



BVB DIRECTORS'

CONSOLIDATED REPORT

2024

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Note

The report herein presents the annual consolidated financial results 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 2024 are audited.

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

The information presented in the report herein are compliant with the FSA Rule no. 39/2015 for the approval of accounting regulations compliant with the International Financial Reporting Standards, applicable to entities regulated, authorized and/or supervised by the FSA, within the Financial Instruments and Investments Sector, as well as with the FSA Regulation no. 5/2018 on issuers of financial instruments and market operations (the information presented herein is equivalent to that required by Annex no. 15).

In order to comply with the requirements of FSA Rule no. 39/2015, the BVB, the parent company of BVB Group, has the obligation to prepare the Consolidated Directors’ Report that presents the development and performance as well as the financial position of the entities included in the consolidation process. BVB shall not prepare a Directors’ Report for the parent company and shall include all relevant information in the Consolidated Directors’ report, in accordance with art. 30, par. (4) of the FSA Rule no. 39/2015.

Message from the BVB Chairman

Dear shareholders,

Ladies and Gentlemen,

Looking back on 2024, we have reasons of gratitude for the achievements on the Romanian capital market. The increase in the number of investors and transactions, the capitalisation trend for the listed companies and the dynamic of financing rounds prove that the capital market successfully fulfills its pillar role for funding and supporting the economy.



After the exceptional year of 2023, 2024 marks a further increase in the number of investors and of transactions recorded. We see an increasingly active presence on the stock exchange: a historical number of 2.6 million transactions has been reached, i.e. by 32% more than in 2023, and the retail investors amounted to 226,000 by the end of the year, which is an extra 27% or over 47,000 new accounts compared to 2023. By comparison, 583,000 transactions and 54,000 investors were recorded in 2019. Another remarkable thing about the previous year is that almost 156,000 investors had portfolios under EUR 20,000, the value of the average portfolio being a little over EUR 3,900. This shows that the Stock exchange is for the people and that an increasing number of Romanians have begun to understand the need to invest in the capital market.

The capitalisation of companies listed on the Bucharest Stock Exchange reached RON 363 billion at the end of 2024, on an uptrend by 18% compared to the level in 2023.

The major role played by the capital market in financing the economy is reflected in the significant financial resources deployed by investors and directed towards both companies and the Romanian state.

In the past year, we witnessed almost 50 stock and bonds listings, as well as the listing of a new ETF. In 2024, 5 new companies were listed on the stock exchange and there were 42 government and corporate bonds listings, all financing rounds amounting to RON 22 billion. Moreover, we could notice the Romanians' very high interest in the Fidelis government bonds, a program that historically peaked in 2024 with over RON 16 billion. Last year, the largest IPO made by a Romanian entrepreneurial company in the past 5 years with BVB was recorded by Premier Energy, valued at almost EUR 140 million.

We also notice a growing number of investors in the area of open investment funds, more specifically 812,000 investors by the end of December 2024, who indirectly invest in the stock exchange. This accounts for a surplus of 223,000 investors when compared to the previous year's figure.

We are confident that this trend will keep going up and that more and more Romanians will invest in the Bucharest Stock Exchange either directly, through brokers, or indirectly, through investment funds.

The market recorded an uptrend in the first part of the year, with the BVB indices reaching historical peaks in July. However, the trend reversed in August and the uncertainties on the political stage speeded up the corrections. Against this complex background, the Bucharest Stock Exchange proved their resilience and adaptability, further providing a secure and transparent trading environment for our issuers and investors. At the end of the year, the BET index recorded an extra rate of almost 9%, while the BET-TR index, which includes dividends as well, recorded an extra rate of 16%.

The average daily liquidity of shares, summed up on the Regulated Market and the Multilateral Trading System, reached RON 148 million, approximately 40% below the level of 2023.

As regards the share of the Bucharest Stock Exchange (BVB), it ended the year at the price of RON 40.9, i.e. 38% below the level of 2023. A correction occurred after a marathon of three years (2021-2023), when the price went up by over 180%. This price correction shows us that some of the investors' expectations were not met, including that regarding the authorization and placing into operation of the Central Counterparty project.

Let us not overlook the fact that the past years have been marked by uncertainty and by many challenges, starting with the pandemic, then the inflation spiking and the tension rise close to the moment of the elections in our country, which took place at the end of last year. During all this time, the capital market has been successfully fulfilling their role of pillar for the funding of the Romanian economy.

Even against the uncertain background of the past years, the capital market in Romania has succeeded in strengthening their international profile. We are convinced that the closer we move to the goal of promotion to the status of Emerging Market by MSCI as well, Romania's position on the global stage will further improve.

With a growing number of investors and a historical peak of transactions recorded last year, we believe in the present and future of the Bucharest Stock Exchange to develop a sound investment culture and an increasingly stable economy.

Radu Hanga

President of the Board of Governors, Bucharest Stock Exchange

Executive summary

Key events, 2024

- The total trading value recorded in 2024 on all markets, with all types of financial instruments, exceeded RON 37 billion, slightly down compared to the previous year when the Hidroelectrica offer took place. On the secondary stock market (REGS) the value traded was RON 13.8 billion, 36% above the previous record in 2023.
- The average daily liquidity on all types of instruments listed on the Main Market (PP) and the Multilateral Trading System (MTS) was RON 148.1 million, a slight decrease compared to 2023 (-3%)
- The capitalization of companies listed on the BVB reached RON 363.7 billion, an increase of 17.6% compared to the previous year.
- The main BET index rose by 8.8%, and BET-TR by 16.1%.
- Historical maximum of transactions - 2.6 million, 30% more than in 2023 and 18% higher than the previous record from 2007.

- As of December 31, 2024, CCP.RO Bucharest is still in the process of implementing the local central counterparty, but the official authorization request submitted to the FSA on January 31, 2023 was withdrawn in December 2024.

- The depreciation of the participation held by BVB in CCP.RO Bucharest materialized in 2024 as a result of the deterioration of several key factors with impact on the estimated value in use of the BVB subsidiary.

Thus, the company's use value is closely linked to the evolution of the authorization and operationalization process, a process exposed to risks, some of which materialized starting 2024: legislative risk (regulatory changes that may extend or restart the authorization process), the risk of over-regulation (excessive and costly compliance requirements), operational risk (delays caused by administrative deficiencies or external factors), ICT risk generated by third parties (termination of the contract with the main suppliers, in case of delays or loss of the CCP.RO license) personnel risk (difficulties in attracting and retaining specialists), business risk (the impact of the extension of the permitting process on equity and financial support) and geopolitical risk (the influence of political developments on the viability of the project).

- Depending on the success CCP.RO being authorized as a Central Counterparty in Romania and the start of operations according to the assumptions included in the Business Plan, the value of the impairment loss of BVB's investment in CCP.RO may change depending on the positive or negative impact of the factors that influence the materialization of the above risks.

Evolution of financial performance, 2024 – standalone and consolidated results BVB Group

BVB standalone

The financial results for 2024 are significantly influenced by the development of the authorization and operationalization process of CCP.RO with an impact on the depreciation of the investment held by BVB in its subsidiary.

Operating revenues in 2024 of 44.82 million lei, down 17% compared to 2023 following the record H2O IPO from Q3 2023, while revenues from share trading increased vs. 2023 despite the significant decrease in traded values in H2 2024. Positive evolution in the other categories of revenues (33% of total revenues), less influenced by market evolution: market data revenues +21% y/y, issuers fees revenues +14% y/y, IT services +45% y/y, as well as additional revenues from prescribed unclaimed dividends, in amount of 1.2 million lei.

Operating expenses of 29.67 million lei, 6% increase vs. 2023 due to both inflation, with an impact on personnel expenses and the acquisition prices, allocation of additional resources (personnel, new equipment and services) for the implementation of new regulatory requirements, with an additional impact on 2024 expenses, but also from the impact of the headquarter relocation on the depreciation expenses and some one-off expenses related.

Operating profit of 12.14 million lei, down 46%, with an operating margin of 29%.

Financial result is a loss of 8.73 million lei generated from the impairment loss recorded for the participation held by BVB in CCP.RO Bucharest of 13.1 million lei following the Valuation Report prepared by an independent appraiser, the estimated recoverable value of BVB's participation in CCP.RO as of December 31, 2024 being below the book value.

Net profit for 2024 is in amount of 1.19 million lei.

BVB Group

2024 with mixed developments and new challenges, especially for ongoing projects – Local Central Counterparty Project.

Operating revenues of 78.58 million lei, -5% vs. 2023, a decrease after a record year 2023 in terms of revenues from offers (H2O), with a positive evolution of revenues from the share trading segment - without offers and an increase in revenues from the post-trading and registry segment, based on a positive evolution of the value of portfolios managed by custodian agencies.

Operating expenses of 68.37 million lei, 16% increase vs. 2023 generated by: new costs for implementing the local central counterparty project +4.7 million lei, recorded mainly as a result of changes in 2024 in the technical solution for implementing the project, the impact of inflation on operational costs and the contracting of new services and equipment necessary to implement the new regulatory requirements in order to maintain, in optimal conditions, the operating licenses.

Operating profit of 10.21 million lei, a decrease of 57%, mainly due to the increase in consolidated expenses.

Financial result of 5.28 million lei, a decrease of 16% vs. 2023.

Financial highlights

Standalone and consolidated financial results –BVB and BVB Group (RON mn, unless otherwise stated)

| | BVB Standalone | | | BVB GROUP | | |
|--|----------------|----------------|-------------|----------------|----------------|-------------|
| | 2024 | 2023 | Change (%) | 2024 | 2023 | Change (%) |
| Operating revenue | 41.81 | 50.55 | -20% | 78.58 | 82.79 | -5% |
| Operating expenses | <u>(29.67)</u> | <u>(27.97)</u> | 7% | <u>(68.37)</u> | <u>(59.14)</u> | 16% |
| Operating profit | 12.14 | 22.58 | -53% | 10.21 | 23.64 | -57% |
| <i>Operating margin</i> | 29% | 45% | | 13% | 29% | |
| Net financial revenue/(expenses) | (8.73) | 2.56 | - | 5.27 | 6.31 | -16% |
| Profit before tax | <u>3.42</u> | <u>25.14</u> | -86% | <u>15.48</u> | <u>29.95</u> | -48% |
| Net profit for the period | 1.19 | 21.83 | -95% | 11.76 | 25.70 | -54% |
| <i>Net margin</i> | 3% | 43% | | 15% | 31% | |
| EPS attributable to owners (RON/share)** | 0.1432 | 2.7122 | -95% | 1.5792 | 3.0677 | -53% |
| <i>Return on equity</i> | 1% | 17% | | 6% | 14% | |

** 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 position – BVB and BVB Group (RON mn, unless otherwise stated)

| | BVB Standalone | | | BVB GROUP | | |
|---|-----------------|-----------------|---------------|-----------------|-----------------|---------------|
| | 31 dec. 2024 | 31 dec. 2023 | Change (%) | 31 dec. 2024 | 31 dec. 2023 | Change (%) |
| Total assets, out of which: | 131.10 | 145.20 | -10% | 241.07 | 238.14 | 1% |
| <i>Tangible and Intangible assets</i> | 15.18 | 12.91 | 18% | 37.79 | 24.16 | 56% |
| Right-of-use assets | 8.95 | 8.80 | 2% | 18.38 | 18.68 | -2% |
| Investments in associated entities | 72.05 | 67.74 | 26% | - | - | - |
| <i>Trade receivables and other receivables</i> | 4.78 | 7.93 | -40% | 9.04 | 12.02 | -25% |
| <i>Cash & cash equivalents</i> | 3.29 | 3.19 | 3% | 23.33 | 15.64 | 49% |
| <i>Bank deposits</i> | 8.44 | 20.24 | -58% | 31.38 | 71.75 | -56% |
| <i>Financial assets at amortized cost</i> | 16.30 | 22.86 | -29% | 93.22 | 69.20 | 35% |
| <i>Restricted financial assets at amortized cost</i> | - | - | - | 22.74 | 21.98 | 3% |
| Total liabilities, out of which: | 19.21 | 17.42 | 10% | 59.56 | 60.30 | -1% |
| <i>Trade and other payables</i> | 5.49 | 5.05 | 9% | 31.38 | 31.65 | 1% |
| <i>Datorii leasing - active cu drept de utilizare</i> | 10.15 | 9.84 | 3% | 21.12 | 20.92 | 1% |
| Equity, out of which: | 118.88 | 127.78 | -12% | 181.51 | 177.84 | 2% |
| <i>Total shareholders' equity attributable to the owners of the Company</i> | 118.88 | 127.78 | -12% | 124.84 | 128.73 | -3% |
| <i>Non-controlling interests</i> | - | - | - | 56.67 | 49.11 | 15% |

BVB Group information

Identification data

Nicolae Titulescu, 4-8, America House building, fl. 1, East Wing, district 1

Address

J40/12328/2005

Trade Register No

17777754

Tax Identification Number

Main activity

Administration of financial markets

NACE code 6611

Share tickers

BVB

BVB RO (Bloomberg)

BBG000BBWMN3

(Bloomberg [BBGID](#))

ROBVB.BX (Reuters)

ROBVBAACNORO (ISIN)

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 operator 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;
- Multilateral trading system. The AeRO market (SMT Listed Financial Instruments Section) is intended for start-ups and SMEs and was relaunched on February 25, 2015; separate sections of the SMT are intended for trading foreign shares listed on another market.

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.

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 December 2024, there were no shareholders holding stakes exceeding this threshold.

As at 31 December 2024, the company's shareholders' structure was as follows: Romanian legal entities 77,71%, foreign legal entities 1.52%, Romanian individuals 19,14%, foreign individuals 1.06%, own shares held by BVB, 0.57%.

BVB shares are included in indices focused on listed exchanges and other trading venues (FTSE Mondo Visione Exchanges Index and Dow Jones Global Exchanges Index), as well as in local market indices: BET-XT si BET-XT-TR, BET-BK, BET Plus, BET -EF, as well as in FTSE Russel indices for Emergent Markets (FTSE Global Micro Cap), starting September 2022.

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, 52.38% 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.

During 2024, BVB's contribution in CCP.RO subsidiary increased from 52.38% to 54.93% following BVB's participation, through a cash contribution of 17,403,400 lei to the share capital increases worth 27,484,610 lei carried out by CCP.RO in 2024.

The consolidated financial statements of BVB for the financial year ended as at 31 December 2024 include the financial information of the Company and its subsidiaries, except for the Corporate Governance Institute-dormant, an entity considered by BVB management as insignificant for inclusion in the Group's consolidated financial statements.

Financing rounds in 2024

On Bucharest Stock Exchange primary market, were carried out 48 listings, with a cumulative value of over RON 22bn. The bond market was the most active during the year. On the equity segment, the listing of Premier Energy was notable, after an IPO worth EUR 140mn.

On the bond segment, 32 financing rounds were carried out. The Romanian state attracted approximately RON 3bn and EUR 1.3bn during the year in Fidelis issues. The banking sector was also very active, with 5 banks issuing bonds during the year, the amount attracted being RON 2.5bn and EUR 1.1bn.

| Issuer | Listing type | Value (EUR mn) | Market | Intermediary |
|------------------|-------------------|----------------|-------------|--------------|
| FORT | Private Placement | 0.34 | AeRO | TradeVille |
| Premier Energy | IPO | 139.85 | Main Market | Wood&Co |
| Glissando Garden | Technical Listing | | AeRO | Goldring |
| JT Group Oil | IPO | 4.00 | AeRO | Interdealer |
| IMMO Grup | Technical Listing | | AeRO | TradeVille |

| Issuer | Market | Listing Type | Value (EUR mn) | Intermediary |
|-------------------------------|-------------|-------------------|----------------|----------------------------|
| Cluj County Council | Main Market | Private Placement | 75.68 | BT Capital Partners (BTCP) |
| Bittnet | Main Market | IPO | 2.01 | BRK Financial Group |
| Resita Municipality | Main Market | Private Placement | 8.83 | BRK Financial Group |
| R2503B | Main Market | IPO | 27.22 | BTCP, BCR, BRD, Alpha |
| R2503A | Main Market | IPO | 72.06 | BTCP, BCR, BRD, Alpha |
| R2703A | Main Market | IPO | 70.46 | BTCP, BCR, BRD, Alpha |
| R2503AE | Main Market | IPO | 118.01 | BTCP, BCR, BRD, Alpha |
| R2903AE | Main Market | IPO | 72.53 | BTCP, BCR, BRD, Alpha |
| Impact Developer & Contractor | Main Market | Private Placement | 3.00 | TradeVille |
| R2504B | Main Market | IPO | 53.53 | BTCP, BCR, BRD, Alpha |
| R2504C | Main Market | IPO | 127.61 | BTCP, BCR, BRD, Alpha |
| R2704A | Main Market | IPO | 76.10 | BTCP, BCR, BRD, Alpha |
| R2504AE | Main Market | IPO | 254.79 | BTCP, BCR, BRD, Alpha |
| R2904AE | Main Market | IPO | 128.84 | BTCP, BCR, BRD, Alpha |
| Life is Hard | AeRO | IPO | 2.01 | BRK Financial Group |
| BNET28A | Main Market | IPO | 1.33 | TradeVille |
| R2507A | Main Market | IPO | 71.56 | BTCP, BCR, BRD, Alpha |
| R2507B | Main Market | IPO | 55.06 | BTCP, BCR, BRD, Alpha |

| | | | | |
|-------------|-------------|-------------------|--------|-------------------------------|
| R2707A | Main Market | IPO | 62.98 | BTCP, BCR, BRD, Alpha |
| R2507AE | Main Market | IPO | 129.18 | BTCP, BCR, BRD, Alpha |
| R2907AE | Main Market | IPO | 116.77 | BTCP, BCR, BRD, Alpha |
| R2508A | Main Market | IPO | 103.48 | BTCP, BCR, BRD, Alpha |
| R2508B | Main Market | IPO | 40.63 | BTCP, BCR, BRD, Alpha |
| R2908A | Main Market | IPO | 195.14 | BTCP, BCR, BRD, Alpha |
| R2508BE | Main Market | IPO | 205.40 | BTCP, BCR, BRD, Alpha |
| R2908AE | Main Market | IPO | 105.70 | BTCP, BCR, BRD, Alpha |
| R2510A | Main Market | IPO | 136.64 | BTCP, BCR, BRD, Alpha |
| R2510B | Main Market | IPO | 51.78 | BTCP, BCR, BRD, Alpha |
| R2910A | Main Market | IPO | 121.45 | BTCP, BCR, BRD, Alpha |
| R2510AE | Main Market | IPO | 216.62 | BTCP, BCR, BRD, Alpha |
| R2910AE | Main Market | IPO | 170.67 | BTCP, BCR, BRD, Alpha |
| Artprint | AeRO | Private Placement | 0.48 | TradeVille |
| Ski Surianu | AeRO | Private Placement | 1.47 | BRK Financial Group |
| Romgaz | Main Market | Private Placement | 500.00 | BT Capital Partners (BTCP) |
| CEC Bank | Main Market | Private Placement | 300.00 | Erste, ING, BTCP |
| UniCredit | Main Market | Private Placement | 150.84 | Alpha Bank |
| R2512B | Main Market | IPO | 44.70 | BTCP, BCR, BRD, Alpha |
| R2712B | Main Market | IPO | 32.23 | BTCP, BCR, BRD, Alpha |
| R2512C | Main Market | IPO | 143.93 | BTCP, BCR, BRD, Alpha |
| R2912A | Main Market | IPO | 76.88 | BTCP, BCR, BRD, Alpha |
| R2612BE | Main Market | IPO | 84.41 | BTCP, BCR, BRD, Alpha |
| R3112AE | Main Market | IPO | 140.94 | BTCP, BCR, BRD, Alpha |

Projects and accomplishments

Bucharest Stock Exchange



Bucharest Stock Exchange is continuing its focus on optimizing market potential by increasing liquidity, diversifying market mechanisms and developing infrastructure. In addition, efforts are aimed at attracting new issuers to the two markets managed by BVB and increasing the participation of retail investors.



Architecture, market mechanisms and infrastructure

Preparation of the relaunch of the derivatives market at BVB

In 2024, BVB provided the test environment for the derivatives markets in order to integrate it into the test scenarios of the CCPRO platform - the central counterparty in Romania that is in the process of preparing for authorization. BVB also developed the first complete version of the software solution for the CCPRO platform StarGate Middleware, which has the role of integrating and managing data flows/messages from the interface of the CCG EuroNext system with the following systems in the Romanian financial-banking market architecture: REGIS, SAFIR, DC/CSD, ARENA/BVB, OPCOM.

Software development of the middleware system <CCPRO StarGate>

The objective for 2024 consists of implementing the set of functions required for the final tests for CCPRO authorization, in the StarGate platform, a software system that has the role of integrating and managing data/message flows from the interface of the system provided by CCG EuroNext with the following systems in the Romanian financial-banking market architecture: REGIS, SAFIR, DC/CSD, ARENA/BVB, OPCOM. The objective was achieved, confirmed by the 2 times (April/November 2024) running of the central counterparty operational exercises using this platform.

Implementation of new software versions in the Arena Post-Trading platform

In order to ensure technological support for the Arena CSD/Post-Trading system, BVB has carried out a software development project for a new version of the system consisting of the following major changes:

- the method for resizing participants' contributions to the guarantee fund
- new calculation principles for settlement limits - updates in accordance with the new methodology established in 2024 at the request of the ARB, discussed and agreed with the NBR and ASF
- implementation of new processes for monitoring exposure in real time and modeling the course of action in case of exceeding the settlement limit

Relocation of the infrastructure related to the BVB platform to a new data center

In 2024, we completed the implementation of the project to create a new data center, a project of strategic importance for BVB for a long period of time, and we moved BVB to the new headquarters - ensuring 100% system continuity.

Support for Liquidity increase

Providing means to improve the liquidity of financial instruments is one of the pillars of development considered by BVB.

BVB provides Issuers and Participants with a flexible and secure framework for running different types of offers through BVB, both for the primary market and for the secondary market, so that specific requirements can be implemented. BVB ensured the support for the running of the offers under good conditions, having as their object different types of financial instruments (shares, bonds, government securities), which represent a basis for accessing the stock market by various types of investors, as well as for the potential of their subsequent involvement in the market.

Another direction to support liquidity consists in the further promotion of the Market Maker and Market Maker programs of the Issuer, based on the establishment of partnerships with the factors involved (BVB Participants, Issuers):

- the Issuer's Market Maker program consolidated its development in 2024. Activation by a Participant as the Issuer's Market Maker implies for the Participant maintaining a dialogue with the Issuer, as well as direct activation in the market of the instruments concerned.
- the respective programs consider shares and bonds in the regulated market and the multilateral trading system.

During 2024, BVB continued the steps related to the relaunch of the derivatives market, from the perspective of the related regulatory framework and other implementation aspects. By implementing the derivatives market, investors will have a new class of assets at their disposal, which will involve the analysis of new investment opportunities.

Thus, in the framework proposed to be implemented for futures contracts on assets available on the BVB (traded shares, index), investors will have the opportunity to analyze investment opportunities/strategies between the market of underlying assets traded on the BVB and the market of futures contracts on related underlying assets.



Increasing the market data sales and indices licensing segment

In 2024, we continued to grow the business segment related to market data sales and indices licensing through expanding our customer base as well as through updating the commercial policy, with the revenues increasing by 23% compared to 2023. Also last year, we implemented new updates to the applicable fees effective from January 1, 2025.

Over the medium term, we maintain our objective to increase the share of market data revenues in the total operating revenues at an individual level to a level that is close to the one of the stock exchanges in the region, of approximately 20%.

In terms of indices licensing, we will continue to identify new clients and new sources of revenue, as this segment has growth potential in the future.

On the legislative side, in December 2024, ESMA published its final report on the technical standards related to Consolidated Tape Providers. As previously communicated ([link](#)), Bucharest Stock Exchange is among the fourteen European stock exchange groups, present in twenty-six EU Member States, involved in a joint initiative to participate in the future selection process for the provision of a consolidated tape (CT) for equities in the European Union.

The company that fulfills this role and which BVB is a shareholder of is EuroCTP B.V. and was established on August 23, 2023 ([link](#)). Its purpose is to tender in the selection process organized by ESMA to become a Consolidated Tape Provider for equities in the European Union. The selection process is expected to be finalized towards the end of 2025.

The shareholders of EuroCTP B.V. have made a clear commitment to implement this important European project for capital markets and are dedicated to the long-term success and prosperity of the retail investors and market participants.

As a shareholder, Bucharest Stock Exchange has committed to contribute through the necessary means towards the development and implementation of this initiative, so that, together with the other exchanges involved in this project, to help with the implementation of an efficient and high-quality solution for the provision of a market data consolidated tape.

We remain vigilant regarding these developments and aim to position ourselves favorably to any potential changes concerning the way we conduct our market data and indices licensing business.



Attracting companies for listing on BVB through the projects implemented

Bucharest Stock Exchange continued to be a pillar of financing the economy in 2024, with almost 4.5 billion euros being attracted through the capital market and the number of listings increased to 48. Financing was attracted by both private companies and the State, through the Ministry of Finance, which continued the issuance of Fidelis government bonds intended for the population.

The number of investors continued to grow, for the fifth consecutive year, and reached 226,000 at the end of last year, which means an increase of 27%, respectively of 47,500 newly opened accounts in 2025. Compared to the end of 2019, the number of opened accounts is 322% higher, respectively by 172,500, in absolute value, above the level in December 2019 (54,000) according to statistics published by the Investor Compensation Fund.

BVB Research Hub continued to develop, in 2024 over 25 companies were covered with analysis reports on the www.bvbresearch.ro platform. Almost 130 analysis reports and materials created by contributors were published. At the same time, intense work was carried out on launching a new section dedicated to the continuous process of financial education, which evolves with the development of society. This section was launched in March 2025.

BVB Arena, formerly Made in Romania, is the flagship program of the Bucharest Stock Exchange dedicated to the development and promotion of the Romanian entrepreneurial environment. In 2024, the seventh edition of the program took place, the interest of entrepreneurs and partners continuously increased from one year to the next. Through BVB Arena, we have created an ecosystem whose core is the Romanian stock exchange, a framework in which local entrepreneurs have the opportunity to promote their businesses and to get in touch with capital providers active on the local market, using a modern technological platform that centralizes as many financing alternatives as possible. Through the platform www.bvbarena.ro, we offer the possibility of connecting entrepreneurs directly with investors and consultants, as well as with other entrepreneurs registered on the platform. Since the program's inception, 20 companies have listed shares or bonds on BVB, so that the financing rounds carried out by them are approaching approximately 300 million euros.



Increasing the notoriety of BVB among the Romanian public

Bucharest Stock Exchange continued in 2024 its capital market promotion projects that it initiated with the aim of becoming increasingly visible among the general public.

All promotional activities carried out during 2024, organized by BVB or together with its stakeholders, had the objective of attracting investors and companies with the potential to be listed on the exchange, but also of maintaining a good image in the ecosystem created around BVB.

The year 2024 meant the exchange moving to a new headquarters which brought with it new promotional opportunities for the company in the sense of positioning it in a modern and current area.



Depozitarul Central (Central Depository, DC)

The main coordinates of the DC activity for the year 2024

During 2024, Depozitarul Central continued its efforts to comply with the applicable regulatory requirements, namely Regulation (EU) 909/2014 on improving securities settlement in the European Union and on central securities depositories (CSDR), Regulation (EU) 2554/2022 on the digital operational resilience for the financial sector (DORA) and Regulation of the National Bank of Romania (NBR) no. 3/2018.

Depozitarul Central also participated in the BVB's efforts to implement CCP.RO, by providing its own package of regulations regarding risk management and providing support in their implementation, according to the recommendations received by CCP.RO from the Financial Supervisory Authority (FSA) and the NBR.

In 2024, Depozitarul Central together with the Bucharest Stock Exchange (BVB) carried out the technical developments necessary for the implementation of the AMI-SeCo Standards and operationalized in November the ISO 20022 messages regarding the notification and processing of corporate events related to fixed-income financial instruments and structured products for which Depozitarul Central acts as Issuer CSD.

Starting with July 1, 2024, the new methodology regarding the guarantee fund and settlement limits was operationalized and it aims to reduce credit and liquidity risks generated by net settlement transactions.

Depozitarul Central performed the necessary tests to ensure the continuity of operations carried out in the Target2-Securities system, managed by the European Central Bank (ECB), the ReGIS and SaFIR systems, managed by the NBR, when new versions of these systems have been implemented.

At the annual GLEIS Forum held in November 2024 in Paris, Depozitarul Central received for the second consecutive year the award for the best performing Local Operating Unit in 2024 in the small-cap category (up to 5,000 LEIs managed).

Following the authorization of Depozitarul Central to provide registry services for ETFs established under Croatian Law, in May 2024, trading of the first issue of this type started on the BVB.

During 2024, Depozitarul Central together with the BVB, as IT service provider, have made improvements to technical processes of the RoClear system.

Thus, in order to reduce operational risks, in January, automatic communication was implemented, via the SWIFT system in ISO 15022 format, in relation to the entity through which cross-border operations are performed - Clearstream Banking S.A. Luxembourg (CBL).

Also, in March, a system upgrade was carried out to improve the subscription processes in elective corporate events such as capital increases with cash subscription, in order to reduce and manage the risks of participants. Also, for this category of events, optimizations of gross settlement operations in the ReGIS system were performed, in order to reduce the settlement costs of participants.

In 2024, Depozitarul Central continued the steps taken in previous years to establish the connection with Depozitarul Central Unic of Moldova (DCU) to facilitate the listing on the BVB of issuers traded on the Moldova Stock Exchange.

By Authorization no. 56/20.05.2024, the FSA approved the change in the organization and functioning of Depozitarul Central as a result of the change in the registered office. The decision to move the registered office to the new address in Bucharest 1, 4-8 Nicolae Titulescu, America House Building, East Wing, 1st floor, was adopted at the BVB group level, this change being part of a broader strategy to optimize the group's resources and activities. The secondary, agency-type premises of Depozitarul Central located in 71 Buzzești Street, where operations and services for financial instrument holders are mainly carried out, was also authorized by the FSA.

During 2024, Depozitarul Central performed the rebranding process to harmonize with the new brand identity of the BVB group, adapted to a modern visual style, easy to identify and remember. Thus, a new visual identity with a new logo was implemented and the company's website was updated.

Depozitarul Central continued its collaboration with the European Central Securities Depositories Association (ECSDA), the Association of National Numbering Agencies (ANNA) and the International Securities Services Association (ISSA) and was actively involved in 2024 in the projects under analysis by these associations.

Depozitarul Central participated in the consultations carried out during 2024 by the FSA in connection with the draft Law amending and supplementing Law no. 24/2017 on issuers of financial instruments and market operations.

In the context of the implementation of the National Strategy for the Development of the Capital Market in Romania for the period 2023 – 2026, an important step is the draft law amending and supplementing the legislation applicable to collective investment undertakings and their administrators.

Depozitarul Central was involved, together with the Association of Fund Administrators of Romania (AAF) and the FSA, in identifying a solution that would improve the process of distributing fund units, by using global accounts opened in Depozitarul Central system, so that a bank's clients can access almost any fund on the market, regardless of whether it is a fund from the bank's group whose client is or another fund.

In response to requests from both Depozitarul Central and market participants, as of January 2025, Clearstream Banking Luxembourg (CBL), Deutsche Börse Group's international central securities depository, allows the transfer and settlement of Romanian bonds denominated in EUR.

Previously, Romanian government bonds, municipal and corporate bonds denominated in RON were eligible in CBL, as were Romanian stocks, investment funds and ETFs, through the link established with Depozitarul Central.

Thus, international investors can now invest directly in government bonds and corporate bonds denominated in EUR through their CBL account. At the same time, Romanian issuers benefit from better liquidity on the domestic capital market and greater attractiveness on the international market.



CCP.RO Bucharest SA

CCP.RO Bucharest SA, a subsidiary of the Bucharest Stock Exchange Group, continued in 2024 to implement its development strategy, focusing on carrying out the necessary activities for authorization as a central counterparty and preparing the technological infrastructure required for operational activities in accordance with the applicable regulatory framework.

Strategic Directions and Key Achievements

Authorization as a Central Counterparty

CCP.RO continued its efforts to obtain authorization as a central counterparty under Regulation (EU) 648/2012 (EMIR). In this regard, updated versions of the authorization documentation were prepared and submitted to FSA and NBR, incorporating the observations of the competent authorities and including the necessary modifications to align the documentation with the EMIR 3 regulatory framework, which came into effect on December 24, 2024.

Throughout 2024, CCP.RO held multiple working meetings with representatives from FSA, NBR and ESMA to clarify authorization requirements and align the authorization process with new European regulations.

Following these efforts, after completing the authorization documentation on November 28, 2024, prior to the December 8, 2024 deadline, and after discussions with ASF representatives regarding an additional set of requirements submitted on November 29, 2024, the company requested the withdrawal of its application no. 65/31.01.2023, with the intention to resubmit it later. This was done in accordance with Article 16, paragraph (3) of ASF Regulation no. 16/2014, and also in response to

the legislative changes resulting from the entry into force of the EMIR 3 legislative package on December 24, 2024.

Operational Testing Confirmed by Audit Reports

CCP.RO organized and conducted functional and resilience tests in two extended end-to-end (E2E) testing sessions between April 3-9 and November 5-8, 2024, with external participation, including auditors from KPMG Advisory (IT) and ACL International (internal). These tests verified the functionality of CCP.RO's system, as well as its ability to ensure the necessary processes for current operations, including scenarios involving defaults situation, during which CCP.RO's own funds, constituted as Second-Skin-in-the-Game, were used for closing the default.

Additionally, CCP.RO conducted operational continuity tests to ensure the transfer of activities between its main office and secondary office, as well as its data center located in the IBM Data Center within the Petrom City building. The audit reports, including IT audit for the evaluations of technical equipment and software, confirmed CCP.RO's ability to maintain operations securely and in compliance with applicable regulations.

IT Infrastructure Strengthening and Strategic Contracts

Following the Euronext Group's strategy change, which removed the provision of technology services to third parties from its strategic objectives, in April 2024 Cassa di Compensazione e Garanzia SpA - Euronext Clearing exercised its right to terminate the technology and consultancy contract signed in 2020.

As a result, CCP.RO acquired the license for the Clearing System developed by Euronext Clearing according to CCP.RO's specifications, including source code and the IT infrastructure required for its installation and operation. To ensure the management and further development of the acquired system, CCP.RO signed a contract with Be Management Consulting S.p.A. for application management services.

Between August and September 2024, CCP.RO completed the installation of the IT infrastructure equipments, the migration of applications developed by ENXC, and the installation of systems necessary to integrate the clearing platform into the new IT ecosystem.

Designation as a Protected System

CCP.RO re-initiated and completed the necessary steps for designation as a protected system under Law no. 253/2004 regarding the finality of settlement. The approved documents were analyzed by the Board of Directors of the National Bank of Romania, which authorized the designation of the system operated by CCP.RO Bucharest S.A. as a protected system in terms of settlement finality.

Additionally, the opening of a non-interest-bearing current account at BNR was also approved, which will be used for CCP.RO operations once the company is authorized.

Increase of Share Capital

By decision of the Extraordinary General Meeting of Shareholders on September 4, 2024, CCP.RO's share capital was increased by 23.84 million RON, reaching 118.16 million RON.

This financial consolidation ensures additional resources for investments, including the acquisition and operation of the CCP.RO System, compliance with the regulatory framework, including operational resilience and meeting the minimum regulatory capital requirement.

Partnerships and Promotion

CCP.RO held presentation sessions and meetings with financial institutions and energy companies to attract partners for the roles of clearing members and settlement banks. Additionally, CCP.RO took steps to facilitate connections between Romanian banking institutions—which have expressed their willingness to become clearing members within CCP.RO—and European banks that act as general clearing members for one or more central counterparties authorized under EMIR.

