78 mn lei, mainly due to government securities with maturity less than 1 year, acquired during the year or reclassified from fixed assets, as well as the establishment of bank deposits with a maturity of less than 90 days

Total liabilities in amount of 9.94 mn lei, + 134% compared to the value as of December 31, 2020 (4.25 mn lei), mainly due to the increase of long-term leasing liabilities due to the recognition of the liability related to the headquarters rental, according to IFRS 16, as well as the increase of current debts generated by advance income, as a result of the increase of the tariffs for issuers (invoiced annually) and of the debt with the estimated profit tax.

Equity, value close to the one at the beginning of the year, respectively 110.84 mn lei, + 2%, influenced by the registration of the current profit in Q1 2021 and of the related legal reserve.

Review of the consolidated financial position as of the first quarter of 2021

Total assets as of March 31, 2021, + 3% or 5.53 mn lei compared to December 2020, up to 216.98 mn lei, influenced by the increase of fixed assets with a higher level than the decrease of current assets

- **Fixed assets**, + 23% compared to the beginning of the year, from RON 82.38 mn to RON 101.31 mn, mainly due to the acquisition of government securities, as well as the recognition of rights of use related to the renewal of the headquarters lease, according to IFRS 16.
- **Current assets**, -10% compared to the beginning of the year, from 129.06 mn lei to 115.67 mn lei, mainly due to the acquisition of government securities with maturities less than 1 year and bank deposits with lower maturity than 90 days

Assets classified as held for sale in the amount of 0.36 mn lei is represented by the cash held by the Investors' Compensation Fund, following its classification as an entity with discontinued operation according to IFRS 5, on the publication of the Law 88/2021 by which the current Fund is transformed into a legal entity under public law, whose organization and functioning status will be approved by the Financial Supervisory Authority.

The total debts of the Group are mainly short-term, on March 31, 2021 amounting to 66.1 mn lei, + 6% compared to the value as of December 31, 2020 of 62.6 mn lei, mainly due to the increase of debt of long-term leasing on the basis of the recognition of the liability related to the headquarters lease contract, according to IFRS 16.

38% of the total debts are represented by the payment dividends held on behalf of the clients by the Central Depository, amounting to 25.02 mn lei, and 34% represent guarantee, compensation and margin funds for the settlement of transactions, amounting to 22.62 mn. Lei

Debts classified as held for sale are represented by the commercial debts related to the Investor Compensation Fund as a result of its classification as a discontinued operations entity, according to IFRS 5, following the publication of Law 88/2021 by which the current Fund is transformed into legal person under public law, whose organization and functioning status will be approved by the Financial Supervisory Authority.

Equity, value close to the one at the beginning of the year, respectively 150.88 mn lei, influenced by the registration of a current result for Q1 2021 and the related legal reserve

Condensed consolidated interim financial statements as at and for the period ended 31 March 2021

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

Condensed consolidated income statement and statement of comprehensive income

All amounts are indicated in RON, unless otherwise stated

| | Period ended | |
|--|-------------------------|-------------------------|
| | 31 mar. 2021 | 31 mar. 2020 |
| | Unaudited | Unaudited |
| Revenues from services | 9,841,880 | 11,092,499 |
| Other revenues | <u>42,155</u> | <u>1,021,138</u> |
| Operating revenue | 9,884,035 | 12,113,638 |
| Personnel expenses and Directors' fees | (4,728,048) | (4,361,205) |
| Expenses with services provided by third parties | (1,681,266) | (1,155,587) |
| Other operating expenses | <u>(2,663,891)</u> | <u>(2,503,945)</u> |
| Operating profit | <u>810,830</u> | <u>4,092,900</u> |
| Net financial revenues/(expenses) | 1,624,855 | 784,575 |
| Profit before tax | <u>2,435,685</u> | <u>4,877,475</u> |
| Corporate income tax expense | <u>(393,786)</u> | <u>(672,275)</u> |
| Profit from continuing operations | 2,041,899 | 4,205,200 |
| Profit from discontinued operations | <u>(12,978)</u> | <u>-</u> |
| Profit for the period | <u>2,028,921</u> | <u>4,205,200</u> |
| Profit attributable to: | | |
| Non-controlling interests | (116,730) | 129,028 |
| Owners of the Company | <u>2,145,651</u> | <u>4,076,172</u> |
| Profit for the period | <u>2,028,921</u> | <u>4,205,200</u> |
| Earnings per share | 0,2666 | 0,5064 |
| Earnings per share – base/diluted (RON) | | |

The notes on pages 22 to 29 are an integral part of these condensed consolidated financial statements.