Headquarter Relocation

In December 2024, CCP.RO completed the relocation of its main office to the CMV America House building, aligning with the relocations of the Bucharest Stock Exchange and the Central Depository. The relocation process included the transfer of IT infrastructure, documentation, and operational resources, ensuring business continuity without interruptions.

Outlook for 2025

For 2025, CCP.RO has set the following priorities:

- Submission of a revised application for authorization as a central counterparty, aligned with both EMIR 3 and the DORA Regulation requirements;
- Continuation of operational testing, confirmed through IT and internal audits, to ensure the robustness of the clearing system;
- Attracting clearing members and operationalizing activities as a central counterparty;
- Optimization of IT infrastructure and enhancement of services provided to the markets served, including defining specifications for new product development in consultation with the business environment and the regulatory authorities;
- Maintaining active dialogue with the regulatory authorities to swiftly align with new legislative and operational requirements.

CCP.RO remains committed to implementing best practices in clearing and transaction guarantee processes, contributing to the development of Romania's capital and energy markets.

Analysis of financial results for 2024

Analysis of the consolidated financial results for 2024 and of the consolidated financial position

The consolidated operating revenues in 2024 reached 78.58 million lei, a decrease of 5% influenced by the evolution of the trading segment, base effect of Hidroelectrica's record listing in 2023, but the decrease in public offers revenues was partially offset by the increase in revenues from share trading by 12% or 2.2 million lei but also of other revenues, namely revenues from the sale of market data, issuer fees, IT services and other revenues +3.26 million lei.

Post-trading segment represented by the Central Depository recorded higher revenues, positive impact from the entry of H2O shares into the portfolio but also from the increase in the value of the companies managed by the custodians, as follows:

- Settlement segment revenues recorded in 2024 an advance of 11% or 2.37 million lei compared to 2023, up to the value of 24.67 million lei due to the positive evolution of revenues generated from the settlement of H2O share transactions, the increase in the value of portfolios managed by custodians with the value of H2O shares, but also the higher commission charged for retail government securities. This segment represents 67% of DC's operating revenues.

- Registry segment revenues (DC), recorded an increase of 21% or 2.16 million lei in 2024 compared to the previous period up to the value of 12.42 million lei, due to the advance of revenues from operations provided for issuers of financial instruments by approximately 13%, but also following the increase in a part of issuers fees. This segment represents 33% of DC's operating revenues.

The breakdown of BVB's operating revenues by business lines is presented below:

| Operating revenues | 2024 | 2023 | Change (%) |
|---------------------------------|--------------|--------------|------------|
| Trading services | 41.49 | 50.23 | -17% |
| Post-trading services | 24.67 | 22.30 | 11% |
| Registry services | 12.41 | 10.26 | 21% |
| Total operating revenues | 78.57 | 82.79 | -5% |

The main operational trading ratios registered by BVB during the reporting period, compared to the similar period of the previous year are mentioned below:

| Trading value | 2024 | 2023 | Change (%) |
|--|---------------|---------------|------------|
| Shares, units, rights | <u>17,786</u> | <u>24,780</u> | -28% |
| <i>Out of, Shares traded on regulated market, without offers</i> | 14,869 | 13,432 | 11% |
| <i>Public offers</i> | 2,204 | 10,820 | -80% |
| Certificates | 607 | 612 | -1% |
| Fixed-income | <u>18,622</u> | <u>12,647</u> | 47% |
| Total | 37,015 | 38,040 | -3% |
| Avg. daily value (shares, without offers)* | 59.48 | 53.73 | 12% |
| Avg. daily value (shares, including offers)* | 68.29 | 97.01 | -29% |

*Value for the Regulated market

As regards the operating results for the other companies in BVB Group that enter the consolidation process, the table below presents the main indicators registered by the Central Depository:

| Settlement and registry operational indicators | 2024 | 2023 | Variație (%) |
|--|--------------|--------------|-------------------------|
| Registry activity | | | |
| No. companies with a registry contract at the Depository | 747 | 773 | -3% |
| No. procedures resulted from issuers' corporate events | 820 | 758 | 8% |
| Settlement activity | | | |
| <u>Local settlement</u> | | | |
| Value of trades settled on net basis (RON bn)* | 46.86 | 67.28 | -30% |
| Value of trades settled on gross basis (RON bn)** | 3.42 | 7.89 | -57% |
| <u>Settlements through T2S platform (euro)</u> | | | |
| Value of trades settled on gross basis (EUR mn) | 1.94 | 1.57 | 24% |
| <u>Avg. monthly portfolio managed by custodians (RON bn)</u> | <u>94.09</u> | <u>71.68</u> | <u>31%</u> |

* 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 is in the process of authorization and operationalization, thus it did not record operating revenues in 2024.

Consolidated operating expenses in 2024, recorded a 16% increase or 9.23 million lei y/y up to the value of 68.37 million lei, being influenced by the increase in expenses at the individual level, as follows:

- Impact from the increase by 4.73 million lei of the expenses incurred by the CCP.RO subsidiary compared to the previous year, due to new expenses incurred in the operationalization process of a central counterparty, with an impact on personnel expenses (increased employee requirements) and third-party services (compensation system management services, risk model audit and IT).
- Increase in consolidated personnel expenses due to the annual application of the Remuneration and Personnel Retention Policy approved at Group level, but also the increase in the number of employees due to additional personnel requirements in the operational activity.
- Other operating expenses at a slightly higher level, due to the increase in inflation with an impact on the acquisition prices, respectively IT maintenance, but also as a result of additional expenses with the depreciation of fixed assets and right-of-use assets and one-off expenses determined by the relocation of the headquarters at group level.

The relocation of BVB headquarters and its subsidiaries during 2024 aimed to cover the needs for the operational activity, to improve the conditions offered to BVB Group employees, as well as to optimize administrative costs, common at group level.

Consolidated operating profit of the BVB Group reached the level of 10.21 million lei, 13 million lower compared to the previous period, a level directly influenced by the one-off revenues achieved in the previous period from H2O listing.

A breakdown of the operating profit by main business segments of BVB Group is presented below:

| Operating profit | 2024 | 2023 | Change (%) |
|-------------------------------|----------------|---------------|-------------|
| Trading services | 11.87 | 22.26 | -47% |
| Post-trading services | 8.92 | 7.85 | 14% |
| Registry services | 1.73 | 1.12 | 55% |
| CCP.RO | <u>(12.31)</u> | <u>(7.58)</u> | <u>62%</u> |
| Total operating profit | 10.20 | 23.65 | -57% |

Consolidated net financial income in 2024 of 5,27 million lei, decrease of 16 % compared to 2023 driven by the decrease in interest income, as well as higher interest financial expenses and provision for expected credit losses.

Consolidated net profit of 2024 of 11.76 million, decrease of 54% following a record 2023 (RON 25.70 million), but with a strong financial performance, above the financial results of the last 5 years prior to 2023.

Review of the consolidated financial position as of end-December 2024

Total assets as of December 31, 2024, 241.07 million lei, +1% compared to December 31, 2023, consisting of:

- **Non-current assets** at consolidated level reach the value of 116.36 million lei, an increase of 17% or 16.98 million lei compared to the beginning of the year, influenced by the increase in tangible assets following the investments made by CCP.RO in the technical infrastructure necessary for the installation of the clearing system, as well as the investments for the set-up of the new headquarters dedicated to the BVB Group, with impact in each of the Group entities.
- **Current assets** have a value of 124.71 million lei, a decrease of 10% compared to December 31, 2023 determined by lower liquidity result of the dividends payment of and the investments made in the new HQ, as well as the decrease in trade receivables compared to the end of the year the previous year as a result of lower revenues achieved at the end of the period.
- **Group's total liabilities** at the end of 2024 are in amount of 59,56 million lei, similar level compared to previous year.

68% of total liabilities represent current liabilities, respectively 40.7 million lei, of which 21.09 million lei are dividends/payment coupons held on behalf of clients by the Central Depository, 2.84 million lei represent guarantee funds, compensation and margin for the settlement of transactions.

Long-term liabilities are amount of 18.88 million lei are mainly represented by the leasing liability of recognized according to IFRS 16.

- **Equity** is in amount of 181.51 million lei, +2% compared to the beginning of the year, mainly influenced by the share capital increase of BVB, partially offset by the decrease in retained earnings and the value of own shares buy-back balance at the end of the period.

Analysis of financial results for 2024 compared to the approved Budget for BVB standalone

BVB individual

| | 2024 | Buget 2024 | Variație (%) |
|---|---------------|--------------|--------------|
| Operating revenues | 41.81 | 40.74 | 3% |
| <i>Out of which trading revenues</i> | 27.13 | 27.38 | -1% |
| Operating expenses | (29.67) | (31.11) | -5% |
| Operating profit | 12.14 | 9.63 | 26% |
| <i>Operating margin</i> | 26% | 24% | 26% |
| Net financial revenue/(expenses) | (8.73) | 4.26 | - |
| Profit before tax | 3.42 | 13.89 | -75% |
| Net profit for the period | 1.19 | 12.58 | -91% |
| <i>Net margin</i> | 3% | 43% | |

At the end of 2024, **BVB's operating revenues**, exceeded the budget by 3%, while trading revenues is at the budgeted level.

Average daily trading value for shares was 59 million lei (12.35 million EUR), slightly below the budgeted value, influenced by the reduced volumes traded in H2 2024.

Operating expenses are below the budgeted value for 2024 by 5%, respectively 1.44 million lei, due to lower expenses with third-party services than budgeted, also some of the initiatives and projects in the area of marketing, promotion and business development were not implemented according to the planning.

Operating profit exceeds 12.14 million lei, 26% above the budgeted value, and the operating margin is 26%, 2 pp vs. Budget.

Financial result significantly impacts BVB's financial performance, given the recording of an impairment loss for BVB's participation in CCP.RO Bucharest in amount of 13.1 million lei, amount that was not considered in the Budget prepared for 2024, at the time of its approval, according to the impairment test performed, the recording of an impairment was not required.

Net profit of 2024 is directly influenced by the level of net financial loss, while excluding this impairment, the net profit exceeds the budget estimates by 14%.

Perspectives

Improving liquidity is a major challenge and equally a significant objective for 2025. In this regard, launching new products is essential for increasing the investor base and creating new investment opportunities. Thus, BVB estimates the launch of derivative products with underlying assets of indices, individual shares but also energy in the second half of 2025, following the authorization of the Central Counterparty, CCP.RO. The launch of the derivatives market will involve a major effort to promote and educate partners and participants in the local capital market.

Equally, 2025 is set to be a very important year in terms of **implementing the objectives of the National Strategy for Capital Market Development**, a strategy approved by the Romanian Government in May 2023. The strategy includes objectives with a major impact in terms of updating relevant legislation, increasing the investor base, but also facilitating local business financing through the capital market, and the Bucharest Stock Exchange is involved in most of the strategy's levels.

BVB Arena project dedicated to local entrepreneurs will be in its eighth edition in 2025, a flagship program launched by BVB in 2017 with the aim of identifying and promoting successful local entrepreneurial companies. BVB will also continue the projects launched in recent years, such as the BVB Research Hub portal, but also the project to cover listed companies with ESG analyses.

Regarding the primary market, the Bucharest Stock Exchange anticipates a return of interest in capital market financing rounds and new listings in the second half of 2025, once the political and economic environment stabilizes. In this regard, the Bucharest Stock Exchange will **continue its efforts to promote the opportunities offered by the local market and to educate the entrepreneurial community**.

Other information

Statistics for BVB shares

BVB shares ended 2024 at a price 40.90 lei per share, while the weighted average price recorded during the year was RON 55.43

(RON, unless otherwise stated)

| | 2024 | 2023 | Change (%) |
|--------------------------------|-------|-------|------------|
| Closing price (e-o-p, RON) | 40.90 | 65.60 | -38% |
| Weighted average price (RON) | 55.43 | 56.85 | -3% |
| High – intraday (RON) | 67.40 | 73.00 | -8% |
| Low – intraday (RON) | 39.00 | 35.60 | 10% |
| Total trading value (RON mn) | 69.23 | 66.52 | 4% |
| Average trading value (RON mn) | 0.28 | 0.27 | 3% |

Dividend policy

Detailed information regarding the dividends paid during the last 4 years is presented in the table below:

| Year | Gross dividend/share (RON) | Total dividends (RON) | GMS date | Registration date | Payment date |
|------|-------------------------------|--------------------------|------------------|-------------------|----------------|
| 2023 | 1.5550 | 12,524,621 | 24/25 April 2024 | 20 August 2024 | 29 August 2024 |
| 2022 | 1.2918 | 10,398,379 | 26/27 April 2023 | 21 June 2023 | 27 June 2023 |
| 2021 | 0.9592 | 7,721,402 | 28/29 April 2022 | 3 June 2022 | 22 June 2022 |
| 2020 | 1.0672 | 8,590,384 | 19/20 April 2021 | 10 June 2021 | 22 June 2021 |

The Board of Governors intends to submit to the approval of the General Meeting of Shareholders on April 29/30, 2025 the proposal for the distribution of the Company's statutory net profit for 2024, in the amount of 1,188,121 lei, as follows: the amount of 170,798 lei for the legal reserve, the amount of 1,017,323 lei is distributed to Retained Earnings.

The Dividend Policy of BVB is available on the Company's website at [link](#).

Details regarding employees

The change of the number of employees is presented in the table below:

| | 2024 | | 2023 | |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|
| | End-year | Average | End-year | Average |
| Bucharest Stock Exchange | 49 | 45 | 44 | 44 |
| Central Depository | 48 | 48 | 49 | 49 |
| CCP.RO Bucharest SA | <u>17</u> | <u>15</u> | <u>13</u> | <u>11</u> |
| Total number of employees | <u>114</u> | <u>108</u> | <u>106</u> | <u>104</u> |

BVB has implemented at Group Level a Stock Option Plan, through which BVB free shares are granted as a variable remuneration, depending on performance, to employees, directors and administrators.

By participating in the company's success, studies show that a loyalty plan is felt at the level of employee productivity and performance, having a direct financial benefit other than salary.

In 2024, a buyback program was carried out in accordance with the AGM Approval of April 24, 2024.

The acquisitions of own shares and distributions to employees made during 2024 are shown below:

| | 2024 | | |
|---|-----------------|-------------------|---------------|
| | No. of shares | Average price-lei | Value-mil.lei |
| Opening balance | 9,844 | 26.70 | 0,26 |
| Own Shares buy-back | 85,849 | 59.19 | 5.08 |
| Free own shares | 1,482 | - | - |
| Own shares from share capital increase operations | 4,265 | 60.02 | 0,25 |
| Shares transferred to BVB employees | (36,704) | 54.06 | (1,98) |
| Shares transferred to DC employees | <u>(14,516)</u> | <u>64.01</u> | <u>(0.93)</u> |
| Closing balance | 50,220 | 53.51 | 269 |

Investments in subsidiaries

As of 31 December 2024, the Bucharest Stock Exchange was a shareholder in other entities, as follows:

| Value of share | 31 December 2024 | 31 December 2023 |
|---------------------------------|------------------|------------------|
| Central Depository | 20.24 | 20.24 |
| Foundation Corporate Governance | 0.005 | 0.005 |
| CCP.RO Bucharest SA | <u>64.90</u> | <u>47.50</u> |
| Total | 85.15 | 67.79 |

The participation in the Governance Institute Foundation is fully depreciated.

The participation in CCP.RO is depreciated by 13.1 million lei.

Notes on the impairment of BVB participation in CCP.RO Bucharest

The impairment of the investment held by BVB in CCP.RO Bucharest materialized in 2024 as a result of the deterioration of several key factors in the estimated value in use of the BVB subsidiary.

Thus, the company's value in use is closely linked to the evolution of the authorization and operationalization process, a process subject to risks, some of which materialize starting with 2024: legislative risk (normative changes that may extend or resume the authorization process), over-regulation risk (excessive and costly compliance requirements), operational risk (delays caused by administrative deficiencies or external factors), ICT risk generated by third parties (termination of the contract with the main suppliers, in case of delays or loss of the CCP.RO license), personnel risk (difficulties in attracting and retaining specialists), business risk (impact of the extension of the authorization process on equity and financial support) and geopolitical risk (influence of political developments on the viability of the project).

Depending on the success of CCP.RO in being authorized as a Central Counterparty in Romania and in being operational according to the estimates in the Business Plan, the value of the depreciation of BVB's investment in CCP.RO may change depending on the positive or negative impact of the factors that generate the materialization of the above risks.

Use of financial investments. Financial risk management

The Company's activities expose it to various risks such as market risk, which in its turn includes currency risk and interest rate risk, credit risk, liquidity risk. The management of BVB aims at reducing the potential adverse effects associated with these risk factors upon the Company's financial performance.

Market risk. The market risk is the risk that changes in market prices, such as the foreign exchange rate, interest rate and price of equity instruments, to affect the Company's revenues or the value of the financial instruments held. The company operates in a developing economy, with fluctuant exchange rates, which may lead to value losses for assets denominated in foreign currencies.

The objective of the market risk management is to manage and control exposures to market risk in acceptable parameters and at the same time to optimize the return on investment.

The company is exposed to the market risk through its cash denominated in foreign currencies and through investments in bank deposits and treasury certificates. However, based on the analysis of the net assets and sensitivities to changes EUR and USD exchange rates, BVB management does not expect significant losses.

Credit risk. The financial assets that lead to potential concentrations of credit risk mainly relate to receivables from the core activity and financial investments. Receivables are presented at their net value, after the provision for doubtful receivables. The credit risk is limited due to a low number of clients from the Company's portfolio of clients. Thus, management considers that the company has no significant concentration of credit risk.

As regards financial investments, BVB limits its exposure to credit risk by investing only in liquid instruments issued by counterparties who have a satisfactory credit quality. The Company's management constantly monitors the credit quality and, given that the Company has invested only in instruments with high credit quality, its management does not expect the counterparties to fail to meet their contractual obligations.

Liquidity risk. A prudent liquidity risk management implies keeping enough cash to cover working capital needs to run the business. The Company's cash & equivalents policy is to maintain sufficient resources in order to fulfill its obligations as they become due.

More details regarding the Company's exposure to each of the above-mentioned risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's procedures for managing of capital, are available in the financial statements.

Corporate Governance

In 2024, BVB shareholders met in 3 general meetings:

The Ordinary General Meeting of Shareholders dated 24.04.2024 – during which there were submitted for approval the individual and consolidated annual financial statements of the Company for the 2023 financial year and the profit distribution, the discharge of liability of the administrators for their activity carried out during the financial year 2023, the budget of revenues and expenses and the business plan for 2024, the remuneration of administrators for the 2024 financial year, the general limits of additional remuneration and the rewarding for the 2023 financial year of the Company's administrators, the remuneration report of the management structure of the Company for the financial year 2023 (subject to the consultative vote of the shareholders according to the provisions of art. 107 of Law no. 24/2017) election of a new Board of Governors member following the resignation of a Board member elected by the Ordinary General Meeting of Shareholders dated 22.11.2023.

The Extraordinary General Meeting of Shareholders dated 24.04.2024 – during which there were submitted for approval the buy-back of its own shares by the Company, the amendment of the Plan for granting stock option to BVB Group personnel, approved by the Extraordinary General Meeting of Shareholders through the Resolution no. 2/26.04.2023, the increase of the share capital in the amount of RON 8,049,240 through the issue of 804.924 new, ordinary, registered and dematerialized shares, with a nominal value of RON 10/share by incorporating the reserves constituted from the net profit of the year 2023.

The Extraordinary General Meeting of Shareholders dated 03.09.2024 during which there were submitted for approval the authorization of the Board of Governors to approve the Business Plan of CCP.RO Bucharest S.A., updated, subject to the approval of the shareholders of CCP.RO Bucharest S.A. in the Ordinary General Meeting of Shareholders of 4/5.09.2024 and the authorization the Board of Governors to participate, in the name and for the Bucharest Stock Exchange S.A., as shareholder of CCP.RO Bucharest S.A., up to a maximum value of EUR 3 million, in any operation/operations of increasing the share capital of CCP.RO Bucharest S.A., as presented in the Business Plan of CCP.RO Bucharest S.A., updated, authorization granted for a period of 24 months from the date of adoption of the resolution by BVB shareholders.

The documents of the BVB General Meetings of Shareholders are available on the BVB website in the Investor Relations/General Meetings of Shareholders section.

The Articles of Association of the Company have been amended during 2024 following the registration of the new headquarters from 34-36 Carol I Blvd., District 2, Bucharest to 4-8 Nicolae Titulescu Av., 1st floor, East Wing, America House Building, District 1, Bucharest and the registration of the share capital increase approved by the Extraordinary General Meeting of Shareholders dated 24.04.2024; the current form of the Articles of Association is available on the Company's website at <http://www.bvb.ro/InvestorRelations/Overview>.

Regarding the Company's compliance with the principles defined by the BVB Corporate Governance Code, it fully complies with them, as set out in the Statement from the Annex.

BVB also respects the principles of corporate governance provided by the FSA Regulation no. 2/2016 on the application of governance principles by entities authorized, regulated and supervised by the Financial Supervisory Authority.

Board of Governors

The management of the Company is performed in the unitary system and entrusted to a Board of Directors (Board of Governors), elected by the General Meeting of Shareholders, made out of 9 members, individual persons, for a mandate of 4 years.

Until the authorization by the Financial Supervisory Authority in February 2024 of the new members of the Board of Governors elected by the Ordinary General Meeting of Shareholders of 22.11.2023 for a 4-year term, the Board had the following composition: Radu Hanga – President, Robert Cosmin Pană - Vicepresident, Dan Viorel Paul - Vicepresident, Claudia Gabriela Ionescu – Secretary General, Mihaela Ioana Bîciu – Member, Octavian Molnăr – Member, Dragoş Valentin Neacşu – Member, Răzvan Legian Raţ – Member and Ştefan Szitaş– Member.

After the authorization of the new members of the Board of Governors by the Financial Supervisory Authority, according to the Authorizations no. 15 - 23 of 09.02.2024, for a term of 4 years starting with 13.02.2024 and the election of the Vicepresidents and the Secretary General by the Board in its meeting of 21.02.2024, the composition of the Board of Governors was as follows: Radu Hanga – President, Şerban Valentin Marin – Vicepresident, Dumitru Remus Vulpescu – Vicepresident, Claudia Gabriela Ionescu – Secretary General, Loredana Norica Chitu – Member, Octavian Molnăr – Member, Robert Cosmin Pană – Member, Vasile Cristian Pascu – Member and Daniela Secară – Member.

As a result of the resignation of Mr. Robert-Cosmin Pană as member of the Board of Governors notified on 28.02.2024, of the election by the Ordinary General Meeting of Shareholders of BVB on 24.04.2024 of Mr. Răzvan Legian Raţ on the vacant position for the remaining duration of the mandate granted to his predecessor, his authorization by the Financial Supervisory Authority through Authorization no. 68/21.06.2024 and his election in the meeting of the Board of Governors on 28.08.2024 as Secretary General, in the context of the resignation of Mrs. Claudia Gabriela Ionescu at this position, the Board of Governors has the following composition:

- Mr. Radu Hanga – President, independent
- Mr. Şerban Valentin Marin – Vicepresident
- Mr. Dumitru Remus Vulpescu – Vicepresident, independent
- Mr. Răzvan Legian Raţ – Secretary General, independent
- Mrs. Loredana Norica Chitu – Member, independent
- Mrs. Claudia Gabriela Ionescu – Member, independent
- Mr. Octavian Molnăr - Member
- Mr. Vasile Cristian Pascu – Member, independent
- Mrs. Daniela Secară – Member, independent

Brief presentation of the professional experience of the members of the Board of Governors:

Mr. Radu Hanga – President, independent

Date of birth: 1971

Nationality: Romanian

Education:

- Master in Board Practice and Directorship, Henley Business School, University of Reading

- Global Management Programme, INSEAD
- Value Creation for Owners and Directors Programme, INSEAD
- Negotiation Dynamics Programme, INSEAD
- Strategy Execution Programme, INSEAD
- Program MBA, INDE
- Postgraduate studies in Business Administration, European Institute for Business Administration, UBB
- Specialization in International Financial System, IBR in partnership with Chartered Institute of Bankers Scotland
- Erasmus Program, University of East London
- Postgraduate studies, School of Academic Postgraduate Studies, UTCN
- Licensed in engineering, Faculty of Electrical Engineering, UTCN

Professional Experience:

- 2020-present: President of the Board of Governors, Bucharest Stock Exchange
- 2023-present: Chairman of the Board, The Federation of Euro-Asian Stock Exchanges (FEAS)
- 2023-present: President of the Board of Directors, Depozitarul Central
- 2022-present: Member of the Board, ENVISIA Boards of Elite
- 2020-2022: Member of the Executive Committee, AAFR
- 2017-2020: Senior Advisor for the Board of Directors, Banca Transilvania
- 2017-2020: Member of the Board of Directors, SIF Oltenia
- 2015-2020: President of the Executive Committee, AAFR
- 2017-2020: Member of the Board of Governors, Bucharest Stock Exchange
- 2013-2019: President of the Board of Directors, BT Leasing Transilvania IFN
- 2013-2019: President of the Board of Directors, BT Direct IFN
- 2013-2018: Member of the Board of Directors, BT Operational Leasing
- 2013-2018: Member of the Board of Directors, BT Leasing Moldova
- 2013-2017: Strategy Executive Officer-Group Coordination, Banca Transilvania
- 2013-2017: Member of the Board of Directors, Boromir Prod S.A.
- 2013-2017: Member of the Board of Directors, SIF Moldova
- 2005-2013: CEO, SAI BT Asset Management
- 2002-2013: Head of Capital market Department, Banca Transilvania
- 2001-2005: Vice-President of the Board of Directors, BT Securities
- 1999-2002: Capital market officer, Banca Transilvania
- 1997-1998: Analyst, SSIF Broker SA

Other professional commitments: Sole administrator, Metis Advisory SRL

Other positions in the BSE Committees:

- Chairman, Index Commission
- Member, Nomination Committee

Relationship with BSE shareholders owning more than 5%: -

Mr. Șerban Valentin Marin – Vicepresident

Date of birth: 1976

Nationality: Romanian

Education:

- Certified Environmental, Social and Governance Analyst (CESGA), The European Federation of Financial Analysts Societies
- Operations of US Derivatives Markets Course, University of Georgetown
- Postgraduate studies in Banking and Stock Exchange Management, Academy of Economic Studies, Bucharest
- Master's Degree in Economics, Accounting and Information Management Systems Faculty, Oradea University, Academy of Economic Studies, Bucharest
- Degree in Economics, Economic College, Academy of Economic Studies, Bucharest

Professional Experience:

- 2024 – present: Vicepresident of the Board of Governors, Bucharest Stock Exchange
- 2020 – present: Member of the Board of Directors, Depozitarul Central
- 2023 – present: President of the Board of Directors, CASA S.A.
- 2022 – present: Member of the Board of Directors, AGROINTENS S.A.
- 2020 – 2023: Member of the Board of Directors, T.H.R. Marea Neagra S.A.
- 2020 – present: Head of Trading Department, Evergent Investments
- 2019 – 2022: Member of the Board of Directors, EVER IMO S.A.
- 2015 – 2018: Development Manager, IEBA TRUST
- 2012 – 2015: Head of Trading - Institutional Clients Division, SSIF BROKER
- 2006 – 2012: Head of Sales-Trading, UNICREDIT CAIB SECURITIES
- 2005 – 2006: Senior Sales Trader, BRD SECURITIES
- 2003 – 2005: Stockbroker, IEBA TRUST
- 2002 – 2003: General Manager, GM INVEST
- 1996 – 2001: Stockbroker, GELSOR

Other professional commitments: administrator, Danube Advisors S.R.L.

Other positions in the BSE Committees:

- Vice-Chairman, Appeal Commission

Relationship with BSE shareholders owning more than 5%: -

Mr. Dumitru Remus Vulpescu – Vicepresident, independent

Year of birth: 1972

Nationality: Romanian

Education:

- EMBA, Tiffin University & University of Bucharest
- Certified Project Manager MMPS, ME
- Expert in accessing European funds certified by MMS, ME
- Bachelor Degree in Political Science, Faculty of Political and Administrative Sciences, University of Bucharest
- Bachelor Degree in Legal Sciences, Faculty of Law, University of Bucharest

Professional experience:

- 2024 – present: Vicepresident of the Board of Governors, Bucharest Stock Exchange
- 2018 – present: Member of the Board of Directors, S.N. Nuclearelectrica S.A.
- 2021: Special Administrator, CEO, ARMAX GAZ S.A. Medias
- 2016 – 2020: CEO and member of the Board of Directors, ROMAERO S.A. Bucharest
- 2016 – 2019: Member of the Board of Directors, Cupru Min S.A. Abrud
- 2015 – 2016: Special administrator (insolvency procedure), FORTUS S.A. Iași
- 2015: Member, INSOL Europe, UK
- 2015: Member, Turnaround Management Association, USA
- 2014 – 2016: CEO, Vulcan S.A. Bucharest
- 2013 – 2014: Member of the Supervisory Board, C.N.T.E.E. Transelectrica S.A.
- 2013 – 2014: Member of the Board of Directors, S.N.T.G.N. Transgaz S.A.
- 2013 – 2014: Head of Cabinet, Minister's Cabinet, Ministry of Public Finance
- 2013: Advisor to the Minister, Minister's Cabinet, Ministry of Economy, Trade and Business Environment
- 2013: Member, Organization of Capital Market Professionals
- 2012 – 2013: Special Administrator (insolvency procedure), S.C.P.E.E.H. Hidroelectrica S.A.
- 2012: Chairman of the Board of Directors, S.C.P.E.E.H. Hidroelectrica S.A.
- 2012: Head of the Office of State Participations and Privatization in Industry / Advisor to the Minister, Ministry of Economy, Trade and Business Environment
- 2012: General Manager, Prime Minister's Control Body, Government of Romania
- 2012 – 2013: Manager of the Professional Conduct and Discipline Department, Romanian Chamber of Tax Consultants
- 2009 – present: Insolvency Practitioner, member of the National Union of Insolvency Practitioners of Romania, Bucharest Branch
- 2004: Visiting Professor, Faculty of Sociology, University of Bucharest
- 2000: Visiting Professor, Faculty of Political and Administrative Sciences, University of Bucharest
- 1999 – present: Lawyer, Bucharest Bar Association
- 1996 – 1998: Spokesperson, Legal Adviser, Specialist Adviser - Political Analysis, Multinational Business Group
- 1994 – 1996: News Editor, Department of News Broadcasts, Romanian Television

Other professional commitments: -

Other positions in the BSE Special Commissions/ Advisory Committees:

- Chairman, Audit Committee

Relationship with BSE shareholders owning more than 5%: -**Mr. Răzvan Legian Raț – Secretary General, independent****Year of birth:** 1983**Nationality:** Romanian**Education:**

- Certificate “Corporate Governance that Creates Value” – Envisia-Boards of Elite
- Faculty of Economics - Accountancy and IT Business Administration, “Dimitrie Cantemir” Christian University
- National College “Andrei Muresanu” Dej, IT profile

Professional Experience:

- 2024 – present: Member/Secretary General of the Board of Governors, Bucharest Stock Exchange
- 2024 – present: Executive Vicepresident, Transilvania Investments Alliance
- 2020 – 2024: Member of the Board of Governors, Bucharest Stock Exchange
- 2023 – 2024: Member of the Board of Directors, BRK Power Energy
- 2020 – 2024: Member of the Board of Directors, Albapam
- 2018 – 2024: Deputy CEO, SSIF BRK Financial Group
- 2017 – 2018: Chief Operating Officer, SSIF BRK Financial Group
- 2013 – 2017: Trader, Delegated Agent, SSIF BRK Financial Group
- 2010 – 2013: Trader, Delegated Agent, Target Capital S.A. (Avantgarde-Finance SA)
- 2007 – 2010: Branch Manager, Broker, Nova Invest S.A.

Other professional commitments: Alternate Censor, Alianta S.A. Cluj Napoca**Other positions in the BSE Special Commissions/ Advisory Committees:**

- Member, Nomination Committee

Relationship with BSE shareholders owning more than 5%: Executive Vicepresident of the Management Board of Transilvania Investments Alliance S.A. - shareholder of the Bucharest Stock Exchange with a holding of over 5% of the share capital**Mrs. Loredana Norica Chitu – Member, independent****Year of birth:** 1981**Nationality:** Romanian**Education:**

- Law Degree, University of Bucharest
- Definitive lawyer, Bucharest Bar
- Course Global Women's Sponsorship Program, Dentons
- Course YPO - Managing Growth & Profitability, by Professor John Mullins of London Business School
- Various courses in the context of collaboration with Allen & Overy (London), such as Business Development training, International Capital Markets University, Banking University

Professional experience:

- 2024 - present: Member of the Board of Governors, Bucharest Stock Exchange
- 2019 – present: Partner, Head of Capital Markets practice, DENTONS EUROPE – ZIZZI CARADJA SI ASOCIATII SPARL
- 2014 – 2019: Counsel, RTPR ALLEN & OVERY
- 2006 – 2014: Senior lawyer, RTPR ALLEN & OVERY
- 2005 – 2006: Junior lawyer, CLIFFORD CHANCE

Other professional commitments: -

Other positions in the BSE Special Commissions/ Advisory Committees:

Chairperson, Nomination Committee

Member, Remuneration Committee

Relationship with BSE shareholders owning more than 5%: -

Mrs. Claudia Gabriela Ionescu – Member, independent

Year of birth: 1967

Nationality: Romanian

Education:

- Bachelor Degree in Engineering, Specialization in Computing and Automation Equipment, Polytechnic University of Bucharest
- Bachelor Degree in Economy, Banking and Stock Exchanges Specialization, Academy of Economic Studies, Bucharest
- MBTI: Management Course, The Oxford Group Consulting and Training
- Six Sigma – Operational Efficiency Course
- GROW Program – INSEAD & Corporate University by Societe Generale Paris
- Diploma in Business Management, Capital Markets and Stock Exchanges, Dragan European Business School

Professional experience:

- 2017-present: Secretary General/Member of the Board of Governors, Bucharest Stock Exchange
- 2019-present: Secretary General of the Board of Directors, Depozitarul Central
- 2008-present: Director of Securities Division, BRD-Groupe Societe Generale
- 2005-2008: Deputy Director of Securities Division, BRD-Groupe Societe Generale
- 2000-2005: Head of Middle Office - Market Operations Division, BRD-Groupe Societe Generale
- 1997-2000: Analyst, Privatization Department, BRD-Groupe Societe Generale
- 1994-1997: Analyst, Strategy Division, BRD
- 1991-1994: Evaluation Inspector, Division for Expertise, Evaluation and Consulting, BRD

Other professional commitments: Member of the Board of Directors, Romanian Pension Funds Association

Other positions in the BSE Special Commissions/ Advisory Committees:

Chairperson, Remuneration Committee

Relationship with BSE shareholders owning more than 5%: -

Mr. Octavian Molnár – Member

Year of birth: 1966

Nationality: Romanian

Education:

- Financial Analyst Course, Booz Allen & Hamilton, Cluj
- Financial Analysis and Portfolio Management Course, Bank Academie, Arad
- Enterprise Evaluation Course, ANEVAR
- Degree in Economics, University "Aurel Vlaicu", Arad
- Degree in Mechanical Engineering, Polytechnic Institute "Traian Vuia", Timisoara

Professional experience:

- 2009-present: Member of the Board of Governors, Bucharest Stock Exchange
- 2012-present: CEO & President of the Board of Directors, IFB Finwest S.A., Arad
- 2006-2008: Member of the Board of Directors, Bursa Monetara Financiara si de Marfuri Sibiu
- 2004-2012: Deputy CEO, IFB Finwest S.A., Arad
- 1999-2004: CEO, IFB Finwest S.A., Arad
- 1997-1999: CEO, COMTEX S.A., Arad
- 1994-1999: Colaborator, Expert S.A., Arad
- 1994-1997: Reviewer / Chief of Feasibility Studies Unit - New Investments Compartment, Financing Department FPP I Banat Crisana
- 1991-1994: Process engineer/ Design engineer/ Engineer, Marketing Department, ARIS S.A., Arad
- 1990-1991: Engineer, Process Design Unit, SEVAM S.A., Drobeta Tr. Severin

Other professional commitments: -**Other positions in the BSE Special Commissions/ Advisory Committees:**

Chairman, Appeal Commission

Member, Audit Committee

Relationship with BSE shareholders owning more than 5%: -**Mr. Vasile Cristian Pascu – Member, independent**

Year of birth: 1975

Nationality: Romanian

Education:

- Master in Financial Management, Ecologic University, Bucharest
- Master in Public Policies and European Integration, National School of Political and Administrative Studies (SNSPA), Bucharest
- Fundamentals of Banking Profession Course, Romanian Banking Institute, Bucharest
- Bachelor Degree in Economy, Faculty of Commerce, Academy of Economic Studies

Professional Experience:

- 2024 – present: Member of the Board of Governors, Bucharest Stock Exchange
- 2016 – present: Head of Department, Financial Markets Division, Banca Comerciala Romana
- 2014 – 2015: Head of Department, Transactions Banking Division, Banca Comerciala Romana
- 2007-2014: Head of Department, Corporate Operations Division/ General Operations Division/ Banking Operations Division, Banca Comerciala Romana

- 2006-2007: Deputy Executive Director, Back-Office General Division, Banca Comerciala Romana
- 2006: Head of Service, Back-Office General Division, Banca Comerciala Romana
- 2001-2006: Head of service, Securities Services Divison/ Capital Markets Division, Custody and Depository Office, Banca Comerciala Romana
- 1998-2001: Referent specialist/ Market operator, Custody and Depository Unit, Banca Comerciala Romana
- 2001-present: Corporate governance experience as non-executive member in various Boards

Other professional commitments: Vice-Chairman of the Association of Fund Administrators (AAF)

Other positions in the BSE Special Commissions/ Advisory Committees:

Chairman, Listing Commission

Member, Remuneration Committee

Relationship with BSE shareholders owning more than 5%: -

Mrs. Daniela Secară – Member, independent

Year of birth: 1982

Nationality: Romanian

Education:

- EMBA, University of Hull, UK
- Master in Business Development Management, Faculty of Economic Sciences and Business Management, Babes-Bolyai University, Cluj-Napoca
- Bachelor Degree in Economy, Economic Informatics, Faculty of Economic Sciences and Business Administration, Babes-Bolyai University, Cluj-Napoca
- “Erasmus” scholarship, Economic Informatics, Faculty of Economic Sciences, Freie University, Berlin

Professional Experience:

- 2024 – present: Member of the Board of Governors, Bucharest Stock Exchange
- 2019 – present: CEO, BT Capital Partners S.A.
- 2016 – 2019: Deputy CEO Investment Banking and Capital Markets, BT Capital Partners S.A.
- 2008 – 2016: Head of Debt&Equity Origination, Corporate Finance Department, BT Securities S.A.
- 2006 – 2008: Public Offers officer, BT Securities S.A.

Other professional commitments: -

Other positions in the BSE Special Commissions/ Advisory Committees:

Vice-Chairperson, Listing Commission

Member, Audit Committee

Relationship with BSE shareholders owning more than 5%: -

Members are elected by the Ordinary General Meeting of Shareholders, by the vote of shareholders in compliance with legal requirements regarding quorum and majority. BSE is not aware of agreements, arrangements or family connections between members of the Board of Governors and others, due to which those members were appointed directors of the Company. Also, the members of the Board of Governors have an obligation to submit an annual declaration of conflict of interest.

The activity framework for the Board of Governors is regulated by the Constitutive Act, as well as by the BSE Regulation on the Organization and Operation, documents which can be found on the BSE website <http://www.bvb.ro/InvestorRelations/Overview>.

In exercising its prerogatives, during 2024, the Board of Governors met in 48 meetings - of which 22 were organized exclusively through the remote participation of its members (video conference and/or email), and 26 in a mixed system (in person and videoconference) - with an average participation of 99%.

The secretariat of the meetings of the Board of Governors was provided by Mrs. Diana Mureșan – Head of Legal Department and General Secretariat and Mrs. Corina Mocanu – Senior Financial Banking Expert. During 2024, the Board of Governors discussed the following main topics:

- CCP.RO Bucharest SA project - the status of the authorization process of CCP.RO Bucharest SA as a central counterparty by the Financial Supervisory Authority, the exercise of shareholder rights (supplementing the agenda, asking questions during the process of running the general meetings of shareholders, requesting additional corporate information/documents), participating in share capital increases, preparation of an evaluation report of the participation in the CCP;
- launch of a new index - Bucharest Exchange Trading Energy, Utilities and Financials (BET-EF);
- modification of the manual of the BET-BK index;
- updating the tariffs for the market data vending;
- extension until 31.12.2024 of the non-application of trading fees for Market Makers registered for government securities and for Market Makers/ Market Makers of the Issuer registered for bonds;
- the relocation of the BVB's registered office;
- the main projects of the BVB;
- rebranding of the "Made in Romania" Program;
- the status of the Growth Market authorization;
- BVB's participation in the capital increase of the Chisinau Stock Exchange and initiation of the authorization process;
- EBRD Capital Markets Consolidation Project in Central and Eastern Europe;
- BVB's participation in the ECFS 2024 European Financial Services Conference;
- admission and withdrawal from trading of financial instruments;
- admission/withdrawal of Participants to/from the BVB trading system;
- granting the quality of Market Maker on the Regulated Market for certain Participant;
- the regulatory framework applicable to the activity of admission to trading;
- amendments to the BVB Code – Regulated Market Operator, including its renaming to the BVB Code – Main Regulated Market;
- amendments to the BVB Code - Multilateral Trading System;
- amendments to the BVB Code – Electricity Commodity Derivatives Market (Energy Derivatives Market);

- amending the Articles of Association;
- analysis of the alignment of the policies, procedures and regulations that constitute the general governance framework of BVB;
- reviewing/updating/supplementing the internal regulatory framework: revising the Policy on preventing and combating ML/TF at the level of the BVB Group, as well as the BVB Procedure for preventing and combating money laundering and terrorist financing; amending the General Policy on the identification, assessment, monitoring, management and reporting of significant risks; updating the Remuneration Policy of the management structure of the Bucharest Stock Exchange; updating the Procedure for assessing the suitability of members of the management structure and persons holding key functions; completion of the BVB Dividend Policy; revision of the Procedure for transactions with shares issued by the BVB applicable to the members of the Board of Governors and of the Procedure for transactions of the Executives of the BVB with financial instruments admitted to trading on regulated markets or on multilateral trading facilities managed by BVB; issuance of the Procedure for the redemption of BVB's own shares;
- revision of the BVB Corporate Governance Code;
- election of the Vice-Presidents and the Secretary General of the Board of Governors, the members of the Advisory Committees and of the Special Commissions of BVB;
- the appointment of arbitrators of the Arbitration Chamber of BVB, the appointment of its President, the revision of the Rules of Procedure of the Arbitration Chamber of BVB;
- assessment of the individual suitability of the candidates proposed for the position of member of the Board of Governors at the OGMS of 24.04.2024;
- the annual assessment of the individual suitability of the CEO and the Deputy CEO and of the collective suitability of the Company's Executives, according to the provisions of the FSA Regulation no. 1/2019;
- evaluation of the performance of the activity carried out in 2023 of the CEO, Deputy CEO, CFO and establishment of the performance indicators (KPIs) for 2024 for the members of the Management Committee;
- reviewing the results of the evaluations from the individual forms carried out by the representatives of the Board of Directors of the Central Depository for their CEO, Deputy CEO and CFO;
- the extension of the mandate of the current CEO until 30.06.2025;
- aligning the term of office of the Deputy CEO with the amendments brought by the Law no. 126/2018 through the Ordinance no. 71/2024;
- initiating and carrying out the selection process for the CEO;
- the status of the share buyback programme;
- implementation of the Share Options Plan;
- BVB's strategy for the period 2025-2028;
- the draft Budget for 2025;
- the status of the execution of the decisions/requests of the Board of Governors in the process of implementation;
- the activity report and the 2023 self-assessment report of the BVB market operator, prepared in accordance with FSA Regulation no. 13/2018;
- the activity of the Advisory Committees;

- Activity Report for 2023 and Investigation Plan for 2024 of the Compliance Department;
- Activity Report of the AML/FT Compliance Officer for the year 2023;
- the election of the outsourced internal auditor for the BVB Group, the update of the Internal Audit Plan for 2024, the analysis of the internal auditor's reports drawn up following the audit missions carried out according to the internal audit plan, the status of implementation of the recommendations in the internal auditor's reports;
- Report on the effectiveness of the risk management system for 2nd semester of 2023 and 1st semester of 2024;
- Risk management report for 2023, as well as the quarterly reports for 2024;
- Audit report of the data center change process;
- Audit report of the information systems for compliance with the FSA Rule no. 4/ 2018;
- Security audit report in order to ensure compliance with the requirements of the Law no. 362/2018;
- monthly/quarterly operational and financial reporting, including Group entities;
- transactions carried out by the Company's employees and Executives in 2023;
- Report and preliminary financial statements as of 31.12.2023;
- Quarterly and half-yearly financial statements for 2024;
- BVB Administrators' Annual Report for 2023 and BVB's individual and consolidated financial statements for the financial year 2023;
- BVB's financial auditor's report for the financial year 2023;
- the proposal on the distribution of the profit achieved in 2023;
- the proposal regarding the remuneration of the Company's administrators for the financial year 2024, the general limits of the additional remuneration for the administrators, as well as their remuneration for the year 2023;
- Remuneration report of the Company's management structure for 2023;
- the draft budget and the business plan for 2024;
- the procedure for electing a member of the Board of Governors;
- the proposal regarding the redemption by the Company of its own shares, in accordance with the applicable legal provisions, in order to implement the Plan for granting stock options to the BVB Group staff;
- the proposal to amend the Plan for granting stock options to the BVB Group staff, approved by the Extraordinary General Meeting of Shareholders by the Resolution no. 2/26.04.2023;
- convening the Ordinary and Extraordinary General Meetings of Shareholders for 24/25.04.2024 for the approval of the financial statements for 2023 and the profit distribution, the discharge of the Company's administrators for the activity carried out in the financial year 2023, the approval of the administrators' remuneration for 2024, the general limits of the additional remuneration and their reward for the financial year 2023, the submission of the remuneration report of the management structure for 2023 to the consultative vote of the shareholders, the approval of the budget and the business plan for 2024, the election of a member of the Board of Governors and the related procedure, the redemption by the Company of its own shares, the amendment of the Plan for granting stock options to the BVB Group staff, approved by the EGMS by the Resolution no. 2/26.04.2023, as well as the increase of the share capital by the amount of RON 8,049,240 by

issuing a number of 804,924 new, ordinary, registered and dematerialized shares, with a nominal value of RON 10/share, by incorporating the reserves constituted from the net profit of 2023;

- the answers to the questions asked by the shareholders at the General Shareholders' Meeting of 24.04.2024;
- the date of payment of the fractions of shares resulting from the application of the granting algorithm and rounding of the results of the capital increase approved by the EGMS of 24.04.2024;
- the convening of the Extraordinary General Meeting of Shareholders for 03/04.09.2024 for granting a mandate to the Board of Governors to approve the updated Business Plan of CCP.RO Bucharest S.A., subject to the approval of the CCP.RO Bucharest SA shareholders in the Ordinary General Meeting of Shareholders on 04/05.09.2024 and a mandate to the Board of Governors to participate, on behalf of and for the Bucharest Stock Exchange SA, as a shareholder of CCP.RO Bucharest SA, up to a maximum value of EUR 3 million, to any operation/operations to increase the share capital of CCP.RO Bucharest SA, as presented in the Business Plan of CCP.RO Bucharest SA, updated.

With the support of the Nomination Committee, the Board of Governors carried out the assessment of the individual suitability of the new member elected by the Ordinary General Meeting of Shareholders of 24.04.2024 and the collective assessment of the management structure (Members of the Board of Governors and the Executives of the Company), which showed that its members are suitable and collectively have the skills, knowledge and experience necessary for the management of a market operator, having an appropriate size, diversity of skills and responsibility in the sustainable development of the Company.

Activity of the Special Commissions and the Advisory Committees

Special Commissions

By the decision of the Board of Governors were created the BVB Special Commissions – with no legal status and having a consultative role for the activity of the Board of Governors, which perform their activity as per the terms of reference stipulated in the BVB Regulation on the Organization and Operation.

Listing Commission provides consultancy in order to ensure conformity, order and efficiency in the process of admission, upgrading, downgrading and withdrawal to/ from the regulated market and the multilateral trading systems operated by BVB.

During 2024, the Commission met in 13 meetings, in which, for the regulated market, it analyzed and granted an favorable advisory opinion to the admission to trading of 3 shares, 12 bonds (11 issues of corporate bonds and one issue of municipal bonds), of an issue of preferential rights and the admission in principle of some structured products issued by 2 issuers. For the multilateral trading system, he gave a favorable advisory opinion for the admission to trading of an issue of shares and 2 issues of preferential rights.

Listing Commission has twice analyzed the amendments proposed by the Listing Department regarding the changes to the ATS Code based on the recommendations received from the Financial Supervision Authority. Also, these proposals were analyzed together with representatives of the most active Authorized Consultants, as well as with the Financial Supervision Authority.

Appeal Commission provides consultancy in solving the appeals introduced by the Participants on the BVB trading system and by stock / derivatives following the penalizations or the preventive measures issued by the BVB CEO or Deputy CEO, as the case may be.

During 2024, the Commission was not met, with no complaints incident to its activity.

The **Index Committee** holds an advisory role with regard to the creation of BVB indices and participates in the decision making process of the necessary operational measures related to the indices. The members of the Index Committee are capital market professionals, selected once every 2 years.

During 2024, the Committee met during 4 periodical meetings and 6 extraordinary meetings, both for activities in relation to the management of the indices and to take decisions for indices' development, in line with the strategic objectives of BVB.

The operational type of decisions of the Index Committee, meaning revisions and adjustments of the indices composition, in line with the indices methodologies, offered a high degree of predictability to the indices' users. Also, the changes in the composition of the indices were relatively minimal, with the indices offering a high degree of stability from this perspective.

The composition of the main BVB index, the BET index, was changed for the first time since the inclusion of Hidroelectrica (H2O) in the index, during the September 2024 periodic review, when the shares of companies Premier Energy (PE) and Antibiotice (ATB) were added to replace the shares of BVB and COTE.

Also last year, in July, BVB launched a new index, the BET-EF index, dedicated to the best represented economic sectors of the Regulated Market, namely energy, utilities and financials. Thus, the number of indices provided by BVB reached a total of 12. Shortly after the launch of the BET-EF index, a local asset manager publicly announced the intention to create an ETF having as benchmark the newly launched index.

The composition of the Special Commissions in 2024 was the following:

Listing Commission:

Octavian Molnăr – Chairman

Răzvan Legian Raț – Vice Chairman

Ovidiu Lucian Isac - Member

Șerban Valentin Marin - Member

Mircea Ștefan Solovăstru – Member

Starting 21.02.2024

Vasile Cristian Pascu – Chairman

Daniela Secara – Vice Chairman

Ovidiu Lucian Isac - Member

Mircea Ștefan Solovăstru – Member

Monica Adriana Ivan – Member

Appeal Commission:

Dragoş Valentin Neacşu – Chairman

Mihaela Ioana Bîciu – Vice Chairman

Monica Adriana Ivan – Member

Elena Uleia - Member

Marcel Murgoci – Member

Starting 21.02.2024

Octavian Molnăr – Chairman

Şerban Valentin Marin – Vice Chairman

Liviu George Avram – Member

Stefan Uleia - Member

Chiriac Marcel Murgoci – Member

Index Commission:

Radu Hanga – BVB President

Adrian Tănase – BVB CEO

Dorin Alexandru Badea – Member, member of CFA Association Romania

Bogdan Câmpianu – Member, Participants’ representative

Adrian Mădescu – Member, Participants’ representative.

Advisory Committees

According to Companies Law no. 31/1990, republished, with further amendments and completions, within BVB Board of Governors operate Advisory Committees made out of 3 (three) Board members, which are bodies having an advisory role for the Board of Governors in areas such as audit, remuneration of administrators, directors as defined by the Law 31/1990, or nomination of candidates for various management positions.

The Advisory Committees are organized and function based on the stipulations of the Regulation on the Organization and Operation of BVB, which are complemented by the stipulations of the regulations/ terms of reference for each committee (the specific terms of reference for each advisory committee are available on BVB website <http://www.bvb.ro/AboutUs/ManagementStructure>).

The Audit Committee assists the Board of Governors in evaluation of the efficiency and functionality of Company’s management, resources allocation efficiency, the way the risks facing the Company are mitigated, including the organization and functioning framework of the internal control, the implementation of corporate governance rules and the way the Company audit is performed.

Between February 2020 and February 12, 2024, the members of the Audit Committee (non-executive administrators, most of them independent) were as follows: Ștefan Szitaș – Chairman, Octavian Molnăr – Member, Dragoș Valentin Neacșu – Member.

At the meeting of the Board of Governors on February 21, 2024, the new members of the Audit Committee (non-executive administrators, most of them independent) were elected, its new composition being as follows:

Dumitru Remus Vulpescu – Chairman

Octavian Molnăr – Member

Daniela Secară – Member

In 2024 the Audit Committee met in 19 meetings, in which it analyzed the following main topics, making recommendations to the Board of Governors, where appropriate:

- analysis of the offers of internal audit services for the designation of the outsourced internal auditor for the BVB Group;
- updating the internal audit plan for 2024;
- the annual report of the internal audit activity for the year 2023 and the internal auditor's reports drawn up following the audit missions carried out according to the internal audit plan (regarding the development and public affairs activity, the risk management activity, the assessment of the operational risks related to the Operations Department, the activity of the Compliance Department, the Internal Auditor's Statute);
- the status of implementation of the recommendations in the internal auditor's reports;
- Independent limited assurance report issued by the financial auditor regarding the share capital increase operation carried out by BVB;
- Audit report of the data center change process;
- Audit report of the information systems for compliance with the FSA Rule no. 4/ 2018;
- Security audit report in order to ensure compliance with the requirements of Law 362/2018;
- periodic operational and financial reporting of BVB Group entities;
- the preliminary financial statements as of 31.12.2023 and the related report;
- the individual and consolidated financial statements of the BVB for the financial year 2023 and prepared in accordance with the International Financial Reporting Standards;
- the annual report of the BVB administrators for 2023;
- BVB's financial auditor's report for 2023;
- the distribution of the profit achieved in 2023;
- the budget and the business plan for 2024, the draft budget for 2025;
- interim consolidated financial statements and quarterly and semi-annual IFRS simplified financial statements;
- the activity report of the Compliance Department for 2023;
- the investigation plan of the Compliance Department for 2024;
- the activity report of the AML/FT Compliance Officer for the year 2023;
- the risk management report for 2023, as well as the quarterly ones for 2024;
- the 2023 activity report of the BVB market operator prepared by the Executives in accordance with FSA Regulation no. 13/2018;
- BVB self-assessment report for 2023 prepared in accordance with FSA Regulation no. 13/2018;
- report on the effectiveness of the risk management system for 2nd semester of 2023 and 1st semester of 2024;
- transactions with shares carried out by BVB employees and Executives in 2023;

- transactions with related parties carried out between Jan. and Sept. 2024;
- reviewing/updating/supplementing the internal regulatory framework: Policy and Procedure on preventing and combating ML/FT at the level of the BVB Group; General policy on the identification, assessment, monitoring, management and reporting of material risks; BVB's dividend policy;
- composition of the Audit Committee, from the perspective of the provisions of ASPAAS Order no. 123/28.04.2022, with subsequent amendments and completions;
- the activity report and the self-assessment report of the Audit Committee, related to the activity carried out in 2023.

The Audit Committee performed the self-evaluation of the activity carried out in 2024, concluding that, as a whole, it was effective in terms of its composition, the way the activity was carried out, the supervision of the financial reporting process, of the audit systems, internal control, risk management and corporate governance and their effectiveness, and provided effective support to the Board of Governors in fulfilling its responsibilities.

Nomination Committee is a consultative committee created within the Board of Governors, which provides support in connection with identification, selection and evaluation of candidates recommended to the Board for a position as member of executive management, make recommendations to the Board regarding the filling of the vacancies within the Board, elaborates the requirements regarding the filling in of positions as members of the Board, Advisory Committees / Special Commissions and executive management.

Between February 2020 and February 12, 2024, the members of the Nomination Committee (non-executive, independent administrators) were as follows: Mihaela Ioana Bîciu – Chairperson, Radu Hanga – Member and Robert Cosmin Pană – Member.

In the meeting of the Board of Governors on February 21, 2024, the new members of the Nomination Committee (non-executive administrators, most of them independent) were elected, its new composition being as follows: Loredana Norica Chitu – Chairperson, Radu Hanga – Member and Robert Cosmin Pană – Member.

As a result of the resignation of Mr. Robert-Cosmin Pană to the mandate of member of the Board of Governors, in the meeting of the Board on March 19, 2024, was elected to the Nominating Committee, as a member, Mr. Șerban-Valentin Marin. After the election by the Ordinary General Meeting of Shareholders on April 24, 2024 of Mr. Răzvan Legian Raț as a member of the Board, on the vacant position and subsequent to its authorization by the Financial Supervisory Authority, he was elected at the meeting of the Board on August 28, 2024 as a member of the Nomination Committee, replacing Mr. Șerban-Valentin Marin.

Thus, the current composition of the Nomination Committee (non-executive, independent administrators) is as follows:

Loredana Norica Chitu – Chairperson

Radu Hanga – Member

Răzvan Legian Raț – Member

In 2024 the Nomination Committee met in 12 meetings, in which it analyzed the following main topics, making recommendations to the Exchange Board, where appropriate:

- the procedure for the election of a member of the Board of Governors, the note regarding the completion of the composition of the Board by electing a member for the remaining term of office granted to Mr. Robert Cosmin Pană, following his resignation from the mandate of Board member, as well as the List of candidates, at the Ordinary General Meeting of Shareholders of 24.04.2024;

- the opportunity to appoint a member of the Nomination Committee on the vacant position as a result of the resignation of Mr. Robert-Cosmin Pană;
- assessing the individual suitability of the candidates proposed for the position of member of the Board of Governors, according to the FSA Regulation no. 1/2019 and the approval of the final list of candidates at the OGMS of 24/25.04.2024;
- assessment of the collective suitability of the members of the Board of Governors, following the election by the OGMS on 24.04.2024 of a new member of the Board, according to FSA Regulation no. 1/2019;
- starting the CEO selection procedure, analyzing the offers received from the Executive Search companies, approving the proposal regarding the Executive Search company to be contracted, preliminary analysis of the long list of candidates, analyzing the recruitment process of the CEO of BVB from the point of view of the calendar, taking into account the time constraints stipulated by the FSA Regulation no. 1/2019;
- the annual assessment of the individual suitability of the CEO and the Deputy CEO and of the collective suitability of the Company's Executives, according to the provisions of the FSA Regulation no. 1/2019;
- the extension of the mandate of the current CEO until 30.06.2025, subject to its expiry on 31.12.2024 and the continuation of the recruitment process for the position of BVB CEO for a 4-year term;
- aligning the term of office of the Deputy CEO with the amendments brought to the Law no. 126/2018 by Ordinance no. 71/2024;
- updating the Procedure for assessing the suitability of members of the management structure and persons holding key functions;
- 2023 Nominating Committee Activity Report.

The Remuneration Committee is an advisory committee created within the Board of Governors, which formulates proposals with regard to the policy of remuneration for the members of BVB management structure (Board of Governors and executives members), and of the BVB Special Commissions and establishing the variable remuneration of the management structure.

Between February 2020 and February 12, 2024, the members of the Remuneration Committee (non-executive administrators, most of them independent) were as follows: Claudia Gabriela Ionescu – Chairperson, Dan Viorel Paul – Member and Răzvan Legian Raț – Member.

In the meeting of the Board of Governors on February 21, 2024, the new members of the Remuneration Committee (non-executive, independent administrators) were elected, its composition being as follows:

Claudia Gabriela Ionescu – Chairperson
Loredana Norica Chitu – Member
Vasile Cristian Pascu – Member

In 2024 the Remuneration Committee met in 11 meetings, where it discussed and made recommendations to the Board, where applicable, the following topics:

- evaluation of the performance of the activity carried out in 2023 of the CEO, the Deputy CEO and the CFO;
- establishing the performance indicators (KPIs) for 2024 for the members of the Management Committee;

- analysis regarding the establishment of the type of framework contract in relation to the CFO, member of the Management Committee;
- implementation of the Share Options Plan;
- the remuneration report of the management structure for 2023;
- the proposal regarding the remuneration of the Company's administrators for the financial year 2024, the general limits of the additional remuneration for the Company's administrators and the reward for 2023 of the administrators with a valid mandate at the end of 2023;
- the proposal regarding the Company's buyback of its own shares, with a view to implementing in 2024 and 2025 the Plan for granting stock options to BVB Group employees;
- the proposal to amend the Plan for granting stock options to BVB Group staff approved by the EGMS by the Resolution no. 2 /26.04.2023;
- updating the Remuneration Policy of the management structure of the Bucharest Stock Exchange as a result of the OGMS Resolutions of 24.04.2024;
- approval of the Procedure for the redemption of BVB's own shares.

Executive management

During 2024 the executive management of BVB was ensured as follows:

| Person | Position |
|---------------------|--|
| Adrian Tănase | CEO, Director within the meaning of the Companies Law no. 31/1990, 4-years contract, Jan. 2018 – Dec. 2022. Based on the Decisions of the Board of Governors of 2022 and 2023, its mandate was extended by successive periods of 1 year, until 31.12.2024. In 2024, Mr. Adrian Tanase was further approved as CEO for a 6-months term until 30.06.2025. The FSA approved the appointment of Mr. Adrian Tanase as CEO of BVB according to the Decisions of the Board. |
| Marius - Alin Barbu | Deputy CEO, Director within the meaning of the Companies Law no. 31/1990, a contract with an indefinite period until December 18, 2024. In accordance with the provisions of Law no. 126/2018, the mandate contract was established by the Board of Governors for a term of 4 years, starting with the date of approval by the FSA, thus the term of the mandate being 4 years, between 18.12.2024 – 18.12.2028. |

BVB is not aware of any agreements, understandings or family relations between members of executive management and others, due to which the respective persons have been appointed to the executive management, also, the members of the executive management have the obligation to submit annual statement on conflict of interest.

Moreover, at the date when preparing this report, BVB is not aware of the existence in 2024 of any litigation or administrative proceedings against members of the Board of Governors or the executive management directly related to their activities concerning the Company or their ability to perform their duties within the Company.

The holdings in BVB shares as of December 31, 2024 of the members of the Board of Governors and the executive management are presented below:

| | |
|--------------------------|---------------|
| Radu Hanga | 12.238 shares |
| Serban Valentin Marin | 17 shares |
| Dumitru Remus Vulpescu | 0 shares |
| Răzvan Legian Raț | 948 shares |
| Loredana Norica Chitu | 0 shares |
| Claudia Gabriela Ionescu | 6.935 shares |
| Octavian Molnăr | 948 shares |
| Vasile Cristian Pascu | 0 shares |
| Daniela Secară | 0 shares |
| Adrian Tănase | 10.015 shares |
| Marius-Alin Barbu | 7.062 shares |

Remuneration for the members of the Board and executives

The remuneration of the directors and the executive management was made based on the Remuneration Policy of the management structure and of the mandate contracts, as well as of the OGMS Resolution no. 4/24.04.2024, which approved the remuneration of the directors for the financial year 2024, the general limits of the additional remuneration for the directors of the Company.

To consult the remuneration policy of the management structure, please visit the BVB website at <http://www.bvb.ro/InvestorRelations/Overview>.

Internal control and risk management systems

The compliance function at the BVB level is organized in the form of procedures aimed at detecting and minimizing any risk of the BVB not fulfilling its obligations according to the provisions of the FSA Regulation no. 13/2018, of Regulation (EU) no. 600/2014 and of the European regulations issued in application of Directive 2014/65 / EU. The compliance function is performed independently and operatively, based on written procedures and an annual investigation plan approved by the Board of Governors.

The risk management function at BVB level is organized in the form of procedures that establish the necessary framework for identifying, evaluating, monitoring, managing and reporting the risks faced by the market operator, in a controlled and efficient way, in order to achieve the specific BVB objectives. To achieve the proposed purpose, through the risk management procedures, the limits of risk tolerance, the activities necessary to identify and evaluate the risks as well as the specific type of risk response are established.

The internal audit function is outsourced and is carried out in accordance with the regulations in force.

President,

Radu Hanga

CEO,

Adrian Tanase

Annex 1 – Statement with regard to BVB’s compliance with the Corporate Governance Code

| Principle | Requirement | Status at 31 December 2024 | If does not comply, action towards compliance |
|-----------|--|----------------------------|---|
| A1 | All companies should have internal regulation of the Board which includes terms of reference/responsibilities for Board and key management functions of the company, applying, among others, the General Principles of Section A. | Comply | |
| A2 | Provisions for the management of conflict of interest should be included in Board regulation. In any event, members of the Board should notify the Board of any conflicts of interest which have arisen or may arise, and should refrain from taking part in the discussion (including by not being present where this does not render the meeting non-quotate) and from voting on the adoption of a resolution on the issue which gives rise to such conflict of interest. | Comply | |
| A3 | The Board of Directors should have at least five members. | Comply | |
| A4 | The majority of the members of the Board of Directors should be non-executive. Not less than two non-executive members of the Board of Directors should be independent, in the case of Premium Tier Companies. Each member of the Board of Directors should submit a declaration that he/she is independent at the moment of his/her nomination for election or re-election as well as when any change in his/her status arises, by demonstrating the ground on which he/she is considered independent in character and judgment in practice and according to the criteria from the BVB Corporate Governance Code. | Comply | |
| A5 | A Board member’s other relatively permanent professional commitments and engagements, including executive and non-executive Board positions in companies and not-for-profit institutions, should be disclosed to shareholders and to potential investors before appointment and during his/her mandate. | Comply | |
| A6 | Any member of the Board should submit to the Board, information on any relationship with a shareholder who holds directly or indirectly, shares representing more than 5% of all voting rights. This obligation concerns any kind of relationship which may affect the position of the member on issues decided by the Board. | Comply | |
| A7 | The company should appoint a Board secretary responsible for supporting the work of the Board. | Comply | |

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| A8 | The corporate governance statement should inform on whether an evaluation of the Board has taken place under the leadership of the chairman or the nomination committee and, if it has, summarize key action points and changes resulting from it. The company should have a policy/guidance regarding the evaluation of the Board containing the purpose, criteria and frequency of the evaluation process. | Comply |
| A9 | The corporate governance statement should contain information on the number of meetings of the Board and the committees during the past year, attendance by directors (in person and in absentia) and a report of the Board and committees on their activities. | Comply |
| A10 | The corporate governance statement should contain information on the precise number of the independent members of the Board of Directors. | Comply |
| A11 | The Board of Premium Tier companies should set up a nomination committee formed of non-executives, which will lead the process for Board appointments and make recommendations to the Board. The majority of the members of the nomination committee should be independent. | Comply |
| B1 | The Board should set up an audit committee, and at least one member should be an independent non-executive. The majority of members, including the chairman, should have proven an adequate qualification relevant to the functions and responsibilities of the committee. At least one member of the audit committee should have proven and adequate auditing or accounting experience. In the case of Premium Tier companies, the audit committee should be composed of at least three members and the majority of the audit committee should be independent. | Comply |
| B2 | The audit committee should be chaired by an independent non-executive member. | Comply |
| B3 | Among its responsibilities, the audit committee should undertake an annual assessment of the system of internal control. | Comply |
| B4 | The assessment should consider the effectiveness and scope of the internal audit function, the adequacy of risk management and internal control reports to the audit committee of the Board, management's responsiveness and effectiveness in dealing with identified internal control failings or weaknesses and their submission of relevant reports to the Board. | Comply |
| B5 | The audit committee should review conflicts of interests in transactions of the company and its subsidiaries with related parties. | Comply |

| | | |
|------------|---|--------|
| B6 | The audit committee should evaluate the efficiency of the internal control system and risk management system. | Comply |
| B7 | The audit committee should monitor the application of statutory and generally accepted standards of internal auditing. The audit committee should receive and evaluate the reports of the internal audit team. | Comply |
| B8 | Whenever the Code mentions reviews or analysis to be exercised by the Audit Committee, these should be followed by cyclical (at least annual), or ad-hoc reports to be submitted to the Board afterwards. | Comply |
| B9 | No shareholder may be given undue preference over other shareholders with regard to transactions and agreements made by the company with shareholders and their related parties. | Comply |
| B10 | The Board should adopt a policy ensuring that any transaction of the company with any of the companies with which it has close relations, that is equal to or more than 5% of the net assets of the company (as stated in the latest financial report), should be approved by the Board following an obligatory opinion of the Board's audit committee, and fairly disclosed to the shareholders and potential investors, to the extent that such transactions fall under the category of events subject to disclosure requirements. | Comply |
| B11 | The internal audits should be carried out by a separate structural division (internal audit department) within the company or by retaining an independent third-party entity. | Comply |
| B12 | To ensure the fulfillment of the core functions of the internal audit department, it should report functionally to the Board via the audit committee. For administrative purposes and in the scope related to the obligations of the management to monitor and mitigate risks, it should report directly to the chief executive officer. | Comply |
| C1 | The company should publish a remuneration policy on its website and include in its annual report a remuneration statement on the implementation of this policy during the annual period under review. The remuneration policy should be formulated in such a way that allows stakeholders to understand the principles and rationale behind the remuneration of the members of the Board and the CEO, as well as of the members of the Management Board in two-tier board systems. It should describe the remuneration governance and decision-making process, detail the components of executive remuneration (i.e. salaries, annual bonus, long term stock-linked incentives, benefits in kind, pensions, and others) and describe each component's purpose, principles and assumptions (including the general performance criteria related to any form of variable remuneration). In addition, the remuneration policy should disclose the duration of the executive's contract and their notice period and eventual compensation for revocation without cause. The remuneration report should present the implementation of the remuneration policy vis-à-vis the persons identified in the | Comply |

remuneration policy during the annual period under review. Any essential change of the remuneration policy should be published on the corporate website in a timely fashion.

| | | |
|-----------|--|--------|
| D1 | <p>The company should have an Investor Relations function - indicated, by person (s) responsible or an organizational unit, to the general public. In addition to information required by legal provisions, the company should include on its corporate website a dedicated Investor Relations section, both in Romanian and English, with all relevant information of interest for investors, including: D.1.1. Principal corporate regulations: the articles of association, general shareholders' meeting procedures; D.1.2. Professional CVs of the members of its governing bodies, a Board member's other professional commitments, including executive and non-executive Board positions in companies and not-for-profit institutions; D.1.3. Current reports and periodic reports (quarterly, semi-annual and annual reports) – at least as provided at item D.8 – including current reports with detailed information related to non-compliance with the present Code; D.1.4. Information related to general meetings of shareholders: the agenda and supporting materials; the procedure approved for the election of Board members; the rationale for the proposal of candidates for the election to the Board, together with their professional CVs; shareholders' questions related to the agenda and the company's answers, including the decisions taken; D.1.5. Information on corporate events, such as payment of dividends and other distributions to shareholders, or other events leading to the acquisition or limitation of rights of a shareholder, including the deadlines and principles applied to such operations. Such information should be published within a timeframe that enables investors to make investment decisions; D.1.6. The name and contact data of a person who should be able to provide knowledgeable information on request; D.1.7. Corporate presentations (e.g. IR presentations, quarterly results presentations, etc.), financial statements (quarterly, semi-annual, annual), auditor reports and annual reports.</p> | Comply |
| D2 | <p>A company should have an annual cash distribution or dividend policy, proposed by the CEO or the Management Board and adopted by the Board, as a set of directions the company intends to follow regarding the distribution of net profit. The annual cash distribution or dividend policy principles should be published on the corporate website.</p> | Comply |
| D3 | <p>A company should have adopted a policy with respect to forecasts, whether they are distributed or not. Forecasts means the quantified conclusions of studies aimed at determining the total impact of a list of factors related to a future period (so called assumptions): by nature such a task is based upon a high level of uncertainty, with results sometimes significantly differing from forecasts initially presented. The policy should provide for the frequency, period envisaged, and content of forecasts. Forecasts, if published, may only be part of annual, semi-annual or quarterly reports. The forecast policy should be published on the corporate website.</p> | Comply |

| | | |
|------------|---|--------|
| D4 | The rules of general meetings of shareholders should not restrict the participation of shareholders in general meetings and the exercising of their rights. Amendments of the rules should take effect, at the earliest, as of the next general meeting of shareholders. | Comply |
| D5 | The external auditors should attend the shareholders' meetings when their reports are presented there. | Comply |
| D6 | The Board should present to the annual general meeting of shareholders a brief assessment of the internal controls and significant risk management system, as well as opinions on issues subject to resolution at the general meeting. | Comply |
| D7 | Any professional, consultant, expert or financial analyst may participate in the shareholders' meeting upon prior invitation from the Chairman of the Board. Accredited journalists may also participate in the general meeting of shareholders, unless the Chairman of the Board decides otherwise. | Comply |
| D8 | The quarterly and semi-annual financial reports should include information in both Romanian and English regarding the key drivers influencing the change in sales, operating profit, net profit and other relevant financial indicators, both on quarter-on-quarter and year-on-year terms. | Comply |
| D9 | A company should organize at least two meetings/conference calls with analysts and investors each year. The information presented on these occasions should be published in the IR section of the company website at the time of the meetings/conference calls. | Comply |
| D10 | If a company supports various forms of artistic and cultural expression, sport activities, educational or scientific activities, and considers the resulting impact on the innovativeness and competitiveness of the company part of its business mission and development strategy, it should publish the policy guiding its activity in this area. | Comply |

Anexa 2 – BVB reporting on sustainability

The sustainability reporting of the Bucharest Stock Exchange SA as issuer is voluntary and refers to non-financial data and information related to 2024.