CEO,

Adrian Tănase

CFO,

Virgil Stroia

Condensed consolidated statement of financial position

All amounts are indicated in RON, unless otherwise stated

| | 31 Mar. 2021 | 31 Dec. 2020 |
|--|---------------------------|---------------------------|
| | Unaudited | Audited |
| Non-current assets | | |
| Tangible assets | 7,637,546 | 7,831,658 |
| Intangible assets | 3,694,171 | 3,833,508 |
| Right-of-use assets | 7,791,047 | 3,444,534 |
| Deferred tax receivables | 600,554 | 447,274 |
| Restricted financial assets covering the guarantee and clearing funds and the margin at amortized cost | 15,090,971 | 10,633,264 |
| Financial assets at amortized cost | <u>66,497,729</u> | <u>56,193,974</u> |
| Total non-current assets | <u>101,312,018</u> | <u>82,384,212</u> |
| Current assets | | |
| Trade and other receivables | 6,612,865 | 6,334,596 |
| Prepayments | 1,330,339 | 661,178 |
| Bank deposits | 35,254,687 | 11,812,510 |
| Restricted bank deposits covering the guarantee fund and the margin | 3,672,051 | 2,935,165 |
| Restricted financial assets covering the guarantee and clearing funds and the margin at amortized cost | 4,054,072 | 9,076,333 |
| Other financial assets at amortized cost | 27,000,132 | 64,804,480 |
| Cash and cash equivalents | 12,364,718 | 6,573,308 |
| Other restricted assets at amortized cost | 25,019,014 | 26,868,213 |
| Assets held for sale | 362,863 | - |
| Total current assets | <u>115,670,741</u> | <u>129,065,783</u> |
| Total assets | <u>216,982,759</u> | <u>211,449,995</u> |
| Equity | | |
| Share capital | 80,492,459 | 80,492,459 |
| Treasury shares and Share-base benefits | (264,842) | (246,950) |
| Share premiums | 6,303,263 | 6,303,263 |
| Legal reserve | 11,649,437 | 11,519,745 |
| Revaluation reserve | 3,385,355 | 3,385,355 |
| Retained earnings | <u>8,617,983</u> | <u>6,584,133</u> |
| Total shareholders' equity attributable to the owners of the Company | <u>110,183,655</u> | <u>108,038,005</u> |
| Non-controlling interests | 40,699,626 | 40,816,355 |
| Total shareholders' equity | <u>150,883,281</u> | <u>148,854,360</u> |

Condensed consolidated statement of financial position (continued)

All amounts are indicated in RON, unless otherwise stated

| | 31 Mar. 2021 | 31 Dec. 2020 |
|---|---------------------------|---------------------------|
| | Unaudited | Audited |
| Liabilities | | |
| Operating lease liabilities | 6,069,145 | 2,396,387 |
| Total non-current liabilities | <u>6,069,145</u> | <u>2,396,387</u> |
| Trade and other payables | 32,455,141 | 34,983,651 |
| Deferred income | 2,383,571 | 1,321,204 |
| Operating lease liabilities | 1,992,173 | 1,230,875 |
| Current corporate income tax payables | 525,501 | 44,413 |
| Guarantee and clearing funds and settlement operation margin | 22,622,272 | 22,619,105 |
| Liabilities directly associated with assets classified as held for sale | 51,676 | - |
| Total current liabilities | <u>60,030,334</u> | <u>60,199,248</u> |
| Total liabilities | <u>66,099,478</u> | <u>62,595,635</u> |
| Total liabilities and equity | <u>216,982,759</u> | <u>211,449,995</u> |

The notes on pages 22 to 29 are an integral part of these condensed consolidated financial statements.