In presenting the information in this report, BVB analyzed the reporting frameworks such as GRI, TCFD, CDP, SFDR, CSDR, the UN Sustainable Development Goals, the EBRD's ESG Policy, but also the expectations of stakeholders, the ESG rating offered by Sustainalytics, as well as the demands and interests of investors in recent years.

In this report, the terms sustainability and ESG are considered equivalent and interchangeable.

Sustainability events

In March 2015, the Bucharest Stock Exchange became the partner stock exchange of the United Nations (UN) Sustainable Stock Exchanges (EEA) initiative. UN SEE is a peer-to-peer learning platform to explore how stock exchanges, in collaboration with investors, regulators and companies, can strengthen corporate transparency and, ultimately, how they can perform on environmental, social issues and corporate governance issues, but also how to encourage sustainable investment. The initiative is supported by the Principles for Responsible Investment, UNCTAD, UNEP FI and UN Global Compact.

BVB was the fourth European stock exchange to join this global initiative alongside Deutsche Borse, the London Stock Exchange and the Warsaw Stock Exchange.

Through participation in the UNSEE initiative, BVB intends to strengthen its commitment to create a sustainable and transparent environment for all stakeholders, as well as to participate in global forums and projects carried out in various countries, to discuss best practices and learn from partner exchanges, as well as other stakeholders.

Also in support of the development of corporate governance of listed companies, increasing their transparency and improving the quality of reporting, BVB launched in September 2015 a new Corporate Governance Code incident to companies listed on the regulated market, with the support of the European Bank for Reconstruction and Development (EBRD), as part of a new corporate governance framework applicable since January 2016. Subsequently, in 2016, BVB launched a simplified version of the Corporate Governance Code dedicated to companies listed on AeRO. In order to increase the transparency of the listed companies, BVB supported the Association Romanian for Investor Relations in the development of [VEKTOR](#), the indicator of communication with investors for listed companies, which is published on the BVB website. The VEKTOR indicator is calculated annually from the financial year 2019 onwards. Also, starting with the financial year 2022, this indicator is calculated for the companies listed on the AeRO market and members of the BETAero index.

In September 2020, the Bucharest Stock Exchange launched the first ESG project on the local capital market aimed at providing quality ESG information for listed companies.

Through Sustainalytics' ESG risk ratings, BVB's objectives are to provide most local issuers with an initial assessment, the opportunity to improve their reporting from one assessment to another, to promote responsible investment and to highlight the importance of ESG standards among local participants. The initiative also aims to encourage local companies to align their standards with ESG best practices, which have seen spectacular growth globally in recent years.

Sustainalytics' ESG risk ratings are designed to help investors identify and understand the material risks of the companies they own and how these risks can affect the performance of companies. Ratings measure the specific sector risks of companies and assess how well they are managed. Ratings are comparable across different industries and provide a quantitative dimension to the level of risk to which

companies are exposed. Risk ratings are divided into 5 categories: negligible, low, medium, high and severe.

The Bucharest Stock Exchange envisages the development of the ESG infrastructure in Romania starting from this step by involving as many local participants as possible, publishing presentation materials and guides for issuers, as well as launching new products.

The first ESG scores on the local capital market are available free of charge starting with February 8, 2022 on the BVB Research Hub platform of the Bucharest Stock Exchange, more information being available [here](#).

Bucharest Stock Exchange and Envisia – Boards of Elite launched on July 5, 2021 an educational partnership dedicated to capital market actors, "Corporate governance that creates value". The program is designed to stimulate the competitiveness of the boards of directors, to promote good business practices and to develop the competences and skills needed by the members of the boards of directors, thus contributing to building a solid culture of corporate governance. The educational initiative is dedicated to all actors in the capital market, listed companies, companies in the process of listing or interested in this process, intermediaries and authorities. By the end of 2024, 8 cohorts took the program.

BVB published on April 11, 2022 its first reporting guide according to environmental, social and governance (ESG) standards for listed companies, a guide developed with the technical assistance of the EBRD. The ESG reporting guide for issuers was developed together with the sustainability consulting firm Steward Redqueen with the aim of being an essential tool for companies determined to contribute to the reduction of carbon emissions in Romania. The guidelines also provide clear and comparable information to investors and provide a necessary platform for alignment with future EU reporting requirements under the Sustainable Finance Disclosure Regulation (SFDR) and the Corporate Sustainability Reporting Directive (CSRD).

The shift towards green and sustainable capital essentially depends on additional and more detailed data on the ESG activities to help investors in their decision-making. Thus, reporting has become an essential tool for measuring how companies manage climate and sustainability risks. Implementing measures to mitigate global challenges such as climate change, supply chain risks or biodiversity loss has never been more critical.

BVB has a significant role in streamlining the flow of ESG information between companies and investors, by ensuring transparency, providing support, services and raising awareness among customers and stakeholders.

The guide to ESG reporting is available on the BVB website and can be downloaded from this [link](#).

The first green municipal bonds on the local capital market, issued by the Municipality of Resita, debuted on Tuesday, March 5, 2024 on the BVB. The listing of the bonds of the Municipality of Resita (RES33E) was carried out following a private placement in November 2023, within which the municipality attracted 8.8 million euros, through the issuance of 88,296 bonds, non-convertible, guaranteed and denominated in euros.

In February 2024, BVB awarded OMV Petrom for the best ESG (Management Score) assessment for 2023.

In December 2024, BVB published the revised Corporate Governance Code for the Romanian market. The BVB and the EBRD worked together to revise the code, aligning it with recent regulatory changes, current international standards and market participants' priorities. The main purpose of the code is to support the corporate resilience of issuers in a rapidly changing world, to increase market resilience and access to capital, as well as to encourage innovation and sustainable practices. The code is

applicable to all companies listed on the main market of the BVB. The first year of reporting compliance with the new code is 2026, for the financial year 2025. The BVB will monitor issuers' compliance with the Corporate Governance Code annually and will publish aggregated monitoring reports annually. A training framework for issuers and other stakeholders starts in February 2025 with a kick-off conference. The training program for issuers and other actors involved in the code is announced during the conference.

Compared to the previous version, a new section has been added to the Code, on sustainability, which focuses on 3 main recommendations: the company to integrate sustainability aspects into the strategy and functioning of its board and to mitigate any significant negative environmental and social impacts of its operations; stakeholders mapping; the existence of a company-wide code of conduct. This section aims to prepare issuers for easier adoption of sustainability legislation.

As the main entity of the Romanian capital market, the Bucharest Stock Exchange is a promoter of good practices both in the sector in which it operates and within the community in which it operates. Thus, BVB works actively and strategically taking into account all aspects of risk, responsibility and liability, in the relationship with its stakeholders. At the same time, the last years have been marked by the transformation of the local capital market towards a financing lever of Romanian SMEs and the emerging market status offered by the FTSE Russell.

All these factors have made BVB to rethink and restructure its activities in the field of sustainability, towards a more increased promotion of ESG to its customers and a specific implementation of its own, corporate ESG approaches.

In Q3 2022, BVB conducted the consultation process of internal and external stakeholders (customers, investors, employees, civil society, authorities) in order to establish the level to which topics related to the activities of the Bucharest Stock Exchange are important for them from a sustainability perspective (ESG). Most respondents considered as important or very important the aspects included in the survey on the market, environment, BVB employees or civil society. The result of the survey is summarized in the sections of a dedicated report available [here](#).

Regarding the sustainability reporting by the Bucharest Stock Exchange SA, as a listed company, for the financial years 2015-2021, it has drawn up exclusively an Annual Environmental and Social Reporting, as part of the Consolidated Annual Reports of BVB administrators, available [here](#), based on the EBRD's Environmental and Social Policy. 2022 is the first year in which BVB has a dedicated sustainability chapter in its annual report, 2024 being its third year of reporting.

Environmental responsibility

As a basic activity, BVB is a service provider, carrying out its activity in office-type facilities for employees. These are considered to have a negligible impact on the environment, therefore, from the company's point of view, the environmental risk is considered insignificant. However, in view of the fact that climate change is a reality of the days we live in and that it depends on the current generation what legacy will leave to the next generation, BVB is aware of the fact that it must act in support of this global effort of humanity to preserve the environment, with all the necessary prevention, implementation and monitoring measures.

Also, BVB, as an active market operator in the non-banking financial sector, strives to be a promoter of the global sustainability agenda, and promotes ESG reporting of listed companies and green financing.

Social responsibility

The social responsibility of the BVB covers aspects that concern both the human capital of the BVB and civil society.

Regarding human capital, BVB is an employer that respects fundamental labor rights and promotes constructive relations with its employees. BVB's commitment is based on compliance with applicable local legislation, as well as relevant UN and OECD principles. Through its internal procedures and policies, but also through an adequate human resources structure, BVB manages and develops its relations with employees. Regarding the workplace, health and safety at work, equal opportunities, diversity and inclusion, coaching and training, but also the involvement of employees in volunteer activities, BVB applies, in addition to the legal framework in force, the best international practices in the field.

Regarding the indicators in its Diversity and Inclusion Policy, BVB had at the end of 2024, in its organizational chart, 18 department or compartment units, one of which represents an outsourced function, and one does not have a dedicated department head. Of the 16 departments and internal compartments occupied, 7 were headed by a woman, representing 43% women in middle management positions at the end of 2024, similar to 2023. Regarding the inclusion groups for employees, BVB has carried out in 2024, under the BVB Social Club umbrella, numerous events, such as meetings, networking or personal development workshops.

Regarding the local community and the social impact that BVB has on it, BVB has the regulatory framework for carrying out activities on three levels:

- Social impact on local communities: though its activity, BVB promotes Romania as investment destination for foreign investors; it also supports and contributes in financial education programs for the general public.
- CSR activities: through its Sponsorships and Donations Policy, BVB actively supports social projects in the community where it operates. In 2024, BVB supported through its sponsorship activities especially projects in the educational field.
- Compliance with regulations, Ethics, Integrity, Anti-corruption and non-discrimination in business and within society: Considering its quality as a market operator, but also as an Issuer, BVB is subject to a varied and specific regulatory framework. For its administration, BVB has effective internal control and risk management systems, as detailed in the previous chapters of the present Report.

Corporate Governance

The BVB Corporate Governance Framework is presented in detail in the Corporate Governance chapter of this Report.

As regards the BVB's compliance with the principles defined by the BVB Code of Corporate Governance, it fully complies with them, as presented in Annex 1 of the Consolidated Report of Directors for the financial year 2024. Also, BVB complies with the principles of corporate governance provided by the ASF Regulation no. 2/ 2016 on the application of the governance principles by the entities authorized, regulated and supervised by the Financial Supervisory Authority.

The organizational structure of the BVB with its internal bodies/structures (Board of Directors, Audit Committee, Risk Management Committee, Risk Management Department and risk holders) and their responsibilities regarding the risk management and control framework are presented in the BVB Risk Strategy.

ESG risk is part of the BVB risk matrix. The integration of ESG criteria into capital allocation decisions by large institutional investors is a dominant theme in the global capital markets landscape in recent years. The Bucharest Stock Exchange focuses on increasing the visibility and competitiveness of the Romanian capital market by implementing sustainability standards and, in this way, will contribute to

the transition of Romania's economy towards a green economy. At the end of 2024, BVB had two employees from two different departments covering the sustainability and reporting framework on ESG

As measures to control the risk of the ESG: to carry out the annual reporting of BVB on ESG; the annual reassessment, or whenever necessary, of the policies and procedures incidental to the transposition of the ESG legislation in force, and the creation of new policies and procedures, as appropriate; communication to the IR public of reporting on ESG.

The measures incident to the ESG risk for BVB will be reassessed annually.

BVB recognizes the expectations of the stakeholders from the company, given its central role in the development of the local capital market, to have implemented ESG practices, mechanisms and management systems, aimed at its entire activity. Thus, as a result of the feedback received by BVB following the survey with its internal and external stakeholders regarding the importance of ESG factors, BVB reports on the following aspects:

- **BVB Sustainability Strategy:** BVB continued internally in 2024 the discussions on its sustainability strategy, after analyzing the new legislative framework and the materiality of ESG factors for its activity. Also, in setting its strategy, BVB will analyze both reducing or eliminating the negative impact of some ESG factors, as appropriate, and increasing the positive impact in the sustainability sphere for some ESG factors, as appropriate. BVB will also establish its ESG reporting framework, for the purposes of CSRD and ESRS in force. According to this reporting framework, BVB, as a listed SME, should report on sustainability starting with 2026 (for the year 2025). Although BVB is through its activity an institution of public interest, in the spirit of the concept of sustainability and its mission, BVB will analyze the extent of expanding the categories of stakeholders who can benefit from its projects. Also, the BVB Sustainability Strategy will be aligned with the revised version of the BVB Corporate Governance Code.
- **Measures/action plans on financial education:** in 2024, BVB expanded its educational activity on three levels initiated in 2023. The first aims to conclude partnerships with universities in the country in order to cooperate on classroom educational programs or capital market events, savings and investments, entrepreneurship, internships, research. The second level covers the delivery of a free savings and investment workshop for employees of Romanian companies. The third layer covers supporting Envisia-Boards of Elite in carrying out the corporate governance program for board members, with three editions of the program taking place in 2024. These activities will be intensified in the next year, in parallel with BVB's existing educational projects and partnerships.
- **Sustainability ratings obtained by listed companies:** BVB continued in 2024 the collaboration with Sustainalytics in order to ensure the evaluation and reporting framework for listed companies, as presented on the platform [BVB Research Hub](#).
- **Revision of BVB Corporate Governance Code** with the inclusion of sustainability elements and finalizing the project in december 2024.

Chairman,
Radu Hanga

Chief Executive Officer,
Adrian Tanase

Chief Financial Officer,
Virgil Adrian Stroia

Statement

The statement herein concerns the extent to which the financial report of Bucharest Stock Exchange SA, prepared on 31 December 2024, contains an accurate presentation of all significant matters related to the financial position of Bucharest Stock Exchange SA as of 31 December 2024, and of the results of its operations ended on this date according to the accounting standards required by Romanian legal framework, namely the Accounting Law no. 82/1991, republished, and the Rule of the Financial Supervisory Authority no. 39/2015, for the approval of accounting regulations compliant with the International Financial Reporting Standards, applicable to entities regulated, authorized and/or supervised by the FSA, from the Financial Instruments and Investments Sector.

We undertake responsibility for the accurate presentation of the financial reports according to the above-mentioned lawful regulations. We confirm with full knowledge of the facts that the yearly financial and accounting report was drawn up according to the Accounting Regulations in compliance with the International Financial Reporting Standards, the accountancy policies used observing the same and providing an accurate and true to reality image of the assets, liabilities, financial position, profit and loss account and that the report of the Board of Governors includes an accurate analysis of the company development and performance, as well as a description of the main risks and uncertainties specific to the activity carried out.

Chairman,
Radu Hanga

Chief Executive Officer,
Adrian Tanase

Chief Financial Officer,
Virgil Adrian Stroia

Contact us

Investor Relations contact information

Phone: (+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](#)

Conference calls for results

The recording of our conference calls to present financial results and related presentations is available [here](#)

The conference call will be streamed live over the web [here](#)

Upcoming corporate events

29/30 April 2025

General Meeting of the Shareholders

29/30 April 2024

Release of the 2024 Annual Report

14 May 2025

Release of the Quarterly report for the 1st Quarter of 2025 & conference call

13 August 2025

Release of the Half-yearly report for the 1st Half of 2025& conference call

14 November 2025

Release of the Quarterly report for the 3rd Quarter of 2025 & conference call

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BVB Trading app





BUCHAREST STOCK EXCHANGE

**STANDALONE FINANCIAL STATEMENTS PREPARED IN ACCORDANCE
WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AS
ADOPTED BY THE EUROPEAN UNION**

31 December 2024

Own the future, invest in it

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BUCHAREST STOCK EXCHANGE**PROFIT AND LOSS STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME****FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024** (lei)

| | | Financial year ended | Financial year ended |
|---|-------------|-----------------------------|-----------------------------|
| | Note | 31 December 2024 | 31 December 2023 |
| Revenues from services | 8 | 39,779,701 | 49,610,768 |
| Other revenues | | <u>2,034,642</u> | <u>937,212</u> |
| Operating revenues | | <u>41,814,343</u> | <u>50,547,980</u> |
| Staff expenses and indemnities of the Board of Directors | 9 | (15,682,983) | (14,364,805) |
| Third party services expenses | 9 | (3,920,085) | (3,304,375) |
| Other operating expenses | 9 | (10,067,168) | <u>(10,297,832)</u> |
| Operating profit | | <u>12,144,107</u> | <u>22,580,968</u> |
| Dividend income | 10 | 2,844,586 | 1,398,115 |
| Interest income calculated using the effective interest method | 10 | 1,888,432 | 1,674,234 |
| Interest expenses | 10 | (586,024) | (521,823) |
| (Loss)/gain on financial assets at fair value through profit and loss account | 10 | (224,745) | (159,847) |
| (Loss)/gain on impairment of participating interests | 10 | (13,100,148) | - |
| Other net financial (Loss)/gain | 10 | 449,760 | 170,574 |
| Operating profit | | <u>3,415,968</u> | <u>25,142,222</u> |
| Corporate income tax expense | 11 | <u>(2,227,847)</u> | <u>(3,311,250)</u> |
| Profit for the period | | <u>1,188,121</u> | <u>21,830,972</u> |
| Other comprehensive income | | | |
| <i>Items that will not be reclassified to profit or loss:</i> | | | |
| Gain/(Loss) on revaluation of tangible fixed assets, net of deferred tax | 23 | (708,925) | 2,682,267 |
| Total other comprehensive income | | <u>(708,925)</u> | <u>2,682,267</u> |
| Total comprehensive result for the period | | <u>479,196</u> | <u>24,513,239</u> |
| Earnings per share: | | | |
| Basic / diluted earnings per share (lei) | 24 | 0.1432 | 2.7122 |

The individual financial statements were approved by the Board of Directors on 24 March 2025 and signed by:

Chairman,
Radu Hanga

Chief Executive Officer,
Adrian Tanase

Chief Financial Officer,
Virgil Adrian Stroia

The explanatory notes to the financial statements on pages 8 to 67 are an integral part of these separate financial statements

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BUCHAREST STOCK EXCHANGE

STATEMENT OF FINANCIAL POSITION

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024 (lei)

| | <u>Note</u> | <u>31 December 2024</u> | <u>31 December 2023</u> |
|--|-------------|---------------------------|---------------------------|
| Assets | | | |
| Fixed assets | | | |
| Tangible assets | 12 | 13,810,933 | 11,343,401 |
| Intangible assets | 13 | 1,368,446 | 1,567,731 |
| Right-of-use assets | 14 | 8,950,277 | 8,803,406 |
| Investments in subsidiaries | 6 | 72,046,987 | 67,743,735 |
| Deferred tax asset | 19 | - | 273,037 |
| Financial assets at amortised cost | 15 | 10,398,522 | 18,304,822 |
| Financial assets at fair value through profit and loss | 7 | 1,134,061 | 320,877 |
| Total non-current assets | | <u>107,709,226</u> | <u>108,357,009</u> |
| Current assets | | | |
| Trade and other receivables | 16 | 4,775,043 | 7,929,146 |
| Prepayments | 17 | 971,915 | 931,534 |
| Bank deposits at amortized cost | | 8,440,896 | 20,240,524 |
| Financial assets at amortized cost | 15 | 5,902,748 | 4,554,271 |
| Cash and cash equivalents at amortized cost | 18 | 3,293,976 | 3,187,243 |
| Other assets | | 2,772 | 2,185 |
| Total current assets | | <u>23,387,350</u> | <u>36,844,903</u> |
| Total assets | | <u>131,096,576</u> | <u>145,201,912</u> |
| Equity | | | |
| Share capital | 23 | 88,541,700 | 80,492,460 |
| Own shares | 23 | (2,687,178) | (262,879) |
| Share-based benefits | 23 | 1,159, | 1,799,376 |
| Share premium | | 6,303,263 | 6,303,263 |
| Legal reserve | 23 | 12,225,916 | 12,055,118 |
| Revaluation reserve | 23 | 3,721,856 | 4,430,781 |
| Retained earnings | 23 | <u>2,619,257</u> | <u>22,958,690</u> |
| Total equity | | <u>111,884,340</u> | <u>127,776,809</u> |

The explanatory notes to the financial statements on pages 8 to 67 are an integral part of these separate financial statements

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BUCHAREST STOCK EXCHANGE

STATEMENT OF FINANCIAL POSITION

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024 (lei)

| | <u>Notes</u> | <u>31 December 2024</u> | <u>31 December 2023</u> |
|---------------------------------------|--------------|---------------------------|---------------------------|
| Liabilities | | | |
| Leasing liabilities | 21 | 8.992.959 | 8.923.013 |
| Deferred tax liability | 19 | 541.160 | - |
| Other long-term liabilities | | <u>180.831</u> | - |
| Total long-term liabilities | | 9.714.490 | 8.923.013 |
| Trade and other payables | 20 | 5.494.949 | 5.045.719 |
| Deferred in advance | 22 | 2.078.414 | 1.833.550 |
| Leasing liabilities | 21 | 1.161.446 | 914.311 |
| Current income tax liability | | <u>762.937</u> | <u>708.510</u> |
| Total current liabilities | | 9.497.746 | 8.502.090 |
| Total liabilities | | <u>19.212.236</u> | <u>17.425.103</u> |
| Total liabilities t and equity | | <u>131.096.576</u> | <u>145.201.912</u> |

The individual financial statements were approved by the Board of Directors on 24 March 2025 and signed by:

Chairman,
Radu Hanga

Chief Executive Officer,
Adrian Tanase

Chief Financial Officer,
Virgil Adrian Stroia

The explanatory notes to the financial statements on pages 8 to 67 are an integral part of these separate financial statements

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BUCHAREST STOCK EXCHANGE

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(lei)

| | <u>Capital social</u> | <u>Own shares</u> | <u>Employee benefits</u> | <u>Capital premium</u> | <u>Retained earnings</u> | <u>Revaluation reserve</u> | <u>Legal reserve</u> | <u>Total shareholders' equity</u> |
|--|--------------------------|---------------------------|--------------------------|-------------------------|----------------------------|----------------------------|--------------------------|-----------------------------------|
| Balance at 1 January 2024 | <u>80.492.460</u> | <u>(262.879)</u> | <u>1.799.376</u> | <u>6.303.263</u> | <u>22.958.690</u> | <u>4.430.781</u> | <u>12.055.118</u> | <u>127.776.809</u> |
| Profit or loss | - | - | - | - | 1.188.121 | - | - | 1.188.121 |
| Other comprehensive income | | | | | | | | |
| Gain/loss on revaluation of tangible fixed assets, net of deferred tax | - | - | - | - | - | (708.925) | - | <u>(708.925)</u> |
| Total comprehensive result for the period | <u>=</u> | <u>=</u> | <u>=</u> | <u>=</u> | <u>(708.925)</u> | <u>(708.925)</u> | <u>=</u> | <u>479.196</u> |
| Other contributions and distributions: | | | | | | | | |
| Own shares buy-back | 23 | - | (5.337.567) | - | - | - | - | (5.337.567) |
| Share-based employee benefits | - | - | 2.617.578 | (639.850) | - | - | - | 1.977.728 |
| Losses resulted from shares granted within SOP | - | - | 295.690 | - | (295.690) | - | - | - |
| Retained earnings from change in accounting policies | - | - | - | - | (506.884) | - | - | (506.884) |
| Legal reserve | - | - | - | - | (170.798) | - | 170.798 | - |
| Dividend paid to BVB shareholders | 23 | - | - | - | (12.504.942) | - | - | (12.504.942) |
| Increasing/(decreasing) share capital | 23 | 8.049.240 | - | - | (8.049.240) | - | - | - |
| Total other contributions and distributions | <u>8.049.240</u> | <u>(2.424.299)</u> | <u>(639.850)</u> | <u>-</u> | <u>(21.527.554)</u> | <u>=</u> | <u>170.798</u> | <u>(16.371.665)</u> |
| Balance at 31 December 2024 | <u>88.541.700</u> | <u>(2.687.178)</u> | <u>1.159.526</u> | <u>6.303.263</u> | <u>2.619.257</u> | <u>3.721.856</u> | <u>12.225.916</u> | <u>111.884.340</u> |

According to the GMS Resolution from 24 April 2024, the amount of RON 12,524,621 was approved to be distributed as cash dividend. The dividend paid to BVB shareholders is RON 12,504,942, considering that dividends related to treasury shares were not distributed.

The explanatory notes to the financial statements on pages 8 to 67 are an integral part of these separate financial statements
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BUCHAREST STOCK EXCHANGE

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(lei)

| | Note | Capital social | Own shares | Employee benefits | Capital premium | Retained earnings | Revaluation reserve | Legal reserve | Total shareholders' equity |
|--|------|-------------------|--------------------|----------------------|------------------|----------------------|------------------------|-------------------|----------------------------------|
| Balance at 1 January 2023 | | <u>80.492.460</u> | <u>(1,024,524)</u> | <u>948,996</u> | <u>6.303.263</u> | <u>12.675.674</u> | <u>1.748.513</u> | <u>10.798.007</u> | <u>111.942.389</u> |
| Result for the period | | | | | | | | | |
| Profit or loss | | - | - | - | - | 21.830.972 | - | - | 21.830.972 |
| Other comprehensive income | | | | | | | | | |
| Gain/loss on revaluation of tangible fixed assets | 23 | - | - | - | - | - | 2.682.268 | - | 2.682.268 |
| Total other comprehensive income | | - | - | - | - | - | <u>2.682.268</u> | - | <u>2.682.268</u> |
| Total comprehensive result for the period | | = | = | = | = | <u>21.830.972</u> | <u>2.682.268</u> | - | <u>24.513.240</u> |
| Other contributions and distributions | | | | | | | | | |
| Share-based employee benefits | | - | 856.100 | 850.380 | - | - | - | - | 1.706.480 |
| Losses resulted from shares granted within SOP | | - | (94.455) | - | - | 94.455 | - | - | - |
| Legal reserve increase | | - | - | - | - | (1.257.111) | - | 1.257.111 | - |
| Dividend distributed to BVB shareholders | 23 | - | - | - | - | <u>(10.385.301)</u> | - | - | <u>(10.385.301)</u> |
| Total other contributions and distributions | | - | <u>761.645</u> | <u>850.380</u> | - | <u>(11.547.957)</u> | - | <u>1.257.111</u> | <u>(8.678.821)</u> |
| Balance at 31 December 2023 | | <u>80.492.460</u> | <u>(262.879)</u> | <u>1.799.376</u> | <u>6.303.263</u> | <u>22.958.690</u> | <u>4.430.781</u> | <u>12.055.118</u> | <u>127.776.809</u> |

The explanatory notes to the financial statements on pages 8 to 67 are an integral part of these separate financial statements
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BUCHAREST STOCK EXCHANGE

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024 (lei)

| | | Financial year ended | Financial year ended |
|--|----------|--------------------------|---------------------------|
| | Note | 31 December 2024 | 31 December 2023 |
| Cash flows from operating activities | | | |
| Net profit for the period | | 1,188,121 | 21,830,972 |
| Adjustments to eliminate non-monetary items and items from investing and financing activities: | | | |
| Depreciation of fixed assets | 12,13,14 | 3,360,576 | 3,313,473 |
| Net interest income and amortisation of premiums on government bonds | 10 | (1,888,432) | (1,674,234) |
| Dividend income | 10 | (2,844,586) | (1,398,115) |
| Proceeds from the sale of financial assets | 10 | (97,186) | - |
| Prescribed dividend income | 20 | (1,203,703) | - |
| Loss on derecognition of receivables | 16 | 13,437 | 21,962 |
| Receivables adjustment expense/(income) | | 462,396 | 59,708 |
| Expense/(Income) on fixed asset impairment adjustments | 12 | (163,678) | 163,678 |
| Loss/(Gain) from financial assets at fair value | 7 | 224,745 | 159,847 |
| Impairment adjustment of participations in subsidiaries | 6 | 13,100,148 | - |
| Reclassification of income tax expense | 11 | 2,227,847 | 3,311,248 |
| Expected credit loss - IFRS 9 | | 55,226 | (197,238) |
| Write-off of fixed assets (net) | | 193,074 | - |
| Expenses with share-based benefits | 23 | <u>1,048,534</u> | <u>1,706,480</u> |
| Net cash from operating activities : | | <u>15,676,519</u> | <u>27,297,781</u> |
| Change in trade and other receivables | 16 | 2,411,633 | (2,789,332) |
| Change in prepayments | 17 | (40,381) | (312,042) |
| Change in trade and other payables | 20 | 1,634,775 | 828,332 |
| Change in deferred income | 22 | 244,864 | 220,716 |
| Corporate income tax paid | | <u>(2,068,148)</u> | <u>(3,057,636)</u> |
| Net cash from operating activities | | <u>17,859,263</u> | <u>22,187,818</u> |
| Cash flows from investing activities | | | |
| Interest received | 10 | 2,420,994 | 1,698,861 |
| Dividends received | 10 | 2,844,586 | 1,398,115 |
| Net change in bank deposits with initial maturity >3 months | 15 | 11,798,823 | (14,636,154) |
| (Payments for the acquisition)/receipts of financial assets | 15 | 5,975,772 | 8,016,306 |
| Purchases of tangible and intangible fixed assets | 12, 13 | (4,434,978) | (5,186,006) |
| Payments for acquisition of other financial assets | | (483,579) | (480,724) |
| Proceeds from the sale of tangible and financial assets | 10, 12 | 109,458 | - |
| Investment in subsidiaries | 6 | (17,403,400) | - |
| Net cash from/(used in) investing activities | | <u>827,676</u> | <u>(9,189,602)</u> |

The explanatory notes to the financial statements on pages 8 to 67 are an integral part of these separate financial statements

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BUCHAREST STOCK EXCHANGE

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024 (lei)

| | | Financial year ended 31 December 2024 | Financial year ended 31 December 2023 |
|--|-------------|--|---|
| Cash flows from financing activities | Note | | |
| Dividends paid | 23 c) | (12,320,670) | (10,240,052) |
| Leasing payments | 21 | (418,815) | (986,631) |
| Leasing interest payments | 10 | (503,154) | (212,497) |
| Acquisition of own shares | 23b) | (5,337,567) | - |
| Net cash used in financing activities | | <u>(18,580,206)</u> | <u>(11,439,179)</u> |
| Net increase/(decrease) in cash and cash equivalents | | 106,733 | 1,559,037 |
| Cash and cash equivalents at 1 January | 18 | <u>3,187,243</u> | <u>1,628,206</u> |
| Cash and cash equivalents at 31 December | 18 | <u>3,293,976</u> | <u>3,187,243</u> |

Cash and cash equivalents at 31 December 2024 shows the position net of expected credit losses (IFRS9). The gross amount of cash and cash equivalents is RON 3,312,034 (2023: RON 3,194,404), and the expected credit loss is RON 18,058 (2023: RON 7,161).

The explanatory notes to the financial statements on pages 8 to 67 are an integral part of these separate financial statements

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1. REPORTING ENTITY

On 21 June 1995, by Decision D20 of the National Securities Commission, the Bucharest Stock Exchange was established as a public, autonomous institution, under the provisions of Law no.52/1994 on securities and stock exchanges.

Until the date of its transformation into a joint-stock commercial company, the Bucharest Stock Exchange operated in compliance with the provisions of Law no. 52/1994, respectively of GEO no. 28/2002 on securities, financial investment services and regulated markets, as a public institution, with a non-patrimonial purpose, financed from its own sources.

On 15 July 2005, by judgment no. 12270/SC/2005 pronounced in case no. 531497/SC/2005, the request for reorganisation of the Bucharest Stock Exchange by changing its legal form into a joint stock company, without liquidation of assets and without discontinuing the activity of the former public institution, was admitted. assets of the Bucharest Stock Exchange became, in accordance with Article 285 paragraph 1 of Law no. 297/2004 on the capital market, "the assets of SC Bursa de Valori București - SA" (hereinafter referred to as "BVB" or "the Company"). On the date of the change of legal form, the share capital of the new joint stock company was formed from the accumulated result of the public institution. This share capital was distributed equally and free of charge among the securities companies (currently financial investment services companies) active at that date.

On 31 August 2005 (the reference date), BVB, the absorbing company, merged by absorption with Bursa Electronica Rasdaq S.A., the absorbed company, the latter transferring the universal right over its own assets to the absorbing company.

On 29 December 2017 (effective date), BVB, the absorbing company, merged by absorption with SIBEX - Sibiu Stock Exchange S.A. Sibiu, the absorbed company, the latter transferring the universal right over its own assets to the absorbing company.