CEO,
Adrian Tănase

CFO,
Virgil Stroia

Condensed consolidated statement of changes in equity

All amounts are indicated in RON, unless otherwise stated

| Unaudited | Treasury shares | | | Retained earnings | Revaluation reserve | Legal reserve | Total attributable to shareholders | Non-controlling interests | Total shareholders' equity |
|--|-------------------|------------------|-------------------------|-------------------|---------------------|-------------------|------------------------------------|---------------------------|----------------------------|
| | Share capital | Share premiums | and Share-base benefits | | | | | | |
| Balance as at 1 January 2021 | <u>80,492,459</u> | <u>6,303,263</u> | <u>(246,950)</u> | <u>6,584,133</u> | <u>3,385,355</u> | <u>11,519,745</u> | <u>108,038,005</u> | <u>40,816,355</u> | <u>148,854,360</u> |
| Comprehensive income for the year | | | | | | | | | |
| Profit or loss | - | - | - | 2,145,650 | - | - | 2,145,650 | (116,730) | 2,028,921 |
| Other items of comprehensive income | | | | | | | | | |
| Legal reserve increase | - | - | - | (129,692) | - | 129,692 | - | - | - |
| Total other items of comprehensive income | = | = | = | <u>(129,692)</u> | = | <u>129,692</u> | - | - | - |
| Total comprehensive income for the year | - | - | - | <u>2,015,958</u> | - | <u>129,692</u> | <u>2,145,650</u> | <u>(116,730)</u> | <u>2,028,921</u> |
| Contributions by and distributions to owners of the Company | | | | | | | | | |
| Acquisition of treasury shares | - | - | - | - | - | - | - | - | - |
| Benefits granted to employees settled in shares | - | - | - | - | - | - | - | - | - |
| Losses as effect of granting shares for free within SOP | - | - | (17,893) | 17,893 | - | - | - | - | - |
| Dividend paid to BVB shareholders | = | = | - | = | = | = | = | = | = |
| Total contributions by and distributions to owners of the Company | - | - | <u>(17,893)</u> | <u>17,893</u> | - | - | - | - | - |
| Reclassification of non-controlling interests | - | - | - | - | - | - | - | - | - |
| Dividend paid to minority shareholders | - | - | - | - | - | - | - | - | - |
| Changes in retained earnings - subsidiaries | - | - | - | - | - | - | - | - | - |
| Decrease in non-controlling interests | - | - | - | - | - | - | - | - | - |
| Total changes in interests in subsidiaries | - | - | - | - | - | - | - | - | - |
| Total transactions with owners | = | = | - | - | - | - | - | - | - |
| Balance as at 31 March 2021 | <u>80,492,459</u> | <u>6,303,263</u> | <u>(264,842)</u> | <u>8,617,983</u> | <u>3,385,355</u> | <u>11,649,437</u> | <u>110,183,655</u> | <u>40,699,626</u> | <u>150,883,281</u> |

Condensed consolidated statement of changes in equity (continued)

All amounts are indicated in RON, unless otherwise stated

The notes on pages 23 to 30 are an integral part of these condensed consolidated financial statements.