The official headquarters of BVB is in Roamnia, Bucharest, Soseaua Nicolae Titulescu nr. 4-8, et. 1, Aripa de Est, sector 1, Cladirea America House. The BVB has no branches in other cities.

The main field of activity of the BVB is "Administration of financial markets". Since 8 June 2010, BVB shares are listed on the Romanian regulated market on the Bucharest Stock Exchange under the symbol "BVB".

BVB's operating revenues Are generated by:

Trading income represented by the commissions charged by the BVB for sale and purchase transactions carried out on the regulated market and the Multil Multilateral Trading System (MTF) through participants admitted to trading on the BVB. These are, for the most part, recognised at the time of the transaction. These revenues represent 67% of the BVB's revenues.

Revenues from admission to trading fees are used to analyse the files of issuers of shares and other financial instruments and to admit them to listing on the stock exchange. In addition, annual fees are levied to maintain the issuers' trading, differentiated for the Main Market and SMT.

For the Regulated Market, the fees are charged on the anniversary date of the listing or issuance of the financial instrument, and for the Multil Multilateral Trading Facility at the beginning of the financial year for the current year. These revenues represent 14% of the BVB's revenues.

Revenues from sale of stock market information entail the provision of market data related to financial instruments listed on the BVB, necessary for trading or trading-related activities, as well as the licensing of the BVB's benchmark indices. Currently, revenues from the sale of stock market information represent 12% of the BVB's operating revenues.

Other income is represented by amounts invoiced to subsidiaries for the maintenance of the Arena operational IT system and software developments, as well as income from partnerships entered into for marketing events and projects carried out for business development purposes recognised either on the face of the loan or for the period to which it relates. This segment represents 6% of BVB revenues.

For further details on the amount of revenue realised on each area in 2024, see *Note 8*.

2. BASES OF PREPARATION

a) Statement of compliance

The separate financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("EU IFRS") and in accordance with Rule 39/2015 of the Financial Supervisory Authority ("ASF") for the approval of the Accounting Regulations in accordance with International Financial Reporting Standards, applicable to entities authorised, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector, as amended ("Rule 39/2015"). The Company has prepared these individual financial statements in order to comply with the requirements of Instruction No. 2/2014 on the application of International Financial Reporting Standards as adopted by the European Union by entities authorised, regulated and supervised by the Financial Supervisory Authority, as amended.

The separate financial statements comprise the statement of financial position, the income statement and the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and explanatory notes

At the time these financial statements were approved, Company also prepared consolidated financial statements in accordance with IFRS EU for the Company and its subsidiaries, also referred to as "subsidiaries" in these financial statements (together forming the "Group") in accordance with IFRS 10.

The consolidated financial statements can be consulted on the company's website by clicking on the [link](#). In the consolidated financial statements, subsidiaries - which are those companies in which the Company, directly or indirectly, owns more than half of the voting rights or has the power to exercise control over the operations - are fully consolidated.

2. BASES OF PREPARATION (CONTINUED)

Users of these individual financial statements should read them together with the consolidated financial statements of the Group as at and for the year ended 31 December 2023 in order to obtain full information about the financial position, results of operations and cash flows of the Group as a whole.

b) Bases of measurement

The separate financial statements have been prepared on the historical cost or amortised cost basis, except for financial assets measured at fair value through profit or loss

The land held is also periodically appraised to reflect fair value as of the balance sheet date. Fair value is determined on the basis of appraisals carried out, as a general rule, by qualified valuation professionals who are members of a nationally and internationally recognised professional body in the field. The last valuation report was performed in 2023.

At 31 December 2024, we have no indications of material changes in the fair value of the land held.

The methods used to determine fair value are disclosed in Note 4.

c) Functional and presentation currency

The items included in these individual financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("functional currency"), i.e. the lei. The financial statements are presented in lei, which is the functional and presentation currency of the BVB, with amounts rounded to the nearest unit.

d) Use of estimates and professional judgements

The preparation of the separate financial statements according to EU IFRS adopted by the European Union requires management to make estimates and assumptions that affect the application of accounting policies and the reported value of assets, liabilities, income and expenses. Estimates and related judgements are based on historical data and on other factors deemed to be eloquent in the given circumstances, and the result of these factors forms the basis of the judgments used in establishing the carrying amount of assets and liabilities for which there are no other measurement sources available. Actual results may differ from estimates.

Estimates and judgements are revised on a periodical basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision only affects that period or in the current period, and in the future periods, if the revision affects both current and future periods.

The significant accounting methods and policies have been consistently applied by BVB during the financial years presented in these separate financial statements.

2. BASES OF PREPARATION (CONTINUED)

e) Reclassification of comparative information

The Company has voluntarily opted to restate certain comparative information in the 2024 *Financial Statements* due to the need for more granular presentation of certain information, either due to an identified presentation error or as a result of other improvement needs.

The information is presented below:

Profit and loss account

Net financial income for the year 2023 in the amount of RON 2,561,254 has been presented at a higher level of granularity in Dividend income, interest income, interest expense, impairment losses on financial assets carried at fair value through profit and loss and other net gains/losses on financial assets.

Statement of financial position

Treasury shares and benefits granted in shares at 31 December 2023 in the amount of RON 1,536,497 has been separated and shows the balance of Treasury shares in the amount RON (262,879) and the balance of *Benefits granted in shares* of RON 1,799,376.

Statement of changes in equity

1. *Own shares and share-based payments* column at 31 December 2023 has been separated into Own shares with an ending balance of RON (262,879) and *Share-based payments with an ending balance* of RON 1,799,376.

The same presentation has been implemented in the Statement of changes in equity at 31 December 2024.

2. The legal reserve has been reclassified from the operating result to the *Other contributions and distributions* section, renamed at 31 December 2024, from the existing presentation *Contributions from/distributions to shareholders* at 31 December 2023. To align with the current year, this Section has also been renamed in the 31 December 2023 comparatives.

Cash flow situation

The Lease payments, including interest line has been separated into Lease payments and Interest payments, starting 31 December 2024. Thus, the information has been similarly presented in the comparatives as at 31 December 2023.

Explanatory note

1. *Note 10* - In line with the segregation of *Net Financial Income* in the Income Statement, the information in Note 10 has also been presented in the same way, both at 31 December 2024 and the comparative at 31 December 2023.
2. *Note 4 b)*- In Structure of the Company's Assets and Liabilities, Financial Assets have been introduced and the value of net assets at 31 December 2024 has been calculated, as well as for comparative purposes at 31 December 2023. Financial liabilities amounting to RON 3,186,922 as at 2023 have been separated into Trade and other payables amounting to 1,691,167 and Dividends payable amounting to 1,495,755.

2. THE BASICS (CONTINUED)

f) Sustainability matters

The company analysed reporting frameworks such as GRI, TCFD, CDP, SFDR, CSDR, UN Sustainable Development Goals, EBRD ESG Policy, but also stakeholder expectations, the ESG rating provided by Sustainalytics, and investor demands and interests in recent years.

BVB, as an issuer, specifies that it is in the process of integrating the sustainability reporting requirements related to the BVB's new Corporate Governance Code, the Sustainalytics assessment methodology, applicable national legislation in the area of sustainability, as well as specific national capital market legislation. Although it includes in its annual directors' report a dedicated corporate governance chapter and a sustainability chapter, the BVB will fully integrate the provisions of the national legislation transposing the CSRD in the second wave of implementation.

The separate financial statements as at 31 December 2024 do not include any estimates in respect of this process as they have no material financial impact.

BVB does not currently carry out a non-financial reporting process, and this does not in any way influence the Company's financial indicators. All information and indicators presented are based solely on financial data and are reported in accordance with the accounting regulations in force, as well as applicable capital market legislation.

Further details on sustainability reporting by Bursa de Valori București SA, as well as the actions taken in this direction can be found in the dedicated section of the Directors' Report at the [link](#).

3. SIGNIFICANT ACCOUNTING POLICIES

a) Foreign currency

Transactions denominated in foreign currency are recorded in lei at the official exchange rate on the settlement date of the transaction. Monetary assets and liabilities recorded in foreign currency on the date of preparation of the statement of financial accounting position are expressed in lei at the National Bank of Romania exchange rate on the reporting date. Gains or losses on their settlement and on the translation of monetary assets and liabilities denominated in foreign currency using the year-end exchange rate are recognised in the profit and loss account under *Other gains and losses*. Non-monetary assets and liabilities that are measured at historical cost in foreign currency are recognised in lei at the exchange rate at the transaction date and are not revalued at the end of the financial year at the National Bank of Romania exchange rate. Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are recorded in lei at the exchange rate on the date on which the fair value was determined.

BUCHAREST STOCK EXCHANGE

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024 (lei)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The exchange rates of the main currencies were as follows:

| <u>currency</u> | <u>Spot exchange rate</u> | | | |
|-----------------|--|--|--|--|
| | <u>Spot exchange rate</u> <u>31 December 2024</u> | <u>Spot exchange rate</u> <u>31 December 2023</u> | <u>Average</u> <u>exchange 2024</u> | <u>Average</u> <u>exchange 2023</u> |
| EUR | 4,9741 | 4,9746 | 4,9746 | 4,9465 |
| USD | 4,7768 | 4,4958 | 4,5984 | 4,5743 |

b) Financial assets and liabilities

Financial assets

1. Classification

Financial assets are divided into three classification categories: measured at amortised cost, measured at fair value through other comprehensive income (FVOCI) and measured at fair value through profit or loss (FVPL).

The recognition and measurement of financial assets is based on the analysis of the business model and contractual cash flows and requires a model for recognising impairment adjustments based on expected credit losses.

The classification for debt securities is determined by the financial asset management entity's business model and whether the contractual cash flows represent principal and interest payments only (SPPI). If debt instruments are held for collection, they may be carried at amortised cost if they also meet the SPPI requirement.

The Company's business model for financial investments is to hold financial assets in order to collect contractual cash flows, and the types of financial assets held (government securities and bank deposits) give rise, at certain dates, to cash flows that are solely payments of principal and interest on the principal amount due. Thus, all the Company's financial investments are measured at amortised cost.

2. Initial recognition

The Company initially recognises receivables and deposits on the date they are originated. All other financial assets (including assets designated at fair value through profit or loss) are initially recognised on the trade date when the Company becomes party to the contractual terms of the instrument.

3. Valuation at amortised cost

After initial recognition, a financial asset is classified as measured at amortised cost only if two conditions are met simultaneously: the asset is held as part of a business model whose objective is to hold the financial assets to collect contractual cash flows; and the contractual terms of the financial asset give rise, at specified dates, to cash flows representing solely payments of principal and interest.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Fair value assessment

Investments in equity instruments are always measured at fair value. However, management may make an irrevocable election to present changes in fair value in other elements of the

comprehensive income, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are recognised in the income statement.

Equity instruments held by the Company at 31 December 2024 are measured at fair value through profit or loss.

5. Identifying and assessing expected credit losses

(i) *Financial assets*

Stage 1: includes

- (i) newly recognised exposures, except those that have not been purchased or issued impaired;
- (ii) exposures for which credit risk has not deteriorated significantly since initial recognition;
- (iii) low credit risk exposures.

Stage 2: includes exposures which, although performing, have experienced a significant deterioration in credit risk since initial recognition.

Stage 3: includes impaired credit exposures.

The expected credit loss is the difference between all contractual cash flows that are due to the Group and all cash flows that the BVB expects to receive, discounted at the original effective interest rate.

For stage 1 exposures, the expected credit loss equals the expected loss calculated over a time horizon of up to one year.

For financial investments such as government securities, banking assets and bank accounts, the Company has adopted the standardised approach, Stage 1, being financial assets for which there is no significant increase in credit risk at the date of analysis compared to the date of initial recognition or have associated low risk and for which the need to calculate the 12-month ECL ("12-month ECL") is required.

Thus, the Company has used in the calculation of the 12-month ECL provision the information that is available for financial reporting purposes without undue cost or effort, namely the 12-month Credit Default Risk (CDS) rate for Romania published by the agency Refinitiv Eikon, being a rate that reflects the default risk related to our country.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Low credit risk trade receivables classified as stage 1 are estimated using a simplified approach, recognising expected credit losses over the estimated expected life of the receivables based on the historical credit loss experience based on the past 12 months' default rate of the borrowers, adjusted where necessary to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented on the basis of their outstanding status in terms of the provision matrix.

For exposures in stages 2 or 3, the expected credit loss is equal to the expected loss calculated over a time horizon corresponding to the entire duration of the exposure.

The BVB assesses whether the credit risk for a financial instrument has increased significantly since initial recognition based on information available without undue cost or effort that is indicative of a significant increase in credit risk since initial recognition, such as a significant deterioration in the financial results or credit rating of the issuer of the financial instrument or delays in interest or principal payments on the financial instrument that are more than 30 days past due.

The BVB uses the simplified approach applicable to trade and other receivables. Under this approach, the BVB measures the loss adjustment for these claims at an amount equal to the lifetime expected credit losses (i.e. it eliminates the need to calculate expected credit risk losses for Stage 1 at an amount equal to the 12-month expected credit losses and the need to assess the occurrence of a significant increase in credit risk).

The BVB has defined "impaired" exposures as claims that fulfil one or both of these criteria:

- exposures for which the BVB assesses that the borrower is unlikely to pay its obligations in full, irrespective of the amount of the exposures and the number of days for which the exposure is past due (e.g. due to major financial difficulties faced by the customer; in the case of amounts in dispute);
- amounts overdue by more than 270 days.

The allowance for impairment of trade receivables is calculated annually taking into account overdue receivables older than 270 days, taking into account a 100 per cent rate.

The allowance for impairment of other receivables is calculated annually taking into account doubtful receivables.

The BVB recognises in profit or loss the amount of changes in expected credit losses over the lifetime of financial assets as losses or reversals of expected credit losses.

Expected credit losses or reversals of expected credit losses are determined as the difference between the carrying amount of the financial asset and the present value of future cash flows using the financial asset's effective interest rate at inception.

The BVB has not provided detailed information on how forecast economic conditions have been incorporated into the determination of the ECL as the impact is not material.

6. Derecognition

The company derecognises a financial asset when the contractual rights to the cash flows generated by the asset expire or when the rights to collect the contractual cash flows are converted

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

of the financial asset in a transaction that significantly transforms the risks and rewards of ownership of the financial asset. Any interest in the transferred financial asset that is created or retained by the Company is recognised separately as an asset or liability.

Financial liabilities

The Company does not have financial liabilities designated at fair value through profit or loss, so all the Company's liabilities are carried at amortised cost.

c) Investments in subsidiaries, associates

Subsidiaries are entities controlled by the Group.

An investor controls an investee when it is exposed to or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The financial statements of the subsidiaries are included in the consolidated financial statements from the time control commences until control ceases. The accounting policies of the Group's subsidiaries have been amended in order to align them with those of the Group.

The existence and effect of potential voting rights that are currently exercisable or convertible are taken into account in determining whether or not the Company controls another entity.

Associates are those companies in which the Group can exercise significant influence but not control over financial and operating policies.

Measuring investments in subsidiaries, associates

Associates are entities over which the Company has significant influence (directly or indirectly) but does not exercise control, generally holding between 20 and 50 per cent of the voting rights. These individual financial statements contain information about Bursa de Valori București SA as an individual entity and do not contain consolidated financial information of the Group.

The Company uses the cost method to account for its investments in subsidiaries and associates in its separate financial statements. Transaction costs relating to the acquisition of a subsidiary, associate or joint venture are capitalised. Dividends received from investments in subsidiaries and associates are recognised in the income statement when the Company's right to receive payment is established and it is probable that the dividends will be collected.

If the recoverable amount in subsidiaries and associates (the maximum of fair value less costs assimilated to selling and value in use) is less than the net carrying amount, the Company will reduce its net carrying amount to the recoverable amount. The reduction is a value adjustment.

The net carrying amount of investments carried at cost represents the original cost less previously recognised value adjustments. Typically, the recoverable amount of investments will be calculated based on the economic benefits generated by the dividends received from subsidiaries and associates.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Tangible and intangible assets and rights of use assets

Tangible assets

(i) Recognition and assessment

Property, plant and equipment are initially recognised at cost. Subsequent measurement is based on their respective category:

- land is recognised at fair value, determined on the basis of periodic valuations by independent external valuers. Revaluations are carried out with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount;
- all other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment.

(ii) Subsequent costs

The Company recognises in the carrying amount of an item of property, plant and equipment the cost of its replacement when that cost is incurred or if it is probable that the economic benefits embodied in the item will flow to the Company and the cost of the item can be credibly measured. All other costs are recognised as an expense in the income statement when incurred.

Expenditure arising from the replacement of a separately disclosed component of property, plant and equipment, including inspections or capital repairs, is capitalised. Other subsequent expenditure is capitalised to the extent that it improves the future performance of those items of property, plant and equipment. All other expenditure on repairs and maintenance is recognised in the profit or loss as incurred.

(i) Depreciation of tangible assets

Depreciation is calculated using the straight-line method over the estimated useful life of each item of property, plant and equipment. Land is not subject to depreciation.

The useful lives for the current and comparative periods are as follows:

| | |
|---|---------------------------------------|
| Building improvements | For the remaining period of the lease |
| Machinery and equipment | 3-20 years |
| Furniture installations and accessories | 2-15 years |

Amortisation methods, useful lives and carrying amounts are reviewed at each financial year-end and adjusted accordingly.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets

(i) Recognition and assessment

Purchased intangible assets (including computer software) with a finite useful life are measured at cost less accumulated amortisation and accumulated impairment losses.

(ii) Subsequent expenses

Development costs directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- Technical possibility to finalise the software product so that it will be available for use;
- Management intends to finalise the software product and use or sell it;
 - There is the ability to use or sell the software product;
 - It can demonstrate how the software product will generate future economic benefits;
 - Adequate technical, financial and other resources are available to complete development and use or sell the software product; and
 - Costs attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include costs of employees involved in software development and an appropriate portion of the relevant overheads.

Other development expenditure not meeting these criteria is recognised as expenses. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over estimated useful life not exceeding three years

(iii) Amortisation of intangible fixed assets

Amortisation is recognised in the income statement on a straight-line basis over the estimated useful life of the intangible asset. Intangible assets are amortised from the date the asset is ready for use. The useful life for software and licences is between 1 and 5 years.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amortisation methods, useful lives and carrying amounts are reviewed at each financial year-end and adjusted accordingly

(iv) Right-of-use assets

The Company recognises right-of-use assets and lease liabilities in accordance with IFRS 16. Right-of-use assets are amortised using the straight-line method over the shorter of the useful life of the asset and the lease term. For further details see Note 13.

The company has not applied the exemptions from recognising leases as right-of-use assets in IFRS 16.

e) Prepayments and deferred income

Expenses respectively, income paid or received in advance but relating to the following period are recognised in the income statement for the period to which they relate. Their balance at the end of the period is recognised in the Statement of Financial Position of the Company as *Prepayments* and *Deferred income* respectively.

f) Depreciation

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is evidence of impairment. If such evidence exists, the recoverable amount of the asset is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of value in use and fair value less costs to sell. In determining value in use, expected future cash flows are discounted to determine present value using a discount rate

Pre-tax assets that reflect current market assessments of the time value of money and asset-specific risks.

For impairment testing, assets that cannot be tested individually are grouped at the level of the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets ('cash-generating unit').

g) Employee benefits

(i) Short-term benefits

Short-term employee benefits include salaries, allowances and social security contributions. Short-term employee benefits are recognised as an expense as services are rendered.

(ii) Defined contribution plans

The Company makes payments on behalf of its employees to the Romanian state pension system, health insurance and unemployment fund in the course of normal business. All the Company's employees are members and are also legally obliged to contribute (through social security contributions) to the Romanian State pension scheme (a State defined contribution plan). All related contributions are recognised in profit or loss in the period in which they are made.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iii) *Other benefits*

In addition to the fixed remuneration, there is a variable component of the total remuneration that can be granted to the employees of BVB entities in addition to the fixed remuneration, conditional on the fulfilment of certain performance indicators. The variable remuneration can be granted either in cash or in BVB shares. At BVB level a Stock option plan has been adopted. In the case of staff, when determining the variable part of the annual remuneration, the limitation of excessive risk-taking is taken into account.

Based on the mandate granted by shareholders' resolutions, the Board of the Stock Exchange decides annually on the number of shares included in the employee Share Option Plan. The fair value at the date the options are granted to the employees as a bonus is recognised in personnel expenses. (Note 8).

At the same time, deferred income tax income is recognised, i.e. the deferred income tax asset at the grant date of the options.

(iv) *Other long-term employee benefits*

The Company may provide, but is not obligated to provide, postretirement benefits without giving rise to a legal or constructive obligation. Therefore the Society has not recognised liability in these financial statements for this purpose.

h) Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been purchased in the normal course of business from suppliers and other creditors. Trade and other payables are classified as current payables if payment is due within one year or less. Otherwise, they are shown as long-term payables. Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

i) Leasing liabilities

The company recognises the right of use of assets and liabilities related to leases in the statement of financial position.

Lease liabilities are discounted using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for group leases, the lessee's incremental borrowing rate is used, being the rate the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value for the right to use the asset in a similar economic environment with similar terms, conditions and terms.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j) Provisions

Provisions are recognised in the statement of financial position when an obligation arises for the Company as a result of a past event and it is probable that it will be necessary in the future to expend economic resources to settle the obligation and a reasonable estimate of the amount of the obligation can be made. In determining the provision, future cash flows are discounted using a pre-tax discount rate that reflects current market conditions and the risks specific to the particular liability. Discount amortisation is recognised as a finance expense.

k) Revenue from contracts with customers

BVB is the market operator in Romania and currently is authorized by FSA in two local markets:

- Regulated Market where shares and rights issued by Romanian and international entities are traded; debt securities: corporate, municipal and government bonds issued by Romanian entities and international corporate bonds; units in collective investment schemes: shares and fund units; structured products, tradable UCITS (ETFs);
- SMT/AeRO market, aimed at start-ups and SMEs, which was launched on 25 February 2015; separate sections of SMT are dedicated to trading in foreign shares listed on another market.

The operating revenues of the BVB are realised mainly from the trading activity of all listed instruments, from fees charged to issuers for admission and maintaining the listing, from the sale of stock exchange data to various users, IT services and other revenues.

Revenue from contracts with customers is recognised when control of goods and services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Under contractual provisions the payment terms are a maximum of 30 days.

Trading revenues

The Company charges transaction fees for client orders for transactions in shares or other financial instruments on markets managed by the Company. Customers obtain control of the service provided upon execution of the transaction. Revenue is recognised at that time.

Admission and maintaining to trading fees

Listing fees consist mainly of initial listing fees paid by issuers for the listing of securities on different markets (admission fees), subsequent admission fees for other securities (such as admission of additional securities) and annual maintenance fees paid by companies whose securities are listed on the markets administered by the BVB. Admission services around the initial admission are considered to be activities that the Company must undertake to enable the client to be listed. Accordingly, revenue generated from this performance obligation is recognised on the date of admission to trading. Post-listing services are charged on an annual basis and are recognised over the period of transfer of the service.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*Sale of market data revenues*

BVB charges customers on a per-user basis for access to its real-time market information services. The Company also collects periodic licence fees from customers for the right to distribute the Company's data to third parties. Customers obtain control over the market data service provided during the period it has access to the data. Accordingly, revenue is recognised based on the elapsed time over the period of access to the market data. The Company fulfils its obligation to provide data consistently throughout this period.

The Company generates index revenue from the BVB's benchmark index licensing fees, which gives clients the right to apply the BVB index trademarks in their products. The nature of an index licence is considered a separate 'right of access' licence as the client can reasonably expect the Company to undertake ongoing activities to sustain and maintain the value of its trademark names. The revenue generated from these licences is therefore recognised equally over the contractual term of the licence, as this best reflects the ongoing benefit of the licence by the customer over that term.

IT Services

The BVB provides software licences, including additional development, maintenance services, IT services (hosting) provided to subsidiaries and participants, connection services and data centre colocation services provided to market participants. Software licences that are distinct may be considered a 'right to use' licence given the significant standalone functionality of the underlying intellectual property. Accordingly, revenue will be recognised upon acceptance of the software and source code by the customer. For software licences that are combined with a software update service, revenue is recognised over time using the input method of labour hours spent during the update period.

Revenue from software maintenance services is recognised evenly over the period of the maintenance contract as it best reflects the ongoing transfer of maintenance services throughout the contract period

BVB offers hosting services to customers who use the software installed in the BVB data centre to use the trading platform. The installation service itself does not transfer a good or service to the customer, but is required to successfully transfer the only performance obligation for which the customer has contracted, which is the hosting service. The revenue generated from this performance obligation is recognised evenly over the service period of the contract, as this best reflects the ongoing transfer of hosting services to the customer.

Other revenue

Initiatives or events run by the BVB may be organised in partnership with some issuers or capital market participants in order to promote them, thus part of the cost of the event or project is borne by them. The BVB recognises revenue from these partnerships either at the time the event takes place or, in the case of some projects, during the period in which they take place.

Details of categorised revenue are given in Note 8.

Balances related to contracts with customers are reflected in Note 16.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial income

Financial income comprises interest income on invested cash (including assets carried at fair value), dividend income, income on provisions for expected credit losses, gains on revaluation of assets and liabilities in other currencies, discount accounting on financial assets held to collect future cash flows (securities) by determining amortised cost using the effective interest method.

Dividend income is recognised in the income statement on the date on which the Company's right to receive dividends is established, which in the case of quoted instruments is the record date.

Financial expenses comprise losses on the sale of financial assets, losses on the revaluation of foreign currency assets and liabilities, interest expense on lease debt and provision expenses for expected credit losses.

l) Current and deferred corporate income tax

Tax expense for the period includes current and deferred tax. Tax is recognised in the income statement unless it relates to items recognised in other comprehensive income or directly in equity. In this case, the related tax is also recognised in other comprehensive income or directly in equity.

Current income tax expense is calculated on the basis of tax regulations enacted or substantially enacted at the balance sheet date in the countries in which the company and its subsidiaries operate and generate taxable profit. Management periodically assesses positions in tax returns for situations where applicable tax regulations are open to interpretation. It makes provisions, where appropriate, based on amounts estimated to be due to the tax authorities.

Deferred income tax is recognised for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they result from the initial recognition of goodwill; deferred income tax is not accounted for if it results from the initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor tax profit or loss. Deferred income tax is determined on the basis of tax rates (and laws) enacted or substantially enacted by the balance sheet date, and which are expected to be applied in the period when the deferred tax assets will be realised or the deferred tax liabilities will be settled.

According to local tax legislation, if the Company records a tax loss, determined by the income tax return, it can be recovered the rate of 70% of the taxable profits obtained in the next 7 consecutive years, respectively in the next 5 consecutive years starting with the profit for the year 2024. For unused tax loss carryforwards, the deferred tax asset is recognised only to the extent that it is probable that future taxable profit will be available after offsetting the tax loss carryforwards of prior years against the tax loss carryforwards and the tax recoverable. The deferred tax asset is reduced to the extent that the related tax benefit is unlikely to be realised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which temporary differences can be deducted.

Deferred income tax assets are calculated for deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable that the temporary difference will reverse in the future and there is sufficient taxable income available against which the temporary difference can be utilised.

Deferred tax receivables and liabilities are offset when there is an applicable legal right to set off current tax receivables against current tax liabilities, and when deferred tax receivables and liabilities are offset against current tax liabilities.

Deferred relates to income taxes imposed by the same tax authority, either on the same taxable entity or on different taxable entities, if there is an intention to offset balances on a net basis.

The corporate income tax rate used to calculate the current and deferred tax was 16% 31 December 2024 (31 December 2023: 16%).

m) Share capital

Ordinary shares are classified as equity.

Additional costs directly attributable to the issue of new ordinary shares or options are recognised in equity as a deduction, net of tax, from the proceeds.

n) Own shares

Required equity instruments (own shares) are deducted from equity. The gain or loss on purchases, sales or cancellations of equity instruments of the BVB is not recognised in profit or loss for the year, *i.e. the item Other net gains*.

o) Earnings per share

The Company presents basic earnings per share ("EPS") for its ordinary shares. Basic EPS is computed by dividing the gain or loss attributable to holders of the Company's ordinary shares by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and by adjusting the weighted average number of ordinary shares outstanding by the effect of potential ordinary shares, which includes preference shares

To date it has not been necessary to calculate diluted EPS diluted as there are no potential ordinary shares as all shares in issue have equal dividend rights.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**p) Legal reserve**

Under Romanian law, companies must allocate an amount equal to at least 5% of pre-tax profit to legal reserves, until they reach 20% of share capital. When this level has been reached, the company can make additional allocations only from net profit. The legal reserve is deductible up to a limit of 5% applied to the accounting profit, before corporate income tax is determined.

q) Dividends

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

As from 2024, the Company has opted to apply the statute of limitations to dividends payable older than 3 years.

According to local legislation, unclaimed dividends become statute-barred within 3 years. This provision is governed by the Civil Code and the Companies Act No 31/1990. According to Article 2517 of the Civil Code, the period of extinctive prescription is 3 years, with certain exceptions provided by law. In the case of unclaimed dividends, this period applies, which means that after 3 years from the date on which the dividends became payable, the shareholders' right to claim payment of the dividends is time-barred.

r) *New IFRS accounting standards and amendments to existing standards effective for the current year*

During the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and endorsed by the European Union that are mandatorily effective for reporting periods beginning on or after 1 January 2024.

Their adoption did not have a material impact on the disclosures nor on the amounts reported in these financial statements.

| Standard | Title |
|--------------------------------|--|
| Amendments to IAS 1 | Classification of debt into short-term and long-term debt and long-term debt with financial indicators |
| Amendments to IAS 7 and IFRS 7 | Financing agreements with suppliers |
| Amendments to IFRS 16 | Lease liabilities in a sale and leaseback transaction |

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

s) *New IFRS accounting standards and amendments to existing standards issued and endorsed by the EU but not yet effective*

At the date of approval of these financial statements, the Company has not applied the following amended IFRS Accounting Standards which have been issued by the IASB and endorsed by the EU but are not yet effective.

| Standard | Title | Effective date set by the IASB |
|----------------------|------------------------|---------------------------------------|
| Amendments to IAS 21 | Lack of convertibility | 1 January 2025 |

New IFRS accounting standards and amendments to existing standards issued but not yet adopted by the EU

At present, IFRS as adopted by the EU do not differ significantly from IFRS as adopted by the International Accounting Standards Board (IASB), except for the following new standards and amendments to existing standards, which have not been adopted by the EU at the date of authorisation of these financial statements:

| Standard | Title | EU stage of adoption |
|---|---|--|
| Amendments to IFRS 9 and IFRS 7 | Amendments to classification and measurement of financial instruments (effective date set by the IASB: 1 January 2026) | Not yet adopted by the EU |
| Amendments to IFRS 9 and IFRS 7 | Contracts referring to electricity dependent on natural conditions | Not yet adopted by the EU |
| Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 | Annual Improvements to IFRS Accounting Standards - Volume 11 (effective date set by the IASB: 1 January 2026) | Not yet adopted by the EU |
| IFRS 18 | Presentation and disclosure in financial statements (effective date set by the IASB: 1 January 2027) | Not yet adopted by the EU |
| IFRS 19 | Non-publicly accountable subsidiaries: disclosures (effective date set by the IASB: 1 January 2027) | Not yet adopted by the EU |
| IFRS 14 | Deferral accounts related to regulated activities (effective from: 1 January 2016) | The European Commission has decided not to start the approval process of this interim standard and to wait for the final standard. |
| Amendments to IFRS 10 and IAS 28 | The sale of or contribution of assets between an investor and its associates or joint ventures and subsequent amendments (effective date has been postponed indefinitely by the IASB, but early application is permitted) | The approval process has been postponed indefinitely pending finalisation of the research project on the equivalence method. |

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Company anticipates that the adoption of these new standards and amendments to existing standards will not have a material impact on the Company's financial statements in the future.

Hed hedge accounting for a portfolio of financial assets and liabilities whose principles have not been adopted by the EU remains unregulated. According to the Company's estimates, the use of hedge accounting for a portfolio of financial assets and liabilities in accordance with **IAS 39: Financial Instruments: Recognition and Measurement** would not materially affect the financial statements if applied at the balance sheet date

- t) The Company has adopted the "Presentation of Accounting Policies (Amendments to IAS 1 and Statement 2 on IFRS Practice)" from 1 January 2023. Although the amendments did not result in changes to the accounting policies themselves, they have, in some instances, impacted the disclosures of accounting policies presented in the financial statements.

Management has reviewed the accounting policies and updated, in some cases, the disclosures in Note 3 Significant accounting policies (2023: Significant accounting policies) in accordance with the amendments.

4. FAIR VALUE MEASUREMENT

Certain Company accounting policies and disclosure requirements require the determination of fair value for both financial assets and financial liabilities. Fair values have been determined for the purpose of valuation and/or information inputs using the methods described below. When applicable, additional information about the assumptions used in determining fair values is disclosed in the explanatory notes specific to the asset or liability.

a) Investments in equity and debt instruments

The fair value of financial assets carried at amortised cost is determined by reference to the closing quotation for the bid and ask price at the reporting date. The fair value of financial investments carried at amortised cost is determined for presentation purposes only.

The fair value of financial assets carried at fair value through the Income Statement determined by reference to the closing quotation for the bid and ask price at the reporting date, and where this information is not available the Company

b) Trade and other receivables and financial debts

For financial instruments such as short-term financial receivables and payables, management considers the carrying amount to be a reasonable approximation of fair value. This fair value is determined for presentation purposes only.

4. FAIR VALUE MEASUREMENT (CONTINUED)

c) Land and property

Land is recognised at fair value, determined on the basis of periodic valuations by independent external valuers. Revaluations are carried out with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

| Valuation techniques used in the Valuation Reports of owned land | Input data | Link between input data and fair value measurement |
|--|---|---|
| <p>The evaluation model applied in the approach is the direct comparison method.</p> <p>The method consists in comparing the subject asset with other assets whose price is known.</p> <p>The value of land should be considered in terms of best use.</p> | <p>Market price / m2 .</p> <p>Specific adjustments are made to the property with regard to the necessary expenses after purchase, urban planning regulations, location, type of access, topography, utilities</p> | <p>Estimated fair value increases (decreases) if:</p> <ul style="list-style-type: none"> - The market price is higher (lower). - Urban planning regulations change with positive or negative impact on fair value |

(d) Fair value hierarchy

The Company measures the fair value of financial instruments using one of the following prioritisation methods:

- Level 1: Quotes from an active market for similar instruments.
- Level 2: Valuation techniques based on observable market data. This category includes instruments valued using: quotes in an active market for similar instruments; market quotes for similar instruments in markets that are considered less active; or other valuation techniques where significant inputs can be directly or indirectly observed in market data.
- Level 3: Valuation techniques based on unobservable market data. This category includes all instruments whose valuation method is not based on observable inputs and unobservable inputs have a significant influence on the valuation of the instrument. This category includes instruments that are valued based on market quotations for similar instruments where unobservable adjustments or assumptions are necessary to reflect the difference between the instruments.

4. FAIR VALUE MEASUREMENT (CONTINUED)

The fair values of financial assets and financial liabilities, together with the carrying amounts disclosed in the statement of financial position, are as follows:

| | 31 December 2024 | | 31 December 2023 | |
|---|------------------------|-------------------|------------------------|-------------------|
| | <u>Carrying amount</u> | <u>Fair value</u> | <u>Carrying amount</u> | <u>Fair value</u> |
| Financial assets carried at fair value through profit and loss | 1,134,061 | 1,134,061 | 320,877 | 320,877 |
| Financial assets at amortised cost | | | | |
| Financial assets maturing in over one year | 10,398,522 | 10,166,279 | 18,304,822 | 17,968,937 |
| Deposits with banks | 8,440,896 | 8,440,896 | 20,240,524 | 20,240,524 |
| Trade and other receivables | 4,775,043 | 4,775,043 | 7,929,146 | 7,929,146 |
| Other financial assets with a maturity of less than one year | 5,902,748 | 6,459,674 | 4,554,271 | 4,532,466 |
| Cash and cash equivalents | <u>3,293,976</u> | <u>3,618,659</u> | <u>3,187,243</u> | <u>3,187,243</u> |
| Total | 32,811,186 | 33,460,552 | 54,696,730 | 54,339,040 |
| Liabilities carried at amortised cost | | | | |
| Financial liabilities | 3,964,108 | 3,964,108 | 3,186,922 | 3,186,922 |
| Leasing liabilities | <u>10,334,776</u> | <u>10,334,776</u> | <u>9,837,325</u> | <u>9,837,325</u> |
| Total | 14,298,884 | 14,298,884 | 13,024,247 | 13,024,247 |

Financial assets carried at amortised cost representing government securities are classified in Level 1: quoted prices in active markets. Government securities in RON, EUR and USD included in Financial assets carried at amortised cost with maturity over one year were purchased in the secondary banking market and we consider that their fair value approximates their carrying amount.

Deposits with banks and cash and cash equivalents are categorised in Level 2.

Trade and other receivables are categorised at Level 3.

No transfers have been made between classification levels.

For financial assets and liabilities at amortised cost, the Company has analysed the fair value as at 31 December 2024 and concluded that there are no material differences between fair value and amortised cost.

5. FINANCIAL RISK MANAGEMENT

The company is exposed to the following financial risks:

- Credit risk
- Liquidity risk
- Market risk, which includes interest rate risk and currency risk
- Taxation risk (non-financial risk)

This note sets out information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for assessing and managing risk and procedures for capital management. The Board of Directors of the BVB has overall responsibility for establishing and overseeing the risk management framework at the level of the Company. The Board of Directors of the BVB is assisted in this endeavour by the Special Committees, which have an advisory role.

The activity of the BVB Special Committees is governed by the following principles:

- a) the principle of delegation of competences from the Board of the Stock Exchange, as steering committees;
- b) the principle of decision-making autonomy;
- c) the principle of objectivity;
- d) investor protection principle;
- e) the principle of promoting stock market development;
- f) active role principle.

a) General risk management framework

The Board of Directors is also responsible for examining and approving the strategic, operational and financial plan of the BVB, as well as the corporate structure of the Company.

The Company's risk management policies are defined to ensure that the risks faced by the Company are identified and analysed, appropriate limits and controls are established, and risks and compliance with established limits are monitored. Risk management policies and systems are regularly reviewed to reflect changes in market conditions and in the Society's activities. The Society, through its training and management standards and procedures, seeks to develop an orderly and constructive control environment in which all employees understand their roles and obligations. The internal audit of the Society's entities oversees how management monitors compliance with risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the entities.

b) Credit risk

Credit risk is the risk that the Company will incur a financial loss as a result of the non-performance of contractual obligations by a customer or counterparty to a financial instrument, and this risk arises principally from the Company's trade receivables and financial investments.

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

The expected credit loss is the difference between all contractual cash flows that are due to the Group and all cash flows that the BVB/Group expects to receive, discounted at the original effective interest rate.

Management uses the stage 1 model for financial instruments (except for receivables where the simplified approach is used) and no transfers between stages have been identified in 2024 as there have been no significant changes in credit risk.

For stage 1 exposures, the expected credit loss is equal to the expected loss calculated over a time horizon of up to one year. For exposures in Stages 2 or 3, the expected credit loss shall be equal to the expected loss calculated over a time horizon corresponding to the entire duration of the exposure.

The BVB assesses whether the credit risk for a financial instrument has increased significantly since initial recognition based on information available without significant cost or effort that is indicative of a significant increase in credit risk since initial recognition, such as a significant deterioration in the financial results or credit rating of the issuer of the financial instrument or delays in interest or principal payments on the financial instrument that are more than 30 days past due.

BVB uses the simplified approach applicable to trade and other receivables recorded in the category "Other financial assets at amortised cost" that do not have a significant financing component. Under this approach, the BVB measures the loss adjustment for these receivables at an amount equal to the lifetime expected credit losses (i.e. it eliminates the need to calculate the expected credit risk losses for Stage 1 at an amount equal to the 12-month expected credit losses and the need to assess the occurrence of a significant increase in credit risk).

BVB has defined "impaired" exposures as claims that fulfil one or both of these criteria:

- exposures for which the BVB assesses that the borrower is unlikely to pay its obligations in full, irrespective of the amount of the exposures and the number of days for which the exposure is past due (e.g. due to major financial difficulties faced by the customer; in the case of amounts in dispute);
- amounts overdue by more than 270 days.

BVB recognises in profit or loss the amount of changes in expected credit losses over the lifetime of financial assets as expected credit losses or reversals of expected credit losses. Expected credit losses or reversals of expected credit losses are determined as the difference between the carrying amount of the financial asset and the present value of future cash flows using the financial asset's effective interest rate at inception.

BVB did not provide detailed information on how the forecast economic conditions were incorporated into the ECL determination, as the impact is not material.

The provision matrix is initially based on the Company's observed historical default rates. The Society will calibrate the matrix to adjust historical credit losses with forward-looking information. For example, if forecasted economic conditions (i.e., gross domestic product) are expected to deteriorate in the coming year which may lead to an increased number of defaults, historical default rates are adjusted. At each reporting date, observed historical default rates are updated and changes in forward-looking estimates are analysed. Information about ECLs on trade receivables and is disclosed in Note 16. BVB has not provided details on how

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

forecast economic conditions have been incorporated into the determination of ECLs as the impact is not material.

The movement in the allowance for doubtful receivables impairment adjustments and the provision for expected credit losses on trade receivables is disclosed in *Note 16*.

The Company's exposure to credit risk is mainly influenced by the separate characteristics of each customer and the country in which it operates. The majority of the Company's clients operate in Romania. The Company's client base is composed of issuers of securities, financial investment services companies and other financial institutions participating on the Bucharest Stock Exchange.

The Company calculates an impairment loss for trade receivables using the simplified approach based on the Company's history of non-collection, recognising anticipated losses on receivables over the life of the receivables. The Company also calculates a specific impairment adjustment in respect of doubtful trade receivables for which the collection process has commenced.

Further details are given in Note 16.

(i) *Financial investments*

The Company limits its exposure to credit risk by investing only in liquid instruments issued by counterparties of satisfactory credit quality. Management constantly monitors credit quality and, as the Company has invested only in instruments with high credit quality, management does not expect these counterparties to default on their contractual obligations.

The company calculates for financial investments a provision for expected credit losses.

The table below shows banks ratings published by the Fitch rating agency with which the Company has deposits or current bank accounts at the end of the financial reporting periods:

| <i>In LEI</i> | Rating | 31 December 2024 | 31 December 2023 |
|------------------------------|--|-----------------------------|-----------------------------|
| Transilvania Bank | Fitch: BBB- | 5,161,918 | 18,858,584 |
| Banca Comerciala Romana | Fitch: BBB+ | 1,708,501 | 2,646,594 |
| Libra Bank | Fitch: BB- | 3,772,815 | 1,767,174 |
| Treasury | Fitch: BBB- (equivalent to sovereign rating) | 54,438 | 61,829 |
| BRD - Group Societe Generale | Fitch: BBB+ | 1,054,348 | 90,036 |
| Exim Bank | Fitch: BBB- (equivalent to sovereign rating) | - | 9,257 |
| Total | | 11,745,817 | 23,409,708 |
| Cash | | 50,679 | 49,832 |

BUCHAREST STOCK EXCHANGE**NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS****FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024** (lei)

| | | |
|--|-------------------|-------------------|
| Total cash, bank current accounts and deposits | 11,802,699 | 23,483,305 |
| Cash and current accounts | 2,414,805 | 2,726,852 |
| Bank deposits with original maturity of less than 3 months | 900.000 | 469,737 |
| Bank deposits with original maturity over 3 months | 8.487.894 | 20,286,717 |
| Expected credit loss, of which related: | (65,055) | (53,353) |
| Cash and current accounts | 2,401,651 | 2,720,743 |
| Bank deposits with original maturity of less than 3 months | 895.097 | 468,685 |
| Bank deposits with original maturity over 3 months | 8.440.896 | 20,240,524 |
| Total bank current accounts and deposits | 11,737,644 | 23,429,952 |

Credit risk exposure

The maximum credit risk exposure equals the balance sheet exposure at the reporting date and was:

| <u>Name</u> | <u>31 December 2024</u> | <u>31 December 2023</u> |
|--|--------------------------------|--------------------------------|
| Non-current financial assets carried at amortised cost | 10,398,522 | 18,304,822 |
| Financial assets capitalised at fair value through profit and loss | 1,134,061 | - |
| Deposits with banks | 8,440,896 | 20,240,524 |
| Trade and other receivables | 4,775,043 | 7,929,146 |
| Advance expenses | 971,915 | 931,534 |
| Current financial assets carried at amortised cost | 5,902,748 | 4,554,271 |
| Cash and cash equivalents | <u>3,293,976</u> | <u>3,187,243</u> |
| Total | <u>34,917,162</u> | <u>55,147,540</u> |

Non-current financial assets carried at amortised cost represent financial investments in government securities issued by the Romanian Ministry of Finance, rated BBB- at 31 December 2024 (BBB- at 31 December 2023) according to Fitch Rating Agency.

The Company monitors its exposure to credit risk by analysing the age of its receivables as reflected in the table below:

BUCHAREST STOCK EXCHANGE

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024 (lei)

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

| Name | Trade receivables and other claims | | Financial assets 2024 | amortised cost 2023 | Cash and cash equivalents | | Bank Deposits | |
|--|---------------------------------------|-------------------------|--------------------------|---------------------------|---------------------------|-------------------------|-------------------------|--------------------------|
| | 2024 | 2023 | | | 2024 | 2023 | 2024 | 2023 |
| Individual provision | | | | - | | | | |
| Significant risk | <u>1.516.440</u> | <u>547.160</u> | - | - | - | - | - | - |
| Gross value | 1.516.440 | 547.160 | - | - | - | - | - | - |
| Receivable adjustment | <u>1.516.440</u> | <u>(547.160)</u> | - | - | - | - | - | - |
| Net value | - | - | - | - | - | - | - | - |
| Remaining, not individually provisioned | | | | | | | | |
| Outstanding under 90 days | 1.422.654 | 226.702 | - | - | - | - | - | - |
| Overdue between 90 and 180 days | 12.560 | 51.415 | - | - | - | - | - | - |
| Overdue between 180 and 360 days | <u>73.442</u> | <u>51.292</u> | - | - | - | - | - | - |
| Gross value | 1.508.655 | 329.409 | - | - | - | - | - | - |
| Expected credit loss | <u>(3.611)</u> | <u>(526)</u> | - | - | - | - | - | - |
| Net value | 1.505.044 | 328.884 | - | - | - | - | - | - |
| Current, unprovisioned | | | | | | | | |
| No significant risk | 3.276.477 | 7.610.855 | 16.392.033 | 22.911.264 | 3.314.805 | 3.196.588 | 8.487.894 | 20.286.717 |
| Gross value | 3.276.477 | 7.610.855 | 16.392.033 | 22.911.264 | 3.314.805 | 3.196.588 | 8.487.894 | 20.286.717 |
| Expected credit loss | (6.478) | (10.593) | (90.763) | (52.172) | (18.058) | (7.161) | (46.997) | (46.193) |
| Net value | 3.269.999 | 7.600.788 | 16.301.270 | 22.859.093 | 3.296.748 | 3.189.428 | 8.440.896 | 20.240.524 |
| Total gross value | <u>6.301.572</u> | <u>8.487.425</u> | <u>16.392.033</u> | <u>22.911.264</u> | <u>3.314.805</u> | <u>3.196.588</u> | <u>8.487.894</u> | <u>20.286.717</u> |
| Total net value | <u>4.775.043</u> | <u>7.929.146</u> | <u>16.301.270</u> | <u>22.859.093</u> | <u>3.296.748</u> | <u>3.189.428</u> | <u>8.440.896</u> | <u>20.240.524</u> |

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities that are settled in cash or by the transfer of another financial asset. The Society's approach to liquidity risk is to ensure, as far as possible, that it has sufficient liquidity at all times to meet liabilities when they fall due, both in normal and stressed conditions, without incurring unacceptable losses or jeopardising the Society's reputation.

The company has no borrowings and only needs liquidity to cover current operating expenses

Given that a significant proportion of the Company's assets consist of highly liquid investments, the level of liquidity risk to which the Company is exposed is low.

The structure of the Company's assets and liabilities has been analysed based on the remaining period from the balance sheet date to the contractual maturity date, both at 31 December 2024 and 31 December 2023, as follows:

| 31 December 2024 | Book value | Future cash flows | Less than 1 month | 1-3 months | 3-12 months | Over 12 months |
|--|--------------------------|--------------------------|--------------------------|-------------------------|-------------------------|-----------------------|
| Non-current financial assets at amortised cost | 16,301,270 | 16,301,270 | - | - | 5,902,748 | 10,398,522 |
| Financial assets at fair value through P&L | 1,134,061 | 1,134,061 | - | - | - | 1,134,061 |
| Bank deposits | 8,440,896 | 8,440,896 | 3,050,774 | 5,390,122 | - | - |
| Financial receivables | 4,775,043 | 4,775,043 | 4,775,043 | - | - | - |
| Cash and cash equivalents | <u>3,293,976</u> | <u>3,293,976</u> | <u>3,293,976</u> | = | = | = |
| Total: | 33,945,247 | 33,945,247 | 11,119,793 | 5,390,122 | 5,902,748 | 11,532,583 |
| Financial liabilities | | | | | | |
| Financial liabilities | 3,487,640 | 3,487,640 | 3,487,640 | - | - | - |
| Dividend payments | 476,468 | 476,468 | 476,468 | - | - | - |
| Leasing liabilities | <u>10,334,776</u> | <u>12,636,262</u> | <u>140,177</u> | <u>420,530</u> | <u>1,121,413</u> | <u>10,954,142</u> |
| Other liabilities | <u>180,371</u> | <u>180,371</u> | = | = | = | <u>180,371</u> |
| Total | 14,479,256 | 16,780,741 | 4,104,285 | 420,530 | 1,121,413 | 11,134,513 |
| Net financial assets | <u>19,465,991</u> | <u>17,164,506</u> | <u>,015,509</u> | <u>4,969,592</u> | <u>4,781,335</u> | <u>398,070</u> |

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

| 31 December 2023 | Book value | Outdated cash flows | Less than 1 month | 1-3 months | 3-12 months | May much of 12 months |
|--|--------------------------|----------------------------|--------------------------|-----------------------|--------------------------|------------------------------|
| Non-current financial assets at amortised cost | 22,859,093 | 22,859,093 | - | - | 4,554,271 | 18,304,822 |
| Financial assets at fair value through P&L | 320,877 | 320,877 | - | - | - | 320,877 |
| Bank deposits | 20,240,524 | 20,240,524 | - | 1,000,000 | 19,240,523 | - |
| Financial receivables | 8,171,529 | 8,171,529 | 8,171,529 | - | - | - |
| Cash and cash equivalents | <u>3,187,243</u> | <u>3,187,243</u> | <u>3,187,243</u> | = | = | = |
| Total: | 54,779,266 | 54,779,266 | 1,358,772 | 1,000,000 | 23,794,794 | 18,625,699 |
| Non-derivative financial liabilities | | | | | | |
| Financial liabilities | 1,691,167 | 1,691,167 | 1,691,167 | - | - | - |
| Dividend payments | 1,495,755 | 1,495,755 | 1,495,755 | - | - | - |
| Leasing liabilities | 9,837,325 | 12,540,640 | 120,216 | 360,648 | 961,729 | 11,098,047 |
| Total | 13,024,247 | 15,727,563 | 3,307,138 | 360,648 | 961,729 | 11,098,047 |
| Net financial assets | <u>41,755,019</u> | <u>39,051,703</u> | <u>8,051,633</u> | <u>639,352</u> | <u>22,833,066</u> | <u>7,527,652</u> |

* Contains balance sheet positions Trade payables and Dividends payable. Details in Note 18.

The financial payables consist of amounts owed to suppliers and other creditors that will be paid within 30 days of the end of the financial year and dividends payable, but not yet received by the shareholders.

Lease liabilities represent outstanding lease contracts for the rental of premises and operating leases recognised in accordance with IFRS 16.

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

The cash flows included in the maturity analysis are not expected to occur significantly earlier or at materially different amounts.

The company maintains sufficient liquid assets (residual maturity less than 3 months) to cover all outstanding liabilities.

d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and the price of equity instruments, will affect the Company's income or the value of financial instruments held.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters and at the same time to optimise investment returns.

Currency risk exposure

The Company's exposure to foreign exchange risk is presented below, based on notional values in RON equivalent:

| 31 December 2024 | EUR | USD | RON | Total |
|--|--------------------|------------------|-------------------|-------------------|
| Financial assets | | | | |
| Trade and other receivables | 443,020 | 196 | 4,331,827 | 4,775,043 |
| Investments (government securities, bank deposits, cash and cash equivalents)* | 7,068,776 | 6,957,135 | 14,010,231 | 28,036,142 |
| Total financial assets | 7,511,796 | 6,957,331 | 18,342,058 | 32,811,185 |
| Financial liabilities | | | | |
| Financial liabilities | 444,840 | 19,298 | 3,499,970 | 3,964,108 |
| Leasing liabilities | 10,154,405 | - | - | 10,154,405 |
| Other liabilities | 180,371 | - | - | 180,371 |
| Total financial liabilities | 10,779,616 | 19,298 | 3,499,970 | 14,298,885 |
| Net financial assets/(liabilities) | (3,267,821) | 6,938,033 | 14,842,088 | 18,512,300 |

* Contains balance sheet items: financial assets carried at amortised cost with maturity over and under one year, deposits with banks, cash and cash equivalents.

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

| 31 December 2023 | EUR | USD | RON | Total |
|--|--------------------------|-------------------------|--------------------------|--------------------------|
| Financial assets | | | | |
| Trade and other receivables | 414,032 | 190 | 7,514,925 | 7,929,146 |
| Investments (government securities, bank deposits, cash and cash equivalents)* | <u>14,473,437</u> | <u>6,954,836</u> | <u>24,858,586</u> | <u>46,286,860</u> |
| Total financial assets | <u>14,887,469</u> | <u>6,955,836</u> | <u>32,373,511</u> | <u>54,216,006</u> |
| Financial liabilities | | | | |
| Financial liabilities | 405,914 | 18,577 | 2,762,431 | 3,186,922 |
| Leasing liabilities | <u>9,837,325</u> | - | - | <u>9,837,325</u> |
| Total financial liabilities | <u>10,243,239</u> | <u>18,577</u> | <u>2,762,431</u> | <u>13,024,247</u> |
| Net financial assets/(liabilities) | <u>4,644,230</u> | <u>6,936,449</u> | <u>29,611,511</u> | <u>41,191,758</u> |

* Contains balance sheet items: financial assets carried at amortised cost with maturity over and under one year, deposits with banks, cash and cash equivalents.

Sensitivity analysis

A depreciation of RON at 31 December 2024 compared to 31 December 2023 as shown below against the EUR and USD would have increased the Company's result by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

| | 31 December 2024 | 31 December 2023 |
|---|-------------------------|-------------------------|
| 10% depreciation of RON against the EUR | (326,782) | 464,423 |
| 10% depreciation of RON against the USD | <u>693,803</u> | <u>693,645</u> |
| Total | 367,021 | 1,158,068 |

An appreciation of RON at 31 December 2024 relative to 31 December 2023 compared to the other currencies would have had the same but opposite effect on the amounts shown above, assuming that all other variables remain constant.

5. FINANCIAL RISK MANAGEMENT (CONTINUED)**e) Exposure to interest rate risk**

The Company does not hold financial instruments with variable interest rates. Financial instruments carried at amortised cost are not affected by changes in interest rates. Therefore, a change in interest rates at the reporting date would not affect the income statement or equity.

f) Capital management

It is the policy of the Board of Directors to maintain a sound capital base necessary to maintain the confidence of investors, creditors and the market and to support the future development of the entity. The Board monitors return on capital employed, defined as net profit from operating activities divided by total equity.

The Company's debt to equity ratio at the end of the period was as follows:

| | <u>2024</u> | <u>2023</u> |
|---------------------------|---------------------------|---------------------------|
| Total debts | 19,380,001 | 17,405,103 |
| Cash and cash equivalents | <u>3,293,976</u> | <u>3,187,243</u> |
| Net debt | (16,086,025) | (14,237,860) |
| Total capital | <u>111,884,340</u> | <u>127,776,809</u> |
| Gearing ratio | 17% | 14% |

g) Economic environment risk

The global economic environment is facing a number of major risks that may influence economic stability and growth.

Armed conflicts, including civil wars, coups and terrorism, pose a major risk to economic stability and can have negative effects on the global economy. They can lead to geo-economic confrontations, such as sanctions, tariffs and investment screening which can lead to economic and trade tensions between countries, affecting international trade and investment.

The risk of a global economic recession remains a major concern. Economic vulnerabilities such as inflation and unemployment, the volatility of international energy and commodity markets and global protectionist policy emphasise the importance of prudent economic and environmental policies to ensure long-term stability and growth.

Added to all the above challenges is the impact of climate change and extreme weather events, as well as the negative influence of the polarisation of society and the spread of misinformation, which can lead to social and political instability.

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

In Romania, a growing budget deficit, political instability and the influence of external risks, as well as a low level of revenue collection are challenges to be taken into account when estimating the economic impact on the Society.

The current fears that deteriorating financial conditions could contribute at a later stage to a further decline in investor confidence have prompted a concerted effort by governments and central banks to take special measures to counter the vicious circle of rising risk aversion and to ensure normal market functioning.

The Company's debtors may also be affected by liquidity crisis situations that could affect their ability to honour their current debts. Deteriorating creditors' operating conditions also affect the management of cash flow forecasts and impairment analyses of financial and non-financial assets. To the extent information is available, management has reflected revised estimates of future cash flows in its impairment policy.

The management cannot reliably estimate the effects on the Company's financial statements resulting from deterioration in financial market liquidity, impairment of financial assets influenced by illiquid market conditions and high volatility of the national currency and financial markets. The Company's management believes that it is taking all necessary measures to support the growth of the Company's business in current market conditions by:

- developing liquidity management strategies and establishing specific liquidity management measures in crisis situations;
- current liquidity forecasts;
- daily monitoring of cash flows and estimating the effects on the Company's debtors, due to the limited access to financing and the restricted possibility to support business growth in Romania;
- Careful examination of the terms and clauses included in the present and foreseeable future compensation and settlement commitments.

h) Taxation risk (non-financial)

The interpretation of the texts and the practical implementation of the procedures of the new applicable tax regulations harmonised with the European legislation may vary from entity to entity, and there is a risk that in certain situations the tax authorities may take a different position from that of the Company.

The Romanian Government also has a number of agencies authorised to control companies operating on Romanian territory. These controls are similar to tax audits in other countries, and may cover not only tax issues but also other legal and regulatory issues of interest to these agencies. The Company may continue to be subject to tax audits as new tax regulations are issued.

The remaining period open for fiscal control is 5 years.

6. INVESTMENTS IN SUBSIDIARIES

In 2024, the Company's interest in the group entities is as follows:

| | <u>1 January 2024</u> | <u>Growth</u> | <u>Depreciations</u> | <u>31 December 2024</u> |
|---|--------------------------|--------------------------|----------------------|--------------------------|
| Central Depository S.A. | 20,243,735 | - | - | 20,243,735 |
| Corporate Governance Institute Foundation | 50,000 | - | - | 50,000 |
| CCP.RO Bucharest SA | <u>47,500,000</u> | <u>17,403,400</u> | - | <u>64,903,400</u> |
| Total | <u>67,793,735</u> | <u>17,403,400</u> | = | <u>85,197,135</u> |

| | <u>2024</u> | <u>2023</u> |
|--|-------------------|-------------------|
| Impairment adjustments at 1 January | <u>50,000</u> | <u>50,000</u> |
| Depreciation during the year | 13,100,148 | - |
| Reversals during the year | - | - |
| Depreciation adjustments at 31 December | <u>13,150,148</u> | <u>50,000</u> |
| Net book value at 31 December 2024 | | 72,046,987 |

The structure of investments in subsidiaries is disclosed in Note 26.

At the Extraordinary General Meeting of Shareholders held on 29 January 2019, the company approved the establishment of the local central counterparty, to which the BVB contributed EUR 10 million. Thus, on 04 November 2019, CCP.RO Bucharest SA (CCP.RO) was established with a share capital of RON 79,800,000, of which the BVB's contribution represented RON 47,500,000, with a holding of 59.52%.

During 2022 and 2023, there were increases in the share capital of CCP.RO in which minority shareholders participated, thus at the end of 2023 the BVB's holding in the CCP.RO subsidiary decreased to 52.38%.

In 2024, there were two increases in the share capital of CCP.RO, totalling RON 27,484,610, of which the BVB's contribution was RON 17,403,400. The amount of CCP.RO's share capital as at 31 December 2024 was RON 118,159,610 and the BVB's holding in the CCP.RO subsidiary increased from 52.38% to 54.93%.

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

As of 31 December 2024, CCP.RO is still in the process of implementing the Romanian CCP, but the formal application for authorisation submitted to the ASF on 31 January 2023 was withdrawn in December 2024. It is envisaged to resubmit the application for authorisation under EMIR3, together with the related documentation and additional requests from the ASF. The latest estimate of the operationalisation date is for the end of 2025.

As CCP.RO is not yet operational as a central counterparty, no revenues from operating activities or profits have been recorded, the Company considered that these elements may constitute indicators of impairment of the investment in CCP.RO and contracted an independent valuer to perform an assessment of the BVB's investment in CCP.RO Bucharest, in accordance with the requirements of IAS 36 "Impairment of Assets". The impairment test was aimed at determining the value in use ("value in use") of the investment in CCP.RO, based on the expected future cash flows, according to the business plan approved by the CCP.RO shareholders. The cash flows have been discounted to present value using as discount rate an estimated average cost of capital of 14.44%, which takes into account the specificity of CCP.RO's activity and the political and geopolitical context in which our country is currently operating.

The results of the valuation showed that it is necessary to record a depreciation of the BVB investment in CCP.RO in the amount of RON 64,903,400, approximately 20%, i.e. the amount of RON 13,100,148.

7. INVESTMENTS IN FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

In 2024, the Company's interest in non-controlling interests is as follows:

| | <u>1 January 2024</u> | <u>Growth</u> | <u>Value rebates</u> | <u>31 December 2024</u> |
|---------------------|-----------------------|------------------|----------------------|-------------------------|
| <u>EuroCTP B.V.</u> | <u>320,877</u> | <u>1,037,929</u> | <u>224,745</u> | <u>1,134,061</u> |

In 2023, the BVB became a shareholder in the new joint venture project for the establishment of a Consolidated Tape by paying the initial contribution of RON 480,724 (EUR 97,176), corresponding to a 1.39% stake held by the BVB in the new company EuroCTP B.V., registered in the Netherlands, established for the purpose of bidding to become the provider of a consolidated market data solution for equity market data in the European Union.

At the end of 2024, the BVB received the request to transfer the entire contribution to which it committed at the beginning of the project, i.e. EUR 305,800. During the year it made a payment of EUR 97,176, and the remaining amount of EUR 111,447 is recognised as a liability to the entity at the end of the period, being paid in January 2025.

Amounts recognised in respect of other financial assets measured at fair value through profit and loss during 2024 are as follows:

| | <u>2024</u> | <u>2023</u> |
|--|-----------------------|-----------------------|
| Impairment losses on equity instruments measured at fair value | 224,745 | 159,847 |
| Total | <u>224,745</u> | <u>159,847</u> |

8 REVENUES FROM SERVICES

The BVB recognises revenue from services in accordance with the contractual obligations arising from contracts with customers at the time the service is rendered or during the period in which the service is rendered.

Trading revenues are represented by the commissions charged by the BVB for buy and sell carried out on the regulated market and the Multilateral Trading System. These are largely recognised at the time of the transaction.

Income from admission to trading fees charged to issuers of shares and other financial instruments shall be recognised on the date on which the admission to trading at the BVB takes place.

The income from trading maintenance fees is recognised to issuers over the period for which they are charged, usually one year. For the Regulated Market the fees are charged on the anniversary of the listing or issuance of the financial instrument, and for the Multilateral Trading Facility at the beginning of the financial year for the current year.

Revenues from the sale of stock market information are based on the provision of market data related to financial instruments listed on the BVB, necessary for trading or trading-related activities, as well as the licensing of BVB benchmark indices. They are recognised either at the time of delivery or for the period to which they refer.

Other income consists of amounts invoiced to subsidiaries for the maintenance of the Arena operational IT system and software development, as well as income from partnerships for marketing events and projects carried out for business development purposes, recognised either on the face of the loan or for the period to which it relates.

The due date for payment of invoices related to contracts concluded with clients is, as a rule, 7 days for trading activity and up to 10 days for the fees charged to issuers, and for other service contracts does not exceed 30 days.

Service revenues recognised by nature is as follows:

| | 2024 | 2,023 |
|---------------------------------------|-------------------|-------------------|
| Trading revenues | 27,131,035 | 39,128,441 |
| Issuer admission and maintaining fees | 5,732,577 | 5,032,616 |
| Sale of market data revenues | 4,932,596 | 4,022,156 |
| Other revenues | <u>1,983,492</u> | <u>1,427,555</u> |
| Total revenue from services | 39,779,701 | 49,610,768 |

| | 2024 | | 2023 | |
|---------------------------------------|-------------------------------|---|-------------------------------|---|
| | At the date of transaction | For period to which it refers (over time) | At the date of transaction | For period to which it refers (over time) |
| Trading revenues | 27,097,002 | 34,034 | 39,094,407 | 34,034 |
| Issuer admission and maintaining fees | 174,614 | 5,557,963 | 209,843 | 4,822,773 |
| Sale of market data revenues | 2,768,871 | 2,163,725 | 2,297,289 | 1,724,867 |
| Other revenues | <u>1,213,192</u> | <u>770,300</u> | <u>601,418</u> | <u>826,137</u> |
| Total revenue from services | 31,253,679 | 8,526,022 | 42,202,958 | 7,407,810 |

At 31 December 2024, the amount of amounts collected under contracts with customers for which there is a performance obligation and which will be recognised as income in the following period are mainly represented by the trading maintenance fees charged to the issuers of financial instruments and are disclosed in the Statement of Financial Position of the company on the line Revenue and advances and in Note 22.

9. OPERATIONAL EXPENDITURE

Operating expenses consist of the following:

9.1 Staff expenditure and allowances of the Board

| | 2024 | 2023 |
|--|-------------------|-------------------|
| Remuneration - management and staff | 12,838,062 | 10,675,762 |
| Board members' indemnisation, including other amounts payable to Board members approved by the GMS | 1,265,356 | 1,141,132 |
| Other staff and CA expenses (SOPs and bonuses) | 1,259,208 | 2,284,237 |
| Staff contributions and taxes and benefits | <u>319,657</u> | <u>263,674</u> |
| Total | 15,682,983 | 14,364,805 |

The number of employees in the Company was:

| | 2024 | | 2023 | |
|-----------------------------------|----------------------------------|---------------------------------|----------------------------------|---------------------------------|
| | <u>The final</u> <u>de an</u> | <u>Media</u> <u>per year</u> | <u>The final</u> <u>de an</u> | <u>Media</u> <u>per year</u> |
| Directors with a mandate contract | 2 | 2 | 2 | 2 |
| Employees | 47 | 46 | 44 | 44 |

Share-based payment (SOP) transactions

The BVB grants benefits to its non-executive directors, directors and employees in the form of variable remuneration, depending on the fulfilment of the performance condition in the form of free shares under a Share Allotment Plan. For the year 2024, see Note 26.

The value of benefits estimated and granted in the form of options to non-executive directors, directors and employees, respectively share-based payment transactions, relating to 2024 totalled 1,289,499 lei 2023: 1,706,480 lei).

In 2024, a number of 36,704 shares, granted for the year 2023, with a market value at the time of grant of RON 2,349,056, were transferred free of charge to employees, management and the Board of the Stock Exchange, according to the Share Allotment Plan approved by the AGM .

For the year 2023, the Non-Executive Directors and the Directors have met the performance condition set out in the Share Allotment Plan, i.e. the BVB has achieved very good financial results exceeding the estimates included in the 2023 budget, and thus have taken the decision to submit to the AGM for approval the grant of shares, respectively the exercise of options received.

The granting of stock options and free BVB shares is carried out for non-executive directors and BVB directors on the basis of the Remuneration Policy of the BVB's management structure, approved by the BVB's AGM in 2024, and the BVB Share Allocation Plan.

The granting of stock options and free BVB shares to BVB employees is carried out on the basis of the BVB's Internal Remuneration Policy for BVB employees (salaried employees), approved by the Board of the Stock Exchange in 2018.

In the year 2024, the Company granted BVB free stock options under the Stock Option Plan to the members of the Board of the Stock Exchange, management and employees.

The transfer of shares shall take place within 12 months from the date of the grant of the stock options as a share component of the variable remuneration subject to the fulfilment of the performance criteria and the obligation not to dispose of the shares allocated as variable remuneration for a period of one year from the vesting date.

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024 (lei)

9.2. Expenditure on services provided by parties

| | <u>2024</u> | <u>2023</u> |
|---|--------------------|--------------------|
| Services provided by third parties for business development | 967,896 | 1,031,305 |
| Financial audit, IT audit and internal audit services | 581,000 | 350,812 |
| Commissions and fees (legal, contributions, etc) | 524,110 | 374,771 |
| Third party services for events | 468,516 | 600,749 |
| Other services provided by third parties | <u>1,378,563</u> | <u>946,737</u> |
| Total | 3,920,085 | 3,304,375 |

The statutory auditor of the Company for the year 2024 was Deloitte Audit Romania SRL. The audit fee according to the service agreement between the parties was EUR 29,000. During the year 2024, the statutory auditor did not provide the Company with prohibited non-audit services referred to in Art. 5 para. (1) of Regulation (EU) No 537/2014 of the European Parliament and of the Council.

During 2024, projects were continued in order to promote the BVB and the capital market, the most important of which were the BVB Research Hub, the implementation of ESG ratings and Made in Romania, renamed, following a rebranding project carried out in 2024, BVB Arena

Also, in order to fulfil the requirements of running the operational activity in optimal conditions, consultancy services, financial and IT audit, recruitment services were contracted.

9.3 Other expenditure

| | <u>2024</u> | <u>2023</u> |
|---|--------------------|--------------------|
| Utilities and other rents | 903,874 | 1,396,588 |
| Depreciation of tangible fixed assets (Note 11) | 1,241,006 | 852,822 |
| Amortisation of intangible fixed assets (Note 12) | 847,021 | 750,644 |
| Amortisation of right-of-use assets (Note 13) | 1,272,550 | 1,710,007 |
| Expenses with ASF and other taxes | 1,045,303 | 1,353,508 |
| Consumables | 140,365 | 87,506 |
| IT repair, maintenance and maintenance | 1,064,013 | 802,038 |
| Professional equipment insurance. Etc | 175,876 | 125,973 |
| Events and protocol costs | 756,183 | 584,757 |
| Marketing. advertising and promotion | 1,031,662 | 1,439,389 |
| Transport and travelling | 514,129 | 436,599 |
| Telecoms and postal services | 187,348 | 153,461 |
| Bank charges | 52,374 | 36,889 |
| Losses from uncollected receivables | 13,437 | 21,962 |
| Expenses/ (Income) from adjustment of receivables | 462,396 | 59,708 |
| Expenses/(Income) from fixed asset impairment adjustments | (163,678) | 163,678 |
| Other expenditure | <u>523,309</u> | <u>322,302</u> |
| Total | 10,067,168 | 10,297,832 |

In 2024, other operating expenses were recorded at a lower level than in the previous year, as an increase in depreciation of tangible fixed assets due to the relocation of the company's head office, data centre, office and press space development works offset the decrease in marketing and promotion expenses.