| Audited | Treasury shares | | | Retained earnings | Revaluation reserve | Legal reserve | Total attributable to shareholders | Non-controlling interests | Total shareholders' equity |
|--|-------------------|------------------|-------------------------|--------------------|---------------------|-------------------|------------------------------------|---------------------------|----------------------------|
| | Sare capital | Share premiums | and Share-base benefits | | | | | | |
| Balance as at 1 January 2020 | <u>80,492,460</u> | <u>6,303,263</u> | <u>54,429</u> | <u>6,662,611</u> | <u>3,385,355</u> | <u>10,942,276</u> | <u>107,840,393</u> | <u>42,108,675</u> | <u>149,949,068</u> |
| Comprehensive income for the year | | | | | | | | | |
| Profit or loss | - | - | - | 7,087,458 | - | - | 7,087,458 | (826,499) | 6,260,959 |
| Other items of comprehensive income | | | | | | | | | |
| Legal reserve increase | - | - | - | (577,468) | - | 577,468 | - | - | - |
| Total other items of comprehensive income | - | - | - | <u>(577,468)</u> | - | <u>577,468</u> | - | - | - |
| Total comprehensive income for the year | - | - | - | <u>6,509,990</u> | - | <u>577,468</u> | <u>7,087,458</u> | <u>(826,499)</u> | <u>6,260,959</u> |
| Contributions by and distributions to owners of the Company | | | | | | | | | |
| Acquisition of treasury shares | - | - | (1,389,119) | - | - | - | (1,389,119) | - | (1,389,119) |
| Benefits granted to employees settled in shares | - | - | 1,061,879 | - | - | - | 1,061,879 | - | 1,061,879 |
| Losses as effect of granting shares for free within SOP | - | - | 25,862 | (25,862) | - | - | 0 | - | 0 |
| Dividend paid to BVB shareholders | - | - | - | <u>(6,559,424)</u> | - | - | <u>(6,559,424)</u> | - | <u>(6,559,424)</u> |
| Total contributions by and distributions to owners of the Company | - | - | <u>(301,379)</u> | <u>(6,585,286)</u> | - | - | <u>(6,886,664)</u> | - | <u>(6,886,664)</u> |
| Reclassification of non-controlling interests | - | - | - | (2,253) | - | - | (2,253) | 2,253 | 0 |
| Dividend paid to minority shareholders | - | - | - | - | - | - | 0 | (464,529) | (464,529) |
| Changes in retained earnings - subsidiaries | - | - | - | (929) | - | - | (929) | (546) | (1,475) |
| Decrease in non-controlling interests | - | - | - | - | - | - | 0 | (3,000) | (3,000) |
| Total changes in interests in subsidiaries | - | - | - | <u>(3,182)</u> | - | - | <u>(3,182)</u> | <u>(465,822)</u> | <u>(469,004)</u> |
| Total transactions with owners | - | - | <u>(301,379)</u> | <u>(6,588,468)</u> | - | - | <u>(6,889,847)</u> | <u>(465,822)</u> | <u>(7,355,669)</u> |
| Balance as at 31 December 2020 | <u>80,492,459</u> | <u>6,303,263</u> | <u>(246,950)</u> | <u>6,584,133</u> | <u>3,385,355</u> | <u>11,519,745</u> | <u>108,038,005</u> | <u>40,816,355</u> | <u>148,854,360</u> |

Condensed consolidated statement of cash flows

All amounts are indicated in RON, unless otherwise stated

| | Three months period ended | |
|--|---------------------------|------------------|
| | 31 mar. 2021 | 31 mar. 2020 |
| | Unaudited | Unaudited |
| Cash flows used in operating activities | | |
| Profit for the year | 2,028,921 | 4,205,200 |
| Adjustments to remove non-cash items and reclassifications: | | |
| Depreciation of fixed assets | 1,245,327 | 1,193,708 |
| Net interest income | (719,532) | (860,829) |
| Loss from impairment of uncollected receivables | 83,659 | - |
| Net expenses/(revenue) with receivables adjustment | (167,790) | 28,248 |
| Corporate income tax expense – reclassification | 393,786 | 672,275 |
| (Revenues)/Expenses with Expected credit losses IFRS 9 | (1,877) | 24,804 |
| Expense with employees' benefits settled in shares | - | 67,062 |
| Cash flows used in operating activities | 2,862,495 | 5,330,467 |
| Change in trade and other receivables | 1,868,830 | (442,861) |
| Change in prepayments | (669,161) | (505,470) |
| Change in trade and other payables, including amounts due for dividends payment to clients | (2,570,781) | (993,398) |
| Change in deferred income | 1,062,367 | 380,606 |
| Changes in guarantee and clearing funds and the margin | 3,167 | (126,987) |
| Corporate income tax paid | (65,978) | (14,940) |
| Net cash from operating activities | 2,490,938 | 3,627,418 |
| Cash flows from investing activities | | |
| Interest received | 1,345,908 | 755,544 |
| Interest received from assets covering the guarantee and clearing funds and margin | 238,979 | 274,184 |
| (Payments) for acquisitions of financial assets | (39,211,120) | (5,143,365) |
| Proceeds from sales/maturation of financial assets | 66,406,553 | 5,188,411 |
| Change in bank deposits balance | (24,177,051) | 5,555,405 |
| Acquisition of tangible and intangible assets | (404,227) | (1,781,577) |
| Change in held for sale assets | (414,539) | - |
| Net cash from investing activities | 3,784,503 | 4,848,602 |

Condensed consolidated statement of cash flows (continued)

All amounts are indicated in RON, unless otherwise stated

| | 31 Mar. 2021 | 31 Mar. 2020 |
|---|--------------------------|--------------------------|
| | Unaudited | Unaudited |
| Cash flows from financing activities | | |
| Dividends paid shareholders of the parent | (63,923) | (1,542) |
| Dividend paid to minority shareholders | - | - |
| Principal elements of operating lease payments, including interests | (420,108) | (437,860) |
| Acquisition of treasury shares | - | (982,999) |
| Share capital contribution in cash by non-controlling interests in subsidiaries | - | - |
| Net cash used in financing activities | (484,031) | (1,422,401) |
| Net increase / (decrease) in cash and cash equivalents | 5,791,410 | 7,053,619 |
| Cash and cash equivalents 1 January | <u>6,573,308</u> | <u>81,712,611</u> |
| Cash and cash equivalents March 31 | <u>12,364,718</u> | <u>88,766,230</u> |

The notes on pages 22 to 29 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

1777754
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)
ROBVBAACNOR0 (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 March 2021, 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.

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.
- Investors' Compensation Fund (Fondul de Compensare a Investitorilor) 63% owned by BVB, provides compensation in the event of the inability of the Fund members to return the funds or financial instruments owed or belonging to investors, held on their behalf, in providing financial investment services, or management of individual investment portfolios;

Legislation on the protection of capital market investors has recently been amended and supplemented. Thus, by Law no. 88/2021 on the Investor Compensation Fund ("Law 88/2021") - published in the Official Gazette, Part I, no. 420 / 21.04.2021, and which will enter into force on 20.06.2021, the relevant legal framework is completed by introducing a new organizational and operational framework for the Investor Compensation Fund (FCI).

The new elements introduced by Law 88/2021 mainly aim at modifying the regulatory framework and changing the legal status of FCI - the administrator of the compensation scheme for investors in financial services and instruments - from the joint stock company to a public legal entity

The legal status of FCI in the joint stock company is amended as a legal entity under public law, following that FCI will not be a subsidiary of the BVB group.

Given the above, in this Quarterly Report prepared on March 31, 2021, the Investor Compensation Fund has been classified as an entity with discontinued operations, according to IFRS 5.

- Corporate Governance Institute (Institutul de Guvernare Corporativă), fully owned by BVB, offers training services to listed companies and capital market participants, in corporate governance and sustainable development areas.
- CCP.RO Bucharest, 59.52% 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.

The consolidated financial statements of BVB for the three months period ended 31 March 2021 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 three-months period ended 31 March 2021 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 2020, which have been prepared in accordance with IFRSs.

In the preliminary 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 March 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 preliminary 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 2020.

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 preliminary 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 2019.

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 2020.

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 Investors Compensation Fund (FCI) and CCP.RO Bucharest are part of the services segment "FCI services and other services".