Utilities and other rent expenses are utilities and administrative costs related to rented head office space, as well as rents for one-off events that are not within the scope of presentation under IFRS 16.

10. FINANCIAL INCOME AND EXPENSES

Financial income and expenses recognised in the income statement comprise:

| | <u>2024</u> | <u>2023</u> |
|---|--------------------|--------------------|
| Dividend income <i>i)</i> | 2,844,586 | 1,398,115 |
| Interest income calculated using the effective interest method <i>ii)</i> | 1,888,432 | 1,674,234 |
| Leasing interest expenses IFRS 16 & other financial expenses <i>iii)</i> | (586,024) | (521,823) |
| Impairment losses on financial assets at fair value through profit and loss | (224,745) | (159,847) |
| (Losses)/Impairment gain on investments <i>iv)</i> | (13,100,148) | - |
| Other net financial gains and losses <i>v)</i> | <u>449,760</u> | <u>170,574</u> |
| Net financial income: | (8,728,139) | 2,561,254 |

- i)* Dividend income relates to dividends distributed from the 2023 result by the subsidiary Central Depository.
- ii)* Interest income related to financial assets carried at amortised cost and deposits with banks includes interest on investments in government bonds, government securities and deposits.
- iii)* IFRS 16 lease related interest expense increased in 2024 due to the lease related to the new premises under IFRS 16.
- iv)* Other gains and losses relate to net foreign exchange gain of RON 400,846 (2023: -33,699), income from financial fixed assets sold of RON 97,186 and net anticipated credit loss of RON 48,272 (2023: gain of RON 204,274)
- v)* The impairment loss relates to the investment held by BVB in CCP.RO Bucharest recorded as a result of the valuation of the investment carried out by an authorised Valuer, which showed that it is necessary to record an impairment of the BVB investment in CCP.RO in the amount of 13,100,148 out of the entire amount of RON 64,903,400 held by BVB as at 31 December 2024.

11. INCOME TAX EXPENSE

Reconciliation of profit before tax to corporate income tax expense in profit or loss account

| | <u>2024</u> | <u>2023</u> |
|--|-------------------------|-------------------------|
| Before tax accounting profit | 3,415,968 | 25,142,222 |
| Theoretical profit tax (16%) | 546,555 | 4,022,756 |
| Tax adjustment on non-taxable and assimilated income | (782,923) | (466,255) |
| Tax adjustment for non-deductible and assimilated expenses | <u>2,640,881</u> | <u>329,963</u> |
| Corporate income tax (16%) calculated | 2,404,513 | 3,886,463 |
| Tax profit tax | 2,404,513 | 3,886,463 |
| | | |
| Sponsorship deducted from corporation tax | (281,938) | (302,176) |
| Current tax expense | <u>2,122,575</u> | <u>3,584,287</u> |
| Deferred income tax expense / (income) | 105,272 | (273,037) |
| Corporate tax expense/(income) | <u>2,227,847</u> | <u>3,311,250</u> |

7. TANGIBLE ASSETS

| | <u>Land (i)</u> | <u>Building improvements (ii)</u> | <u>Machinery and equipment</u> | <u>IT equipment, office equipment and furniture</u> | <u>Assets under construction</u> | <u>Total</u> |
|------------------------------------|-------------------------|---------------------------------------|--|---|--|--------------------------|
| Cost | | | | | | |
| Balance at 1 January 2024 | <u>6,601,294</u> | - | <u>8,023,180</u> | <u>1,596,141</u> | <u>2,132,006</u> | <u>18,353,620</u> |
| Additions | - | 4,281,831 | 765,057 | 745,319 | 1,824,431 | 7,616,639 |
| Disposals | | - | (1,309,179) | (1,198,775) | (3,866,434) | (6,374,388) |
| Balance at 31 December 2024 | <u>6,601,294</u> | <u>4,281,831</u> | <u>7,480,058</u> | <u>1,142,685</u> | <u>90,004</u> | <u>19,595,872</u> |
| | | | | | | |
| Amortisation | | | | | | |
| Balance at 1 January 2024 | | - | <u>5,613,744</u> | <u>1,396,475</u> | - | <u>7,010,220</u> |
| Amortisation during the year | | 283,887 | 817,114 | 140,005 | - | 1,241,006 |
| Depreciations | | | (5,423) | (158,255) | | (163,678) |
| Disposals | | 0 | (1,298,770) | (1,003,839) | - | (2,302,609) |
| Balance at 31 December 2024 | | <u>283,887</u> | <u>5,126,666</u> | <u>374,386</u> | - | <u>5,784,939</u> |
| | | | | | | |
| Net book values | | | | | | |
| Balance at 1 January 2024 | <u>6,601,294</u> | - | <u>2,410,436</u> | <u>199,665</u> | <u>2,132,006</u> | <u>11,343,401</u> |
| Balance at 31 December 2024 | <u>6,601,294</u> | <u>3,997,944</u> | <u>2,353,392</u> | <u>768,299</u> | <u>90,004</u> | <u>13,810,933</u> |

| | Land <i>i)</i> | Machinery and equipment <u>equipment</u> | IT equipment, office equipment and furniture <i>iii), iv)</i> | <u>Assets under construction and advances</u> | <u>Total</u> |
|------------------------------------|-------------------------|--|--|---|--------------------------|
| Cost | | | | | |
| Balance at 1 January 2023 | <u>3,920,026</u> | <u>9,229,797</u> | <u>1,924,757</u> | - | <u>15,074,580</u> |
| Additions | - | 2,224,537 | 61,834 | 2,132,006 | 4,418,377 |
| Re-evaluations | 2,682,268 | - | - | - | 2,681,268 |
| Out | (1,000) - | (3,430,154) | (390,450) | - | (3,820,604) |
| Balance at 31 December 2023 | <u>6,601,294</u> | <u>8,023,180</u> | <u>1,596,141</u> | <u>2,132,006</u> | <u>18,353,620</u> |
| Amortisation | | | | | |
| Balance at 1 January 2023 | = | <u>8,363,202</u> | <u>1,435,123</u> | = | <u>9,798,325</u> |
| Amortisation during the year | - | 673,772 | 179,050 | - | 852,822 |
| Depreciations | - | 5,423 | 158,255 | - | 163,678 |
| Out | - | (3,428,652) | (375,953) | - | (3,804,605) |
| Balance at 31 December 2023 | = | <u>5,613,744</u> | <u>1,396,475</u> | = | <u>7,010,220</u> |
| Net book values | | | | | |
| Balance at 1 January 2023 | <u>3,920,026</u> | <u>866,595</u> | <u>489,634</u> | = | <u>5,276,255</u> |
| Balance at 31 December 2023 | <u>6,601,294</u> | <u>2,410,436</u> | <u>199,665</u> | <u>2,132,006</u> | <u>11,343,401</u> |

The movement in property, plant and equipment impairment adjustments during 2024, is as follows:

| | <u>2024</u> | <u>2023</u> |
|--|-----------------------|-----------------------|
| Impairment adjustments at 1 January | <u>163,678</u> | - |
| Depreciation during the year | - | 163,678 |
| Resumptions during the year | (163,678) | - |
| Depreciation adjustments at 31 December | - | <u>163,678</u> |

- i) "Land and building improvements" include land owned by the BVB, revalued at 31 December 2023 at the value of RON 6,601,294 following the external revaluation report carried out in 2023. The historical value of the land held is RON 2,170,513 and the revaluation reserve recognised is RON 4,430,781.
- ii) The building improvements included in the category "Land and building improvements" represent the works for the new BVB headquarters, namely data centre, office space and events room for the press, to be put into use in February 2024 with the authorisation of the change of headquarters received from the ASF.
- iii) During 2024, servers and network equipment in the amount of 765.057 lei were purchased, both for the purpose of replacing old servers, replacements planned for 2024, carried out in order to maintain the operational activity at the optimal level

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024 (lei)

- iv) During 2024, as a result of the relocation of the BVB headquarters, IT equipment and furniture that could not be used at the new premises amounting to RON 2,507,955 were written off, most of which were fully depreciated, and for the others at the end of 2023, an impairment adjustment of RON 163,678 was recognised in income in 2024.

13. INTANGIBLE ASSETS

| | Licences, software | Assets under construction | Total |
|------------------------------------|-------------------------------|--------------------------------------|-------------------------|
| 2024 | | | |
| Cost | | | |
| Balance at 1 January 2024 | <u>7,996,999</u> | <u>272,641</u> | <u>8,269,640</u> |
| Additions | 675,518 | - | 675,518 |
| Disposals | (531,400) | (27,783) | (559,182) |
| Balance at 31 December 2024 | <u>8,141,117</u> | <u>244,858</u> | <u>8,385,975</u> |
| Amortisation | | | |
| Balance at 1 January 2024 | <u>6,701,908</u> | - | <u>6,701,908</u> |
| Amortisation during the year | 847,021 | - | 847,021 |
| Disposals | (531,400) | - | (531,400) |
| Balance at 31 December 2024 | <u>7,017,529</u> | <u>-</u> | <u>7,017,529</u> |
| Net book values | | | |
| Balance at 1 January 2024 | <u>1,295,091</u> | <u>272,641</u> | <u>1,567,731</u> |
| Balance at 31 December 2024 | <u>1,123,588</u> | <u>244,858</u> | <u>1,368,446</u> |
| 2023 | | | |
| Cost | | | |
| Balance at 1 January 2023 | <u>7,191,956</u> | <u>485,571</u> | <u>7,677,527</u> |
| Additions | 997,638 | 792,058 | 1,789,696 |
| Disposals | (192,595) | (1,004,988) | (1,197,583) |
| Balance at 31 December 2023 | <u>7,996,999</u> | <u>272,641</u> | <u>8,269,640</u> |
| Amortisation | | | |
| Balance at 1 January 2023 | <u>6,143,860</u> | - | <u>6,143,860</u> |
| Amortisation during the year | 750,644 | - | 750,644 |
| Disposals | (192,595) | - | (192,595) |
| Balance at 31 December 2023 | <u>6,701,908</u> | <u>-</u> | <u>6,701,908</u> |
| Net book values | | | |
| Balance at 1 January 2023 | <u>1,048,097</u> | <u>485,571</u> | <u>1,533,668</u> |
| Balance at 31 December 2023 | <u>1,295,091</u> | <u>272,641</u> | <u>1,567,731</u> |

Licences and software mainly include the value of computer software used by the Company in the specific activities it undertakes, such as the use of trading systems.

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024 (lei)

During 2024, the Company recorded investments and purchases of intangible assets in the amount of RON 675,518 (2023: RON 997,638) and mainly represented renewals of licences to use the IT infrastructure operating system and other licences. Intangible assets under development represent software developments for the derivatives market in the process of operationalisation.

14. UTILISATION RIGHTS

| 2024 | <u>Building</u> | <u>Cars</u> | <u>Total</u> |
|------------------------------------|--------------------------|-----------------------|--------------------------|
| Cost | | | |
| Balance at 1 January 2024 | <u>11,595,438</u> | <u>505,696</u> | <u>12,101,134</u> |
| Additions | 1,273,716 | 145,705 | 1,419,421 |
| Disposals | <u>(2,616,026)</u> | <u>(85,462)</u> | <u>(2,701,488)</u> |
| Balance at 31 December 2024 | <u>10,253,128</u> | <u>565,939</u> | <u>10,819,066</u> |
| Amortisation | | | |
| Balance at 1 January 2024 | <u>3,105,381</u> | <u>192,347</u> | <u>3,297,728</u> |
| Amortisation during the year | 1,162,224 | 110,326 | 1,272,550 |
| Disposals | <u>(2,616,026)</u> | <u>(85,462)</u> | <u>(2,701,488)</u> |
| Balance at 31 December 2024 | <u>1,651,579</u> | <u>217,211</u> | <u>1,868,790</u> |
| Net book values | | | |
| Balance at 1 January 2024 | <u>8,490,056</u> | <u>313,349</u> | <u>8,803,406</u> |
| Balance at 31 December 2024 | <u>8,601,549</u> | <u>348,728</u> | <u>8,950,277</u> |
| 2023 | <u>Buildings</u> | <u>Cars</u> | <u>Total</u> |
| Cost | | | |
| Balance at 1 January 2023 | <u>4,305,877</u> | <u>424,460</u> | <u>4,730,337</u> |
| Additions | 9,339,943 | 171,287 | 9,511,229 |
| Disposals | <u>(2,050,382)</u> | <u>(90,051)</u> | <u>(2,140,433)</u> |
| Balance at 31 December 2023 | <u>11,595,438</u> | <u>505,696</u> | <u>12,101,134</u> |
| Amortisation | | | |
| Balance at 1 January 2023 | <u>1,569,281</u> | <u>192,834</u> | <u>1,762,115</u> |
| Amortisation during the year | 1,620,443 | 89,564 | 1,710,007 |
| Disposals | (84,343) | (90,051) | (174,394) |
| Balance at 31 December 2023 | <u>3,105,381</u> | <u>192,347</u> | <u>3,297,728</u> |
| Net book values | | | |
| Balance at 1 January 2023 | <u>2,736,596</u> | <u>231,626</u> | <u>2,968,222</u> |
| Balance at 31 December 2023 | <u>8,490,056</u> | <u>313,349</u> | <u>8,803,406</u> |

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024 (lei)

As at 01 January 2024, the Company had two leases in place for its main and secondary premises, for which the implicit interest rate used was 5.36%/year and 6.25%/year respectively, which is determined by the cost of borrowing on the financial market to finance an asset of a similar value for a comparable period of time

At the end of 2023, on the basis of the unilateral termination of the lease relating to the old premises, the value of the asset remaining at the date of the lease was derecognised. As from February 2024 the lease related to the old premises ended, the value recognised as an asset with right of use and the related depreciated value were derecognised.

As at 01 January 2024, the Company had entered into 4 car leases (operating leases) for which the interest rate used was between 4.2% and 8.16% per annum, the cost of borrowing on the financial market for financing an asset of a similar amount for a comparable period of time.

During the year 2024, one of the car lease contracts (operating lease) was renewed and an asset right of use was recognised in the amount of RON 145,705, the interest rate used being 6.14%, which represents the cost of borrowing on the financial market to finance an asset of a similar value for a comparable period of time.

Movements in lease liability related to right-of-use assets at 31 December 2023 and 31 December 2024 are shown below:

| | 2024 | 2023 |
|-----------------------|--------------------------|-------------------------|
| 1 January | <u>9,837,324</u> | <u>3,127,014</u> |
| Additions | 1,531,583 | 10,010,936 |
| Disposals | - | (2,162,562) |
| Interest accumulation | (503,154) | (549,439) |
| Plati | (711,807) | <u>(588,625)</u> |
| 31 December | <u>10,153,946</u> | <u>9,837,324</u> |

The maturity of the lease liability based on contractual undiscounted cash flows as at 31 December 2024 is shown below:

| <u>31 December 2024</u> | <u>Due</u> | <u>Less than 3 months</u> | <u>3-12 months</u> | <u>1-5 years</u> | <u>over 5 years</u> | <u>Total</u> |
|--------------------------------|-------------------|----------------------------------|---------------------------|-------------------------|----------------------------|---------------------|
| Leasing liability | - | 560,707 | 1,121,413 | 7,313,044 | 3,641,098 | 12,636,262 |

For interest expense on liabilities arising from leasing contracts, see Note 10.

15. FINANCIAL INSTRUMENTS

Financial instruments (net amounts, include anticipated credit loss held by the Company consist of:

| | <u>31 December 2024</u> | <u>31 December 2023</u> |
|--|--------------------------|--------------------------|
| Non-current financial assets carried at amortised cost - gross value | 9,909,809 | 17,609,431 |
| Expected credit losses. | (90,763) | (52,172) |
| Non-current financial assets carried at fair value through profit and loss | 1,134,061 | 320,877 |
| Other assets - guarantees | <u>579,476</u> | <u>747,562</u> |
| Total fixed assets | <u>11,532,583</u> | <u>18,304,822</u> |
| Deposits with banks. with a maturity between 3 months and one year | 8,487,894 | 20,286,717 |
| Expected credit losses. | (46,997) | (46,193) |
| Current financial assets carried at amortised cost | <u>5,902,748</u> | <u>4,554,271</u> |
| Total current assets | <u>14,343,645</u> | <u>24,794,795</u> |

Non-current financial assets are represented by government securities issued by the Ministry of Finance, denominated in Lei, USD and EUR, with initial maturities between 10 months and 5 years at annual coupon rates of 7.2% for Lei, 2.75% for EUR and 3% for USD.

Term deposits with banks are made in RON, with Romanian banks, with initial maturities between 3 months and 1 year at interest rates between 5.28% and 6%.

Financial assets show amounts net of anticipated credit losses (IFRS9). The gross value of financial assets (government securities and deposits with banks) is RON 24,300,451 and the expected credit loss is RON 137,760.

Other assets represent the guarantee paid under the premises lease contract.

| Expected credit losses | 2024 | 2023 |
|-------------------------------|-----------------------|----------------------|
| Balance at 1 January | <u>98,364</u> | <u>297,208</u> |
| Increases | 139,938 | 61,739 |
| Reversals | <u>(100,543)</u> | <u>(260,582)</u> |
| Balance at 31 December | <u>137,760</u> | <u>98,364</u> |

For the financial assets held by the Company the expected credit loss is calculated for 12 months (step 1)

15. FINANCIAL INSTRUMENTS (CONTINUED)

Changes in financial instruments held at amortised cost:

| | Financial assets carried at <u>amortised cost</u> | Financial assets carried at <u>amortised cost</u> |
|---|---|---|
| | 2024 | 2023 |
| 1 January | <u>22,859,093</u> | <u>30,694,851</u> |
| Purchases and exchange rate differences | 6,499,427 | 7,040,378 |
| Calculated interest | 939,291 | 847,146 |
| Interest received | (1,025,579) | (1,288,852) |
| Redemptions (less interest) | <u>(12,917,773)</u> | <u>(14,396,830)</u> |
| 31 December | <u>16,354,459</u> | <u>22,896,693</u> |
| Expected credit losses, IFRS 9 | (53,189) | <u>(37,600)</u> |
| Net book value | <u>16,301,270</u> | <u>22,859,093</u> |

16. TRADE AND OTHER RECEIVABLES

The Company's trade and other receivables consist of the following:

| | <u>31 December 2024</u> | <u>31 December 2023</u> |
|--|-------------------------|-------------------------|
| Trade receivables - gross amount <i>i)</i> | 5,891,349 | 8,228,197 |
| Adjustment for impairment of receivables commercial | (1,348,411) | (547,160) |
| Prepaid credit losses IFRS 9 | (10,089) | (11,119) |
| Non-exemissible VAT | 4,923 | 27,493 |
| Other receivables | 405,300 | 231,736 |
| Adjustment for impairment of other receivables | <u>(168,029)</u> | - |
| Total | <u>4,775,043</u> | <u>7,929,146</u> |

Trade and other receivables considered as financial assets and disclosed in Note 5 Financial risk management amount to RON 4,775,043 at 31 December 2024 and RON 7,929,146 at 31 December 2023 and represent net trade and other receivables.

Trade receivables mainly represent receivables from financial investment services companies invoiced for services rendered in the last month of the financial year, as well as receivables for services invoiced to listed issuers and other clients: trading system maintenance fee, additional terminal usage fee, sale of on-line information, index licence fees, data dissemination fee and others.

Other receivables represent amounts receivable from debtors of the company and in relation with state authorities, partially provisioned.

16. TRADE AND OTHER RECEIVABLES (CONTINUED)

Until 2023 inclusive, a specific adjustment has been calculated, based on uncollected invoices older than 270 days, i.e. 30% of the value of uncollected invoices issued for the annual maintenance fee, based on the amendment in 2021 of Regulation no. 5/2018 on issuers of financial instruments and market operations, namely the introduction of the obligation for listed issuers to provide proof of payment of the amounts due to the Stock Exchange, the recovery of uncollected amounts will be possible until the moment of delisting/withdrawal from trading at the latest.

However, on the basis of the recovery timetable for the period 2021-2023, the Company has opted to revert to the policy of 100% provisioning of uncollected receivables older than 270 days

The impact to the Income Statement for 2024 in the adjustment for impairment of receivables as a result of the updated policy for provisioning for uncollected issuer maintenance fee receivables was as follows:

| | <u>2024 (100% adjustment)</u> | <u>2024 (30% adjustment)</u> | <u>Impact</u> |
|---|-------------------------------|------------------------------|----------------|
| <i>Value adjustment - individual component</i> | | | |
| Balance at 1 January | 547,160 | 547,160 | - |
| Impairment losses | 997,497 | 264,804 | 732,693 |
| Reversals of write-downs | <u>(28,217)</u> | <u>(28,217)</u> | - |
| Balance at 31 December | 1,516,440 | 783,747 | 732,693 |

The increase in the provisioning percentage to 100% of the outstanding balance of uncollected receivables from issuer maintenance fees greater than 270 days, compared to the 30% provisioning previously, resulted in an increase in the impairment adjustment of 732,693 lei with an impact on the 2024 result of 225,809 lei, and on the retained result from the change in accounting policies of 506,884 lei.

The movement in the value adjustment of overdue receivables during the year was as follows:

| | <u>2024</u> | <u>2023</u> |
|---|------------------|-----------------|
| <i>Value adjustment - individual component</i> | | |
| Balance at 1 January | 547,160 | 487,452 |
| Increases | 997,497 | 79,732 |
| Reversals | <u>(28,217)</u> | <u>(20,024)</u> |
| Balance at 31 December | 1,516,440 | 547,160 |

Trade receivables adjustment is calculated annually taking into account outstanding receivables older than 270 days.

Other receivables adjustment is calculated annually taking into account doubtful receivables.

| <i>Expected credit losses</i> | <u>2024</u> | <u>2023</u> |
|--------------------------------------|--------------------|--------------------|
| Balance at 1 January | <u>11,119</u> | <u>11,135</u> |
| Increases | - | 4,310 |
| Reversals | <u>(1,031)</u> | <u>(4,325)</u> |
| Balance at 31 December | 10,089 | 11,119 |

Company calculates an value adjustment for trade receivables using the simplified approach, recognising an expected loss on receivables over the life of the receivables.

The amount of the expected credit loss on trade receivables has been calculated using the rate determined by the amount of trade receivables related to customers that became doubtful in the reporting period over the total revenue generated by the Company in the same period.

The rate so determined has been applied to the balance of individually unprovisioned receivables at 31 December 2024.

The trade receivables provisioning matrix is summarised below:

| 31 December 2024 | Receivables from contracts with customers | Trade receivables | | | | |
|----------------------------------|--|--------------------------|---------------------|-------------------|-------------------|--------------------------|
| | | Current | < 30 days | 31-60 days | 61-90 days | More than 90 days |
| Expected loss rate | 24% | 0,24% | 0,24% | 0,24% | 0,24% | 95% |
| Gross value of trade receivables | 5,563,401 | 2,738,678 | 115,363 | 1,253,478 | 31,945 | 1,423,937 |
| Recorded credit losses | 1,358,499 | 6,674 | 281 | 3,055 | 78 | 1,348,411 |

| 31 December 2023 | Receivables from contracts with customers | Trade receivables | | | | |
|----------------------------------|--|--------------------------|---------------------|-------------------|-------------------|--------------------------|
| | | Current | < 30 days | 31-60 days | 61-90 days | More than 90 days |
| Expected loss rate | 7% | 0,17% | 0,17% | 0,17% | 0,17% | 46% |
| Gross value of trade receivables | 7,869,094 | 6,391,527 | 177,824 | 40,940 | 60,183 | 1,198,621 |
| Recorded credit losses | 558,279 | 10,654 | 296 | 68 | 100 | 547,160 |

17. PREPAYMENTS

Prepaid expenses in the amount of 971,915 lei (31 December 2023: 931,534 lei) mainly represent ESG score consultancy, insurance premiums for equipment, IT equipment maintenance, insurance premiums for directors' liability insurance, membership fees to international bodies and various subscriptions.

18. CASH AND CASH EQUIVALENTS

Cash and cash equivalents held consist of:

| | <u>31 December 2024</u> | <u>31 December 2023</u> |
|--|--------------------------------|--------------------------------|
| Bank deposits with original maturity | | |
| less than 3 months - gross value | 900,000 | 469,737 |
| Current accounts with banks - gross amount | 2,361,355 | 2,674,835 |
| Cash | 50,679 | 49,832 |
| Expected credit losses | <u>(18,058)</u> | <u>(7,161)</u> |
| Total | 3,293,976 | 3,187,243 |

Cash and cash equivalents as at 31 December 2024 shows the position net of anticipated credit losses (. The gross amount of cash and cash equivalents is RON 3,312,034 (2023: RON 3,194,404) and the anticipated credit loss is RON 18,058 (2023: RON 7,161).

| <i>Expected credit losses</i> | <u>2024</u> | <u>2023</u> |
|--------------------------------------|--------------------|--------------------|
| Balance at 1 January | 7,161 | <u>13,187</u> |
| Increases | 62,274 | 28,161 |
| Reversals | <u>(51,377)</u> | <u>(34,187)</u> |
| Balance at 31 December | 18,058 | 7,161 |

Expected credit losses are modelled using credit default swaps and for financial assets held by the Company the expected credit loss is calculated for 12 months.

19. DEFERRED TAX LIABILITY

31 December 2024

In LEI

| | Active | Debts | Net |
|--------------------------------------|------------------|--------------------|------------------|
| Tangible fixed assets | 4.430.781 | | 4.430.781 |
| Employee benefits | - | (1.048.535) | (1.048.535) |
| Total | 4.430.781 | (1.048.535) | 3.382.246 |
| Net temporary differences - 16% rate | | | 3.382.246 |
| Deferred income tax liability | | | (541.160) |

| | <u>2024</u> | <u>2023</u> |
|--|------------------|----------------|
| Deferred tax liability Movement | | |
| Balance at 1 January | 273.037 | - |
| Resumptions during the | (273.037) | |
| Recognised as a result of the exercise | 167.765 | 273.037 |
| Recognised in equity | (708.925) | |
| Balance at 31 December | (541.160) | 273.037 |

The deferred income tax deferred tax asset has been calculated for deductible temporary differences arising from the estimated expense for the grant of free shares to employees and management under the approved Share Option Plan. The recognised temporary differences are expected to be deducted against the taxable profit earned in the following year.

The deferred income tax liability has been calculated for taxable temporary differences arising on revaluation surplus relating to land held. The recognised temporary differences are expected to be deducted against the gain realised on the sale of the land in the future.

20. TRADE AND OTHER LIABILITY

The Company's trade and other payables consist of:

| | <u>31 December 2024</u> | <u>31 December 2023</u> |
|---|--------------------------------|--------------------------------|
| Trade payables | 1,599,211 | 1,472,542 |
| Salary contributions due | 576,389 | 382,508 |
| Taxes due | 17,190 | 14,714 |
| VAT payable | 10,291 | 81,009 |
| Dividends payable | 476,468 | 1,495,756 |
| Other liabilities to management and staff | 926,970 | 1,380,565 |
| Other liabilities | <u>1,888,429</u> | <u>218,624</u> |
| Total | 5,494,949 | 5,045,719 |

Trade and other payables considered as financial payables and disclosed in Note 5 "Financial risk management" amount to RON 3,964,108 at 31 December 2024 and RON 3,186,922 at 31 December 2023 and are composed of trade payables, dividends payable and other payables to creditors.

Trade payables mainly represent obligations to internal and external suppliers not yet due and payable at the beginning of 2024.

In respect of dividends payable represented by unrecorded dividends from the period 2008-2023, the Company has opted to adopt a new policy regarding the lapse of dividends payable older than 3 years

According to local legislation, unclaimed dividends become statute-barred within 3 years. This provision is governed by the Civil Code and the Companies Act No 31/1990. According to Article 2517 of the Civil Code, the period of extinctive prescription is 3 years, with certain exceptions provided by law. In the case of unclaimed dividends, this period applies, which means that after 3 years from the date on which the dividends became payable, the shareholders' right to claim payment of the dividends is time-barred.

Thus, as at 31 December 2024, dividends amounting to 1,203,702 lei have been written off to other income.

Other payables include amounts collected from the Central Depository in the amount of RON 1,096,581 under the programme for granting free shares to management and employees adopted at BVB Group level related to options granted for the year 2024 based on a statement including the number of options granted to DC employees and the average purchase price of the shares. This liability will be extinguished on the date of exercise of the options, i.e. the grant of shares to DC employees.

21. LEASING LIABILITY

| | <u>31 December 2024</u> | <u>31 December 2023</u> |
|----------------------------------|--------------------------------|--------------------------------|
| Leasing liabilities - short-term | 1,161,446 | 914,311 |
| Leasing liabilities - long-term | <u>8,992,499</u> | <u>8,923,013</u> |
| Total | 10,153,946 | 9,837,324 |

For interest expense on liabilities arising from leasing contracts, see Note 10.

Liabilities arising from leasing contracts by maturity on 31 December 2024 and 31 December 2023.

| | <u>31 December 2024</u> | <u>31 December 2023</u> |
|---|--------------------------------|--------------------------------|
| Leasing liabilities (over 5 years) | 3,641,098 | 3,225,141 |
| Leasing liabilities (between 1 and 5 years) | 7,313,044 | 7,872,906 |
| Liabilities arising from leasing contracts (up to 1 year) | <u>1,682,120</u> | <u>1,442,593</u> |
| Total gross liability | 12,636,262 | 12,540,640 |
| Leasing debts (over 5 years) | 3,367,106 | 2,994,112 |
| Leasing liabilities (between 1 and 5 years) | 5,625,393 | 5,928,901 |
| Leasing liabilities (up to 1 year) | <u>1,161,446</u> | <u>914,311</u> |
| Total net liability | 10,153,946 | 9,837,324 |

22. DEFERRED INCOME

Deferred income consists of:

| | <u>31 December 2024</u> | <u>31 December 2023</u> |
|--------------------------------------|--------------------------------|--------------------------------|
| Income from listing maintaining fees | 2,050,310 | 1,785,608 |
| Other prepaid income | <u>28,104</u> | <u>47,942</u> |
| Total | <u>2,078,414</u> | <u>1,833,550</u> |

Prepaid income represents contractual liabilities in relation to the fees for maintaining listed issuers on the trading system and is recognised as income over 12 months and progressively recognised as income over the period in which the services are rendered.

The amount of RON 1,805,446 included in prepaid income from contractual payables at 31 December 2023 has been recognised as income in 2024 (2023: RON 1,564,892).

Further details are given in Note 8.

23. CAPITAL AND RESERVES

a) Share capital

At 31 December 2024, BVB had a share capital of RON 88,541,700 (31 December 2023: RON 80,492,460), divided into 8,854,170 shares with a nominal value of RON 10/share, dematerialised, with the same voting rights, divided into the following categories:

| Shareholder structure at 31 December 2024 | Number of <u>shares</u> | % in capital <u>social</u> |
|--|------------------------------------|---------------------------------------|
| Legal entities, of which: | <u>7.015.056</u> | <u>79,23%</u> |
| - Romans | 6.880.910 | 77,71% |
| - foreign | 134.146 | 1,52% |
| Natural persons, of which: | <u>1.788.894</u> | <u>20,20%</u> |
| - Romans | 1.694.756 | 19,14% |
| - foreign | 94.138 | 1,06% |
| Bucharest Stock Exchange | <u>50.220</u> | <u>0,57%</u> |
| Total | 8.854.170 | 100,00% |

Types of actions:

| | 31 December 2024 | 31 December 2023 |
|----------------------|-----------------------------|-----------------------------|
| Ordinary shares | 8.854.170 | 8.049.246 |
| Preferential" shares | - | - |
| Total | 8.854.170 | 8.049.246 |

In accordance with Article 136 para. 5 of Law 126/2018 on Markets in Financial Instruments Markets, no shareholder of a market operator may hold, directly or together with persons with whom it acts in concert, more than 20% of the total voting rights. Consequently, as at 31 December 2024, no shareholder of the BVB held stakes exceeding this threshold.

Decision no. 632/18.05.2010 issued by CNVM approved the prospectus prepared for the admission to trading on the regulated market administered by BVB of its own shares. On 8 June 2010, the first trades in shares issued by BVB were made on the regulated market in Romania

The closing price in the last trading session of 2024 was 40.90 lei/share (2023: 65.60 lei/share).

23. CAPITAL AND RESERVES (CONTINUED)

b) Own shares

Details of treasury shares repurchased and granted under the employee and management share grant programmes in 2024 are presented as follows :

| | <u>2024</u> | <u>2023</u> |
|---|--------------------|--------------------|
| Balance at 1 January | (262,879) | (1,024,524) |
| Own shares buy-back | (5,337,567) | - |
| Shares transferred to own employees | 1,984,074 | 761,645 |
| Shares transferred to employees of subsidiaries | <u>929,194</u> | - |
| Balance at 31 December | (2,687,178) | (262,879) |

| | 2024 | | | 2023 | | |
|---|-------------------------|----------------------|------------------|-------------------------|----------------------|------------------|
| | Number of shares | Average price | Value | Number of shares | Average price | Value |
| | | You | You | | You | You |
| Opening balance at the beginning of the period | 9,844 | 26.70 | 262,879 | 40,419 | 25.35 | 1,024,524 |
| Shares buy-back | 85,849 | 59.19 | 5,081,563 | - | - | - |
| Shares from capital increase related to own shares held | 1,482 | - | - | - | - | - |
| Fractional shares share capital increase | 4,265 | 60.02 | 256,004 | - | - | - |
| Shares granted to BVB employees | (36,704) | 54.06 | (1,984,074) | (30,575) | 24.91 | (761,645) |
| Shares granted to Group employees | <u>(14,516)</u> | <u>64.01</u> | <u>(929,194)</u> | - | - | - |
| Closing balance at the end of the period | 50,220 | 53.51 | 2,687,178 | 9,844 | 26.70 | 262,879 |

Shares acquisitions were part of the Buy back programme approved by the AGM on 24 April 2024.

The free shares came from the capital increase carried out by the BVB whereby shareholders received 1:10 free shares of the newly issued shares.

The shares from the share capital increase fractions represent the shares remaining after the free distribution, their value being paid in cash to the shareholders.

The options exercisable at the beginning of the reporting period that were fully exercised in 2024 correspond to shares related to SOP 2023, in the amount of RON 1,984,074 (36,704 shares) granted in the second quarter of 2024 at a price of RON 46/share (price at the date of the grant of the option).

23. CAPITAL AND RESERVES (CONTINUED)

c) Share-based benefits for directors and employees

In 2024, the Company granted options under the Stock Option Plan to eligible members of the Board of Directors, management and employees.

Benefits relating to the following SOP programmes are outstanding at 31 December 2024 and 31 December 2023, respectively:

| | 2024 | 2023 |
|-------------------------------|------------------|------------------|
| SOP 2024 | 1,159,526 | 1,799,376 |
| Balance at 31 December | 1,159,526 | 1,799,376 |

Reconciliation of outstanding share options

| OPTIONS | 2024 | | | 2023 | | |
|---|------------------|---------------|------------------|------------------|---------------|------------------|
| | Number of shares | Average price | Value | Number of shares | Average price | Value |
| | | You | You | | You | You |
| Opening balance at the beginning of the period | 36,704 | 54 | 1,984,074 | 30,575 | 25 | 761,645 |
| Options granted BVB | 21,002 | 55.21 | 1,159,520 | 36,704 | 49.02 | 1,799,376 |
| Options exercised | (36,704) | 54 | 1,984,074 | (30,575) | 25 | (61,645) |
| Closing balance at the end of the period | 21,002 | | 1,159,520 | 36,704 | | 1,799,376 |

The options granted during 2024 and which are exercisable at the end of the reporting period correspond to shares related to SOP 2024, which are in the amount of RON 1,159,526 (a number of 21,002 shares) and will be granted in the second quarter of 2025 at an average price of RON 55.21/share (average price at the date of the grant of the option).