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

| 3M 2021 | Trading services | Post-trading services | Registry services | CCP.RO and FCI | Group |
|---|------------------|-----------------------|-------------------|--------------------|------------------|
| Revenues from clients outside the Group | 5,705,571 | 2,935,542 | 1,242,922 | 0 | 9,884,035 |
| Revenues from intra-group transactions* | 80,000 | 19,067 | 8,646 | 0 | 107,713 |
| Operating expenses | (3,824,064) | (2,464,059) | (1,038,093) | (1,746,989) | (9,073,205) |
| - out of which Personnel expenses and Director's fees | (2,132,034) | (1,362,737) | (574,832) | (658,445) | (4,728,048) |
| Operating profit | 1,881,507 | 471,483 | 204,828 | (1,746,989) | 810,830 |
| Net financial income /(expenses) | 632,326 | 126,555 | 53,768 | 812,206 | 1,624,855 |
| Profit before tax | 2,513,833 | 598,039 | 258,596 | (934,783) | 2,435,685 |
| Corporate income tax | (431,619) | (80,546) | (34,900) | 153,280 | (393,786) |
| Profit from continuing operations | 2,082,214 | 517,492 | 223,696 | (781,503) | 2,041,899 |
| Profit from discontinued operations | - | - | - | (12,978) | (12,978) |
| Net profit | 2,082,214 | 517,492 | 223,696 | (794,481) | 2,028,921 |

* eliminated on consolidation

The Group's revenues, expenses and operating profit for Q1 2020 are shown below, by segment:

| 3M 2020 | Trading services | Post-trading services | Registry services | CCP.RO and FCI | Group |
|---|-------------------------|------------------------------|--------------------------|-----------------------|--------------------|
| Revenues from clients outside the Group | 7,876,974 | 2,725,853 | 1,369,083 | 141,729 | 12,113,638 |
| <i>Revenues from intra-group transactions*</i> | <i>80,000</i> | <i>17,859</i> | <i>8,920</i> | <i>0</i> | <i>106,779</i> |
| Operating expenses | (4,199,603) | (2,281,629) | (1,149,560) | (389,946) | (8,020,737) |
| - out of which Personnel expenses and Director's fees | <u>(2,236,481)</u> | <u>(1,262,031)</u> | <u>(634,029)</u> | <u>(228,664)</u> | <u>(4,361,205)</u> |
| Operating profit | 3,677,372 | 444,224 | 219,523 | (248,217) | 4,092,900 |
| Net financial income /(expenses) | <u>554,890</u> | <u>97,914</u> | <u>47,279</u> | <u>84,492</u> | <u>784,575</u> |
| Pre-tax profit | 4,232,262 | 542,137 | 266,802 | (163,726) | 4,877,475 |
| Corporate income tax | <u>(579,443)</u> | <u>(62,430)</u> | <u>(30,402)</u> | - | <u>(672,275)</u> |
| Profit from continuing operations | 3,652,819 | 479,708 | 236,400 | (163,726) | 4,205,200 |
| Profit from discontinued operation | - | - | - | - | - |
| Net profit | 3,652,819 | 479,708 | 236,400 | (163,726) | 4,205,200 |

* eliminated on consolidation

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

| Q1 2021 | Trading services | Post-trading services | Registry services | CCP.RO and FCI | Group |
|----------------------|-------------------------|------------------------------|--------------------------|-----------------------|--------------|
| Assets | 52,572,518 | 27,411,054 | 37,440,673 | 99,558,514 | 216,982,759 |
| Liabilities | 9,941,470 | 5,670,704 | 27,581,677 | 22,905,628 | 66,099,478 |
| Capital expenditures | 255,125 | 204,750 | 86,738 | 113,866 | 660,479 |

| Q1 2020 | Trading services | Post-trading services | Registry services | CCP.RO and FCI | Group |
|----------------------|-------------------------|------------------------------|--------------------------|-----------------------|--------------|
| Assets | 44,714,703 | 26,895,277 | 38,756,624 | 101,083,391 | 211,449,995 |
| Liabilities | 4,254,208 | 5,456,545 | 29,272,621 | 23,612,261 | 62,595,635 |
| Capital expenditures | 267,985 | 228,414 | 114,087 | 1,164,281 | 1,774,767 |

7. Operating expenses

The operating expenses include the following:

7.1 Personnel expenses and Director's fees

| | Q1 2021 | Q1 2020 |
|---|------------------|------------------|
| Personnel expenses and Director's fees, including contributions and taxes | 4.728.048 | 4.246.131 |
| Estimated expenses for personnel and Director's (SOP & bonuses) | - | 115.074 |
| Total | 4.728.048 | 4.361.205 |

7.2 Services provided by third parties

| | Q1 2021 | Q1 2020 |
|--|------------------|------------------|
| Business consulting services | 855.583 | 386.376 |
| Financial, IT and internal audit services | 61.700 | 58.131 |
| Commissions & fees (legal, contributions, etc.) | 176.897 | 150.316 |
| Promotion activities of BVB Group | 121.520 | 98.052 |
| Services provided by third parties for business purposes | 465.564 | 462.712 |
| Total | 1.681.266 | 1.155.587 |

Within the category of expenditures "Business consultancy services", are included the expenditures related to the CCP Project.

7.3 Other operating expenses

| | Q1 2021 | Q1 2020 |
|--|------------------|------------------|
| Rent and office utilities | 192,381 | 150,816 |
| Tangible asset depreciation | 387,070 | 389,265 |
| Intangible asset amortization | 348,483 | 306,080 |
| Right of use assets depreciation | 507,282 | 498,363 |
| Costs related to FSA fees and other taxes | 313,623 | 297,273 |
| Consumables | 51,677 | 80,470 |
| IT maintenance and service | 584,637 | 474,241 |
| Insurance for professional equipment, etc. | 64,659 | 45,531 |
| Protocol | 46,819 | 51,355 |
| Marketing and advertising | 100,342 | 21,387 |
| Transport of goods and personnel | 51,173 | 67,597 |
| Post and telecommunications | 82,274 | 61,883 |
| Bank charges | 17,049 | 22,387 |
| Loss from non-paying customers | 83,659 | 28,248 |
| Net expenses/(income) from adjustment of receivables | (167,790) | - |
| Other expenses | 553 | 9,050 |
| Total | 2,663,891 | 2,503,945 |

8. Financial income and financial costs

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

| | Q1 2021 | Q1 2020 |
|--|------------------|----------------|
| Net Interest income from financial assets | 717,030 | 860,829 |
| (Net loss)/Net gain from exchange rate differences | 960,797 | 10,929 |
| Interest expense with lease contracts IFRS 16 and other financial expenses | (54,850) | (62,380) |
| Net expected credit losses (IFRS 9) | 1,877 | (24,804) |
| Net financial income | 1,624,854 | 784,575 |

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 annual tax rate used for the period ended 31 March 2021 is 16% (the tax rate for the year ended 31 December 2020 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 financial year ended March 31, 2021 is 16% (the legal tax rate for the year ended December 31, 2020 was also 16%).

Profit tax expense in the amount of 0.39 mn lei has in its component the expense with the current profit tax related to the financial year in the amount of 0.54 mn lei and the income from the deferred tax calculated by CCP.RO in the amount of 0.15 mn lei.

10. Dividends

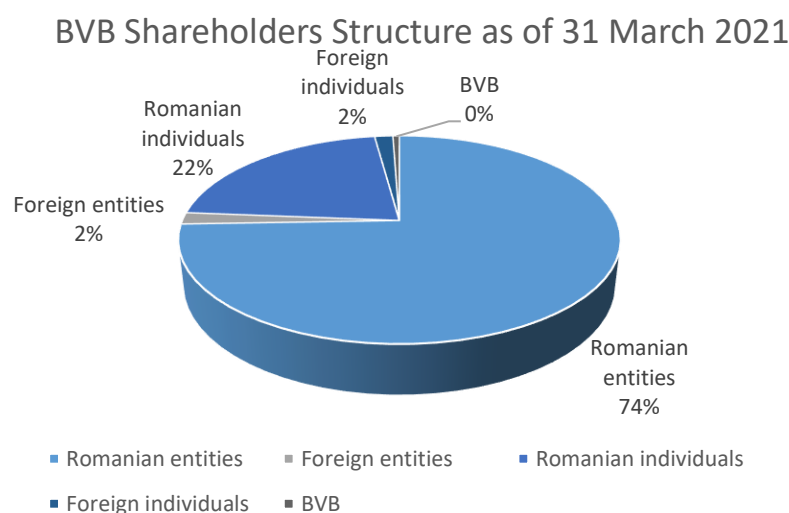
The General Meeting of BVB Shareholders from April 19, 2021 approved the proposal for the distribution of the statutory net profit for 2020 of the Bucharest Stock Exchange, in the amount of 9,118,697 lei, as follows: the amount of 528,313 lei for the legal reserve, and the rest in the form gross dividends. Thus, the amount to be distributed in 2021 in the form of gross dividends related to 2020 is 8,590,384 lei. The payment date set by the GMS was June 22, 2021.

The proposal for the distribution of the statutory net profit for 2020 to the General Assembly of the Central Depository from 26/27 May 2021, in the amount of 882,635 lei, is as follows: the amount of 49,154 lei for the legal reserve, and the remaining 833,481 lei in the form of dividends.

11. Share capital

As of 31 March 2021, 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 |
|----------------------------------|-------------------------|------------------------|
| Legal entities, of which: | <u>6,138,493</u> | <u>76,26%</u> |
| Romanian | 5,992,094 | 74,44% |
| Foreign | 146,399 | 1,82% |
| Individuals, of which: | <u>1,865,202</u> | <u>23,17%</u> |
| Romanian | 1,737,336 | 21,58% |
| Foreign | 127,866 | 1,59% |
| Bucharest Stock Exchange | <u>45,551</u> | <u>0,57%</u> |
| Total | <u>8,049,246</u> | <u>100,00%</u> |



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 March 2021, there were no shareholders holding stakes exceeding this threshold.

12. Subsequent events

Legislation on investor protection in the capital market has been amended and supplemented. Thus, by Law no. 88/2021 on the Investor Compensation Fund ("Law 88/2021") - published in the Official Gazette, Part I, no. 420 / 21.04.2021, and which will enter into force on 20.06.2021, the relevant legal framework is completed by introducing a new organizational and operational framework for the Investor Compensation Fund (FCI).

The new elements introduced by Law 88/2021 mainly aim at modifying the regulatory framework and changing the legal status of FCI - the administrator of the compensation scheme for investors in financial services and instruments - from the joint stock company to a public legal entity

The legal status of FCI in the joint stock company is amended as a legal entity under public law led by representatives of the Financial Supervision Authority (FSA), the Ministry of Finance and the members of the compensation scheme.

13. Economic and financial ratios according to FSA Reg. 5 / 2018

| Ratio | Calculation method | Value |
|--------------------------------------|---|-------|
| 1. Liquidity ¹⁾ | Current assets / Current liabilities | 1,93 |
| 2. Gearing ²⁾ | Borrowed capital / Total equity x 100 | 0,05 |
| 3. Receivable turnover ³⁾ | Average receivables / Turnover x 270 | 59 |
| 4. Asset turnover | Turnover / Non-current assets ⁴⁾ | 0,1 |

1) Provides the guarantee to cover current debts from current assets. The recommended acceptable value is about 2.

2) Explains the effectiveness of credit risk management, indicating potential financing, liquidity issues, with influences in meeting the commitments. Borrowed Capital = Loans over 1 year, Employed Capital = Borrowed Capital + Equity

3) Expresses the company's effectiveness in collecting its receivables, ie the number of days until the debtors pay their debts to the company.

4) Explains the effectiveness of non-current asset management by examining turnover (for financial investment companies the amount of current activity revenues) generated by a certain amount of non-current assets.

CEO,
Adrian Tănase

CFO,
Virgil Adrian Stroia

Contact us

Investor Relations contact information

Tel: (+40)(21) 307 95 00

Fax: (+40)(21) 307 95 19

Email: ir@bvb.ro

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](#)

Presentation slides and sound will be streamed live over the web [here](#)

Find out more about the Bucharest Stock Exchange



Corporate website www.bvb.ro

Follow us on    



Mobile apps for smartphones and tablets

BVB app



BVB Trading app