There were no options expired or forfeited during 2023 and 2024.

23. CAPITAL AND RESERVES (CONTINUED)

d) Dividends

The Board of Governors intends to submit to the approval of the General Meeting of Shareholders of 29/30 April 2025 the proposal to allocate the statutory net profit for the year 2024 of the Company, in the amount of 1.188.121 lei, as follows: the amount of 170.798 lei for the legal reserve, and the amount of 1.017.323 lei is allocated to retained earnings.

The General Shareholders' Meeting of the BVB on 26 April 2024 approved the proposal to distribute the statutory net profit for the year 2023 of the Bucharest Stock Exchange in the amount of 21,830,972 lei, of which 1,257,111 lei for the legal reserve and the rest in the form of gross dividends. The amount to be distributed in 2024 in the form of gross dividends for 2023 is RON 12,524,621. The dividend payment date set by the AGM was 27 August 2024. The dividend per share was 1.5550 lei/share.

From the reserves constituted from the net profit for the year 2023, the share capital was increased by RON 8,049,240 through the issue of 804,924 new ordinary, registered and dematerialised shares, with a nominal value of RON 10/share ("New Shares"). The New Shares were allocated to the Company's shareholders in proportion to their shareholdings in the Company's share capital; within the framework of the share capital increase, each shareholder received, free of charge, for each 10 shares held, a number of New Shares out of the 804,924 newly issued

e) Legal reserve

In accordance with the legal requirements in Romania, the Company constitutes legal reserves in the amount of at least 5% of the gross profit, up to 20% of the share capital. Legal reserves cannot be distributed to shareholders.

Legal reserves may be used to cover possible losses from operating activities.

f) Revaluation reserve

This reserve comprises the cumulative net changes in the fair values of the assets from the date they were classified in this category until the date they were derecognised or impaired

Movements in the reserves look like this:

| Revaluation reserve | <u>2024</u> | <u>2023</u> |
|---|-------------------------|-------------------------|
| Balance at 1 January | <u>4,430,781</u> | <u>1,748,513</u> |
| Movement in revaluation reserve during the year | <u>(708,925)</u> | <u>2,682,268</u> |
| Balance at 31 December | <u>3,721,856</u> | <u>4,430,781</u> |

24. EARNINGS PER SHARE

The calculation of basic earnings per share as at 31 December 2024 is based on profit attributable to equity holders of the Company of RON 1,188,121 (2023: RON 21,830,972) and the weighted average number of ordinary shares outstanding of 8,296,629 (2023: 8,049,246).

25. RELATED PARTY TRANSACTIONS

Key management staff

31 December 2024

The management of the Company has been provided by the Board of Directors validated by the ASF as of 9 February 2024 and is composed of the following members:

- Radu Hanga - President, independent
- Şerban Valentin Marin - Vice-President
- Dumitru Remus Vulpescu - Vice-President, independent
- Răzvan Legian Raţ - Secretary General, independent
- Loredana Norica Chitu - Member, independent
- Claudia Gabriela Ionescu - Member, independent
- Octavian Molnăr - Member
- Vasile Cristian Pascu - Member, independent
- Daniela Secară - Member, independent

Until the authorisation by the Financial Supervisory Authority in February 2024 of the new members of the Board of the Stock Exchange elected by the Ordinary General Meeting of Shareholders on 22.11.2023 for a 4-year mandate, the Board of the Stock Exchange had the following composition: Radu Hanga - Chairman, Robert Cosmin Pană - Vice-Chairman, Dan Viorel Paul - Vice-Chairman, Claudia Gabriela Ionescu - General Secretary, Mihaela Ioana Bîciu - Member, Octavian Molnăr - Member, Dragoş Valentin Neacşu - Member, Răzvan Legian Raţ - Member and Ştefan Szitaş - Member.

Executive leadership was provided by:

- Mr Adrian Tanase Director
- Mr Alin Barbu Director General

In 2024, the gross fixed remuneration transferred to the BVB Directors totalled RON 1,788,555 (2023: RON 1,614,435).

In 2024, the gross fixed allowances transferred to the members of the Board of Directors totalled 1,265,356 lei (2023: 1,141,132 lei).

The total gross remuneration paid to directors and executive directors was, according to the remuneration report for the year 2024, RON 4.342.317 (2023: RON 4,609,412.)

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024 (lei)

25. RELATED PARTY TRANSACTIONS (CONTINUED)

The remuneration of the key personnel of the Company, namely the BVB's directors and officers, is set out below:

| Total gross remuneration | <u>2024</u> | <u>2023</u> |
|---|--------------------|--------------------|
| Fixed remuneration | 3,054,911 | 2,755,567 |
| Variable remuneration (SOP and bonuses) | 1,283,806 | 1,850,245 |
| Pension Plan | <u>3,600</u> | <u>3,600</u> |
| Total | 4,342,317 | 4,609,412 |

The company has not granted loans, advances or guarantees in favour of the members of the Board of Directors and executive directors of BVB .

| <u>Affiliated party</u> | <u>Field of activity</u> | <u>Percentage of holding 31 December 2024</u> | <u>Percentage of holding 31 December 2023</u> |
|--|---|--|--|
| Central Depository SA | Clearing / settlement of transactions with shares and bonds carried out on the Bucharest Stock Exchange and maintenance of the register of shareholders | 69,04% | 69,04% |
| Corporate Governance Institute of the BVB | Professional training of listed companies and capital market participants in corporate governance and sustainable development | 100% | 100% |
| CCP.RO Bucharest SA | It was registered with the Trade Register on 4 November 2019 and aims to act as a central counterparty in the derivatives trading market. The company is an authorisation course. | 54,93% | 52,38% |

The affiliated parties are companies or individuals with headquarters and domicile in Romania.

Transactions with related entities

| | <u>2024</u> | <u>2023</u> |
|---|-------------------------|-------------------------|
| Operating revenues, from: | <u>1,157,424</u> | <u>629,594</u> |
| Central Depository | 734,582 | 320,000 |
| CCP.RO | 422,842 | 309,594 |
| BVB income from dividends received from: | <u>2,844,586</u> | <u>1,398,115</u> |
| - Central Depository | 2,844,586 | 1,398,115 |
| Purchases of goods and services from: | <u>45,931</u> | <u>21,564</u> |
| - Central Depository | 45,931 | 21,564 |
| Trade receivables , of which to: | <u>512,735</u> | <u>64,348</u> |
| Central Depository | 9,553 | 48,194 |
| CCP.RO | 503,182 | 16,154 |

| | | |
|----------------------------------|------------------|---------------|
| Other receivables , from: | <u>61,571</u> | <u>61,571</u> |
| Central Depository | 61,571 | 61,571 |
| BVB liability to: | <u>1,096,581</u> | <u>175</u> |
| - Central Depository | 1,096,581 | 175 |

The revenues recorded in relation with the Central Depository are based on IT administration and maintenance services for the equipment and for the post-trading system, which ensure the realisation of the object of activity and revenues from dividends distributed the Central Depository S.A.

The revenue recognised in relation to CCP.RO is based on the middleware system development contract.

Expenses recognised with affiliated entities consist of services provided by the Central Depository.

The BVB's debt to the Central Depository in the amount of 1,096,581 lei refers to the advances under the programme for the Grant of Free Shares to management and employees adopted at BVB Group level related to the options granted for the year 2024. The respective debt will be extinguished on the date of exercise of the options, i.e. on the date of granting the shares to the DC employees.

26. COMMITMENTS AND CONTINGENT LIABILITIES

12.1. Bank letters of guarantee

In order to comply with the obligations undertaken in the premises lease agreement concluded in March 2023 with Complex Multifunctional Victoria SA, the Board of the Stock Exchange approved by Decision no. 47 of 24 May 2023, in order to obtain a bank letter of guarantee, the conclusion with Banca Comerciala Romana (BCR) of a credit agreement on the basis of which a bank letter of guarantee and a mortgage agreement on the accounts opened with BCR would be issued.

Thus, on 13 June 2023, a Credit Agreement was entered into with Banca Comerciala Romana (BCR) for the issuance of a bank letter of guarantee in the amount of EUR 495,000 and a real estate mortgage on the accounts opened with BCR which will terminate upon the settlement of all amounts and debts that are or may become due under the Financing Documents.

BVB also acts as guarantor, for the amount of EUR 124,999, in a bank letter of guarantee with a value of EUR 244,395, issued in the context of the signing of the credit agreement concluded by CCP.RO Bucharest SA (BVB subsidiary) with Banca Comerciala Romana (BCR) for the lease of premises concluded by CCP.RO Bucharest SA with the Multifunctional Complex Victoria SA.

27. SUBSEQUENT EVENTS

On 10 March 2025, the Ordinary General Meeting of the Shareholders of CCP.RO Bucharest S.A. was convened at the request of the BVB in order to revoke the Board of Directors of CCP.RO following the withdrawal of the application for authorisation and the delay in resubmission of the authorisation file according to EMIR 3.

During the meeting, it was noted that the minimum quorum required by Article 39 of the Articles of Association, namely at least 80% of the share capital, was not met in order to adopt a resolution on item 2 on the agenda - Revocation of all members of the Board of Directors of CCP.RO Bucharest S.A.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders,
Bursa de Valori Bucuresti S.A.

Report on the Audit of the Separate Financial Statements

Opinion

1. We have audited the separate financial statements of Bursa de Valori Bucuresti S.A. ("the Company"), with registered office in 4-8 Nicolae Titulescu street, America House Building, District 1, Bucharest, identified by unique tax registration code RO1777754, which comprise the separate statement of financial position as at December 31, 2024, and the separate statement of profit and loss and comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including material accounting policy information.
2. The separate financial statements as at December 31, 2024 are identified as follows:
 - Equity RON 111,884,340
 - Net profit for the financial year RON 1,188,121
3. In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Company as at December 31, 2024, and its separate financial performance and its separate cash flows for the year then ended in accordance with IFRS Accounting Standards ("IFRS") as adopted by the EU and applying Financial Supervisory Authority ("FSA") Norm no. 39/28 December 2015, regarding the approval of the accounting regulations in accordance with IFRS, applicable to the entities authorized, regulated and supervised by the FSA from the Financial Investments and Instruments Sector, as well as Investors Compensation Fund, with subsequent amendments (referred to herein as "FSA Norm no. 39/2015").

Basis for Opinion

4. We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation (EU) No. 537/2014 of the European Parliament and the Council (herein after referred to as "the Regulation") and Law 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements (herein after referred to as "the Law 162/2017"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), in accordance with ethical requirements relevant for the audit of the financial statements in Romania including the Regulation and the Law 162/2017 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

5. The financial statements of the Bursa de Valori Bucuresti (Bucharest Stock Exchange) Group for the year ended December 31, 2023 were audited by another auditor who issued an unmodified opinion on those statements on March 20, 2024.

Key Audit Matters

6. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter | How our audit addressed the matter |
|--|--|
| <p>Evaluation of investments in subsidiaries</p> <p>We refer to Note 6 in the separate financial statements where the investments in associated entities, representing shares held by the Company in subsidiaries, are presented. As of December 31, 2024, investments in these financial assets were evaluated at cost, less determined impairment. Their total value is 72,046,987 RON and represents 54.96% of the Company's total assets.</p> <p>The most significant investment is held in the subsidiary CCP.RO Bucharest S.A., with a net value in the individual financial statements of 51,803,252 RON.</p> <p>On December 31, 2024, the Company employed an independent authorized evaluator to conduct an evaluation report of this participation to test for impairment. As a result of this evaluation report, the Company recognized value adjustments of 13,100,148 RON.</p> <p>The performance of the impairment test for this investment was based on valuation models that involve significant judgments and a high degree of estimations.</p> <p>This represented a key area of interest in our audit due to the significant values of this participation, the complexity involved in conducting the impairment test, and the significance of the professional judgments and substantial estimations used.</p> | <p>To address the key audit matter, our audit focused, among others, on the following:</p> <ul style="list-style-type: none"> • We evaluated the indications of impairment identified by management regarding this investment as of December 31, 2024; • We assessed the competency, capabilities, and objectivity of the evaluators engaged by the Company to conduct the valuation report of this participation for impairment testing; • We involved our own valuation specialists, who analyzed the valuation methodology, the assumptions used, and significant unobservable input data; • We verified the mathematical accuracy of determining the net value presented in the financial statements of the investment by deducting the value adjustment established in the independent evaluator's report from the initial cost of this investment; • We assessed whether the individual financial statements appropriately reflect significant information regarding investments in subsidiaries in accordance with IFRS disclosure requirements. |

Other Information

7. The administrators are responsible for the preparation and presentation of the other information. The other information comprises the Administrators' report and the Remuneration Report, but does not include the separate financial statements and our auditor's report thereon.

Our opinion on the separate financial statements does not cover the other information and, unless otherwise explicitly mentioned in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements for the year ended December 31, 2024, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Other responsibilities of reporting with respect to other information – Separate Administrators’ report

With respect to the separate Administrators’ report, we read it and report if this has been prepared, in all material respects, in accordance with the provisions of FSA Norm no. 39/2015 articles no. 8-13.

On the sole basis of the procedures performed within the audit of the separate financial statements, in our opinion:

- a) the information included in the Administrators’ report and the Remuneration Report, for the financial year for which the separate financial statements have been prepared is consistent, in all material respects, with these separate financial statements;
- b) the Administrators’ report has been prepared, in all material respects, in accordance with the provisions of FSA Norm no. 39/2015 articles no. 8-13.

Moreover, based on our knowledge and understanding concerning the Company and its environment gained during the audit on the separate financial statements prepared as at December 31, 2024, we are required to report if we have identified a material misstatement of this Administrators’ report and the Remuneration report. We have nothing to report in this regard.

Other reporting responsibilities with respect to other information – Remuneration report

With respect to the Remuneration report, we read it to determine if it presents, in all material respects, the information required by article 107, paragraphs (1) and (2) of Law 24/2017 regarding the issuers of financial instruments and market operations, republished. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

8. Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRS Accounting Standards as adopted by the EU and applying FSA Norm no. 39/2015 and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the separate financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
10. Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Separate Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.
12. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of separate the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

16. We were appointed by the General Meeting of Shareholders on 26 April 2023 to audit the separate financial statements of Bursa de Valori Bucuresti S.A. (Bucharest Stock Exchange) for the financial year ended December 31, 2024. The uninterrupted total duration of our commitment is one year, covering the financial year ended December 31, 2024.

We confirm that:

- Our audit opinion is consistent with the additional report submitted to the Audit Committee of the Company that we issued the same date we issued this report. Also, in conducting our audit, we have retained our independence from the audited entity.
- No non-audit services referred to in Article 5 (1) of EU Regulation no. 537/2014 were provided.

Report on the Information Regarding Income Tax

17. For the financial year preceding the financial year for which the financial statements were prepared, the Company was not required under FSA Norm no. 39/2015, articles 39²-39⁷ to publish a report on income tax information.

The engagement partner on the audit resulting in this independent auditor's report is Alina Ioana Mirea.

Report on compliance with Law no. 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements ("Law 162/2017"), and Commission Delegated Regulation (EU) 2018/815 on the European Single Electronic Format Regulatory Technical Standard ("ESEF")

18. We have undertaken a reasonable assurance engagement on the compliance with Law 162/2017 and Commission Delegated Regulation (EU) 2019/815 applicable to the separate financial statements included in the annual financial report of Bursa de Valori Bucuresti S.A. ("**the Company**") as presented in the digital file which contains the unique code 2549004BOCU15LMNDJ92 ("LEI") ("**Digital Files**").

(i) Responsibilities of Management and Those Charged with Governance for the Digital Files prepared in compliance with ESEF

Management is responsible for preparing the Digital Files that comply with ESEF. This responsibility includes:

- the design, implementation and maintenance of internal controls relevant to the application of ESEF;
- ensuring consistency between the Digital Files and the separate financial statements to be submitted in accordance with FSA Norm 39/2015.

Those charged with governance are responsible for overseeing the preparation of the Digital Files that comply with ESEF.

(ii) Auditor's Responsibilities for the Audit of the Digital Files

Our responsibility is to express a conclusion on whether the separate financial statements included in the annual financial report complies in all material respects with the requirements of ESEF based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

Our firm applies International Standard on Quality Management 1 ("ISQM1"), and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with ESEF. The nature, timing and extent of procedures selected depend on the auditor's judgment, including the assessment of the risks of material departures from the requirements set out in ESEF, whether due to fraud or error. A reasonable assurance engagement includes:

- obtaining an understanding of the Company's process for preparation of the digital files in accordance with ESEF, including relevant internal controls;
- reconciling the digital files with the audited separate financial statements of the Company to be submitted in accordance with FSA Norm 39/2015;
- evaluating if the separate financial statements contained in the annual report have been prepared in a valid XHTML format.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, the separate financial statements for the year ended 31 December 2024 included in the annual financial report in the Digital Files comply in all material respects with the requirements of ESEF.

In this section, we do not express an audit opinion, review conclusion or any other assurance conclusion on the separate financial statements. Our audit opinion relating to the separate financial statements of the Company for the year ended 31 December 2024 is set out in the "Report on the audit of the separate financial statements" section above.

Alina Ioana Mirea, Audit Partner

*For signature, please refer to the original
Romanian version.*

*Registered in the Electronic Public Register of Financial
Auditors and Audit Firms under AF 1504*

On behalf of:

DELOITTE AUDIT SRL

*Registered in the Electronic Public Register of Financial
Auditors and Audit Firms under FA 25*

The Mark Building, 84-98 and 100-102 Calea Griviței, 9th Floor, District 1
Bucharest, Romania
26 March 2025

BUCHAREST STOCK EXCHANGE

CONSOLIDATED FINANCIAL STATEMENTS

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

31 December 2024

**BUCHAREST STOCK EXCHANGE
CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024

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BUCHAREST STOCK EXCHANGE

CONSOLIDATED PROFIT AND LOSS AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024

(lei)

| | <u>Note</u> | <u>2024</u> | <u>2023</u> |
|---|-------------|--------------------------|--------------------------|
| Revenues from services | | 76,470,308 | 81,558,039 |
| Other revenues | | 2,109,463 | 1,228,094 |
| Operating income | 7 | <u>78,579,771</u> | <u>82,786,133</u> |
| Personnel costs and Board members indemnisations | 8 | (35,530,272) | (31,613,733) |
| Third parties services expenses | 8 | (11,814,506) | (7,080,608) |
| Other operating expenses | 8 | <u>(21,026,336)</u> | <u>(20,447,166)</u> |
| Operating profit | | <u>10,208,657</u> | <u>23,644,626</u> |
| Interest income calculated using the effective interest method | 9 | 6,843,873 | 6,456,186 |
| Interest expenses | 9 | (1,209,235) | (1,035,979) |
| Gain/(loss) on financial assets at fair value through profit and loss | 9 | (224,745) | (159,847) |
| Other net financial gains/(losses) | 9 | <u>(135,763)</u> | <u>1,045,237</u> |
| Profit before tax | | <u>15,482,787</u> | <u>29,950,223</u> |
| (Expense)/Income tax expense | 10 | <u>(3,723,939)</u> | <u>(4,252,003)</u> |
| Profit from continuing operations | | 11,758,848 | 25,698,220 |
| Profit for the period | | <u>11,758,848</u> | <u>25,698,220</u> |
| Attributable profit: | | | |
| Non-controlling interests | | (1,343,407) | 1,005,330 |
| Shareholders of the parent company | | <u>13,102,255</u> | <u>24,692,890</u> |
| Profit for the period | | <u>11,758,848</u> | <u>25,698,220</u> |
| Other comprehensive income | | | |
| <i>Items that will not be reclassified to profit or loss:</i> | | | |
| Gain on revaluation of tangible fixed assets, net of deferred tax | 25 | (708,925) | 2,682,268 |
| Total comprehensive result for the period | | <u>11,049,223</u> | <u>28,380,488</u> |
| Attributable amounts: | | | |
| Non-controlling interests | | (1,343,407) | 1,005,330 |
| Shareholders of the parent company | | <u>12,393,330</u> | <u>27,375,158</u> |
| Total comprehensive result for the period | | <u>11,049,923</u> | <u>28,380,488</u> |
| Earning per share basic / diluted | 27 | <u>1.5792</u> | <u>3.0620</u> |

The consolidated financial statements were approved by the Board of Directors on 24 March 2025 and signed by:

Chairman,
Radu Hanga

Chief Executive Officer,
Adrian Tanase

Chief Financial Officer,
Virgil Adrian Stroia

BUCHAREST STOCK EXCHANGE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024

(lei)

| | Note | <u>31 December 2024</u> | <u>31 December 2023</u> |
|---|-------------|--------------------------------|--------------------------------|
| Active | | | |
| Tangible assets | 11 | 29,190,611 | 17,432,642 |
| Intangible assets | 12 | 8,601,877 | 6,731,246 |
| Rights-of-use assets | 13 | 18,384,009 | 18,680,123 |
| Deferred tax asset | 14 | 2,638,663 | 3,083,173 |
| Financial assets carried at amortised cost | 15 | 56,415,015 | 53,131,187 |
| Financial assets carried at fair value through profit and loss | 15 | 1,134,061 | 320,877 |
| Total fixed assets | | <u>116,364,236</u> | <u>99,379,248</u> |
| Trade and other receivables | 16 | 9,039,305 | 12,017,132 |
| Prepayments | 1 | 1,369,157 | 1,285,850 |
| Bank deposits | 15 | 31,378,511 | 71,745,069 |
| Restricted bank deposits covering the guarantee fund and the margin at amortised cost | 15 | 1,650,000 | 3,394,726 |
| Financial assets carried at amortised cost | 15 | 36,805,678 | 16,065,331 |
| Cash and cash equivalents | 19 | 23,329,180 | 15,636,686 |
| Assets carried at amortised cost, restricted | 18 | 21,086,214 | 18,586,079 |
| Other assets | | 50,180 | 28,381 |
| Total current assets | | <u>124,708,225</u> | <u>138,759,254</u> |
| Total assets | | <u>241,072,461</u> | <u>238,138,502</u> |
| Equity | | | |
| Share capital | 25 | 88,541,700 | 80,492,460 |
| Own shares | 25 | (2,687,178) | (262,879) |
| Share-based benefits | 25 | 2,256,107 | 2,464,376 |
| Capital premium | | 6,297,386 | 6,297,386 |
| Legal reserve | 25 | 15,549,757 | 14,751,667 |
| Revaluation reserve | 25 | 5,358,698 | 6,067,623 |
| Retained earnings | 25 | 9,524,067 | 18,917,218 |
| Total attributable equity | | | |
| Shareholders of the parent company | | <u>124,840,537</u> | <u>128,727,851</u> |
| Non-controlling interests | 26 | 56,668,921 | 49,114,285 |
| Total own capital | | <u>181,509,458</u> | <u>177,842,136</u> |

The notes to the consolidated financial statements on pages 8 to 78 form an integral part of these consolidated financial statements.

BUCHAREST STOCK EXCHANGE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024

(lei)

| | <u>Note</u> | <u>31 December 2024</u> | <u>31 December 2023</u> |
|---|-------------|---------------------------|---------------------------|
| Liabilities | | | |
| Lease liabilities | 21 | 18,696,502 | 18,490,693 |
| Other liabilities | | 180,371 | - |
| Total long-term liabilities | | <u>18,876,873</u> | <u>18,490,693</u> |
| Trade and other payables | 20 | 31,382,508 | 31,648,375 |
| Deferred income | 22 | 2,124,195 | 1,874,377 |
| Lease liabilities | 21 | 2,426,059 | 2,425,407 |
| Current income tax liability | | 1,014, | 1,252,336 |
| Provisions | 23 | 901,495 | 1,321,302 |
| Guarantee, compensation and margin fund transaction settlement | 24 | 2,837,541 | 3,283,876 |
| Total current liabilities | | <u>40,686,</u> | <u>41,805,673</u> |
| Total liabilities | | <u>59,563,003</u> | <u>60,296,366</u> |
| Total debt and equity | | <u>241,072,461</u> | <u>238,138,502</u> |

The consolidated financial statements were approved by the Board of Directors on 24 March 2025 and signed by:

Chairman,
Radu Hanga

Chief Executive Officer,
Adrian Tanase

Chief Financial Officer,
Virgil Adrian Stroia

The notes to the consolidated financial statements on pages 8 to 78 form an integral part of these consolidated financial statements.

BUCHAREST STOCK EXCHANGE

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024

(lei)

| | Note | Share capital | Share premium | Own shares | Benefits in shares | Retained earnings | Revaluation reserve | Legal reserve | Total attributable to shareholders | Non-controlling interests | Total shareholders' equity |
|--|------|-------------------|------------------|--------------------|--------------------|---------------------|---------------------|-------------------|------------------------------------|---------------------------|----------------------------|
| Balance at 01 January 2024 | | <u>80,492,460</u> | <u>6,297,386</u> | <u>(262,879)</u> | <u>2,464,376</u> | <u>18,917,218</u> | <u>6,067,623</u> | <u>14,751,667</u> | <u>128,727,851</u> | <u>49,114,285</u> | <u>177,842,136</u> |
| Overall result for the period | | | | | | | | | | | |
| Profit or loss | | - | - | - | - | 13,102,255 | 0 | 0 | 13,102,255 | (1,343,407) | 11,758,848 |
| Other comprehensive income | | | | | | | | | | | |
| Gain/loss on revaluation of tangible fixed assets, net of deferred tax | | = | = | = | = | = | (708,925) | = | (708,925) | = | (708,925) |
| Total other comprehensive income | = | = | = | = | = | = | (708,925) | = | (708,925) | = | (708,925) |
| Total comprehensive result for the period | | = | = | = | = | 13,102,255 | (708,925) | 0 | 12,393,330 | (1,343,407) | 11,049,923 |
| Other contributions and distributions | | | | | | | | | | | |
| Acquisition of own shares | 25 | - | - | (5,337,567) | - | - | - | - | (5,337,567) | - | (5,337,567) |
| Benefits granted and estimated in shares | 25 | - | - | 2,617,578 | (495,769) | - | - | - | 2,121,809 | - | 2,121,809 |
| Losses related to the free granting equity instruments | | - | - | 295,690 | 287,500 | (583,190) | - | - | - | - | - |
| Legal reserve increase | | - | - | - | - | (798,090) | - | 798,090 | - | - | - |
| Retained earnings from change in accounting policies | | - | - | - | - | (506,884) | - | - | (506,884) | - | (506,884) |
| Dividend paid to BVB shareholders | | - | - | - | - | (12,504,942) | - | - | (12,504,942) | - | (12,504,942) |
| Increase share capital | 25 | <u>8,049,240</u> | - | - | - | <u>(8,049,240)</u> | - | - | - | - | - |
| Total other contributions and distributions | | <u>8,049,240</u> | - | <u>(2,424,299)</u> | <u>(208,269)</u> | <u>(22,442,347)</u> | - | <u>798,090</u> | <u>(16,227,584)</u> | - | <u>(16,227,584)</u> |
| Dividend paid to minority shareholders | | - | - | - | - | - | - | - | - | (1,236,229) | (1,236,229) |
| Contribution in share capital of subsidiaries from minority interests | | - | - | - | - | - | - | - | - | 10,081,210 | 10,081,210 |
| Change in retained earnings - subsidiaries | | - | - | - | - | (53,062) | - | - | (53,062) | 53,062 | - |
| Total changes in interests in subsidiaries | | = | = | = | = | <u>(53,062)</u> | - | - | <u>(53,062)</u> | <u>8,898,043</u> | <u>8,844,981</u> |
| Total transactions | | <u>8,049,240</u> | - | <u>(2,424,299)</u> | <u>(208,269)</u> | <u>(22,495,409)</u> | - | <u>798,090</u> | <u>(16,280,646)</u> | <u>8,898,043</u> | <u>(7,382,603)</u> |
| | | <u>88,541,700</u> | <u>6,297,386</u> | <u>(2,687,178)</u> | <u>2,256,107</u> | <u>9,524,067</u> | <u>5,358,698</u> | <u>15,549,757</u> | <u>124,840,537</u> | <u>56,668,921</u> | <u>181,509,458</u> |
| Balance at 31 December 2024 | | | | | | | | | | | |

The notes to the consolidated financial statements on pages 8 to 78 form an integral part of these consolidated financial statements.

BUCHAREST STOCK EXCHANGE

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024

(lei)

| | Note | Share capital | Share premium | Own shares | Benefits in shares | Retained earnings | Revaluation reserve | Legal reserve | Total attributable to shareholders | Non-controlling interests | Total shareholders' equity |
|--|-----------|-------------------|------------------|--------------------|--------------------|-------------------|---------------------|-------------------|------------------------------------|---------------------------|----------------------------|
| Balance at 01 January 2023 | | <u>80,492,460</u> | <u>6,297,386</u> | <u>(1,024,524)</u> | <u>948,996</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> |
| Overall result for the period | | | | | | | | | | | |
| Profit or loss | | - | - | - | | 24,692,890 | - | - | 24,692,890 | 1,005,330 | 25,698,220 |
| Other comprehensive income | | | | | | | | | | | |
| Land revaluation reserve | | - | - | - | | | 2,682,268 | - | 2,682,268 | - | 2,682,268 |
| Total other comprehensive income | = | = | = | = | = | = | <u>2,682,268</u> | = | <u>2,682,268</u> | = | <u>2,682,268</u> |
| Total comprehensive result for the period | | = | = | = | = | 24,692,890 | 2,682,268 | - | 27,375,158 | 1,005,330 | 28,380,488 |
| Other contributions and distributions | | | | | | | | | | | |
| Acquisition of own shares | | - | - | - | | - | - | - | - | - | - |
| Benefits granted and estimated in shares | 25 | | | 856,100 | 1,515,380 | - | - | - | 2,371,480 | - | 2,371,480 |
| Losses related to the free granting of equity instruments | | | | (94,455) | | 94,455 | - | - | - | - | - |
| Legal reserve increase | | - | - | - | | (1,782,242) | - | 1,782,242 | - | - | - |
| Dividend paid to BVB shareholders | | = | = | - | | (10,385,301) | - | - | (10,385,301) | - | (10,385,301) |
| Total other contributions and distributions | | = | = | 761,645 | 1,515,380 | (12,073,088) | - | 1,782,242 | (8,013,821) | - | (8,013,821) |
| Dividend paid to minority shareholders | <u>25</u> | - | - | - | | - | - | - | - | (626,905) | (626,905) |
| Increase in share capital of subsidiaries minority interests | | | | | | | | | | 3,875,000 | 3,875,000 |
| Change in retained earnings - subsidiaries | | | | | | 54,538 | - | - | 54,538 | (54,538) | - |
| Total changes in interests in subsidiaries | | = | = | - | | <u>54,538</u> | - | - | <u>54,538</u> | <u>3,193,557</u> | <u>3,248,095</u> |
| Total transactions | | = | = | 761,645 | 1,515,380 | (12,018,550) | - | 1,782,242 | (7,959,283) | 3,193,557 | (4,765,726) |
| Balance at 31 December 2023 | | <u>80,492,460</u> | <u>6,297,386</u> | <u>(262,879)</u> | <u>2,464,376</u> | <u>18,917,218</u> | <u>6,067,623</u> | <u>14,751,667</u> | <u>128,727,851</u> | <u>49,114,285</u> | <u>177,842,136</u> |

The notes to the consolidated financial statements on pages 8 to 78 form an integral part of these consolidated financial statements.

BUCHAREST STOCK EXCHANGE
CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024

(lei)

| | <u>Note</u> | <u>2024</u> | <u>2023</u> |
|--|-------------|--------------------------|--------------------------|
| Cash flows from operating activities | | | |
| Net profit for the period | | 11,758,848 | 25,698,220 |
| Adjustments to eliminate non-monetary items and reclassifications: | | | |
| Depreciation of tangible and intangible assets | 11,12 | 8,043,732 | 7,458,543 |
| Net interest income and amortisation of premiums on government bonds | 9 | (6,843,873) | (6,456,186) |
| Prescribed dividend income | 20 | (1,203,703) | - |
| (Gain)/loss on sale of financial assets | 9 | (97,186) | - |
| Loss on financial assets at fair value | 15 | 224,745 | 159,847 |
| Loss on derecognition of receivables | | 96,292 | 113,950 |
| Net expense/(income)(a) from adjustment of receivables | 16 | 551,007 | 3,273 |
| Provision expense/(income) | 23 | (419,807) | 174,970 |
| Expense/(Income) on fixed asset impairment adjustments | 11 | (361,693) | 361,693 |
| Income tax expense/(income) - reclassification | 10 | 3,723,939 | 4,252,003 |
| Expenses for write-off of fixed assets - net | 8 | 317,057 | - |
| Expected credit losses | 9 | 460,898 | (800,922) |
| Expense with employees' share based benefits | 8 | <u>2,145,116</u> | <u>2,150,853</u> |
| <i>Net cash from operating activities before changes in working capital</i> | | <u>18,395,372</u> | <u>33,116,244</u> |
| Changes in working capital: | | | |
| Change in trade and other receivables | 16 | (2,483,758) | (1,297,317) |
| Change in prepayments | 17 | (83,307) | (415,348) |
| Change in trade and other payables | 20 | 1,717,763 | (527,137) |
| Change in deferred income | 22 | 249,817 | 226,140 |
| Change in the guarantee and clearing funds and the margin | 24 | (446,335) | 209,696 |
| Corporate income tax paid | | <u>(4,187,390)</u> | <u>(4,421,186)</u> |
| <i>Net cash from operating activities</i> | | <u>13,162,162</u> | <u>26,891,092</u> |

The notes to the consolidated financial statements on pages 8 to 78 form an integral part of these consolidated financial statements.

BUCHAREST STOCK EXCHANGE
CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024

(lei)

| | <u>Note</u> | <u>2024</u> | <u>2023</u> |
|---|-------------|----------------------------|----------------------------|
| Cash flows from investing activities | | | |
| Interest received | | 7,316,366 | 5,754,302 |
| Payments for acquisition of financial assets | 15 | (62,647,221) | (20,628,074) |
| Proceeds from the sale / realisation of financial assets | 15 | 37,656,092 | 31,482,418 |
| Net change in bank deposits | 15 | 42,130,629 | (38,853,371) |
| Purchases of tangible and intangible fixed assets | 11,12 | (18,407,945) | (12,387,893) |
| Payments for acquisition of other financial assets | | (483,579) | (480,724) |
| Proceeds from the sale of investments and tangible fixed assets | | <u>184,278</u> | - |
| <i>Net cash from investing activities</i> | | <u>5,748,620</u> | <u>(35,113,342)</u> |
| Cash flows from financing activities | | | |
| Dividends paid to BVB shareholders | | (12,320,670) | (10,240,052) |
| Dividends paid to minority shareholders | | (1,275,490) | (626,904) |
| Leasing payments | 21 | (1,285,989) | (1,427,619) |
| Leasing interest payments | | (1,079,780) | (1,030,558) |
| Proceeds from minority interests | | 10,081,210 | 3,875,000 |
| Acquisition of own shares | 25 | (5,337,567) | - |
| <i>Net cash used in financing activities</i> | | <u>(11,218,286)</u> | <u>(9,450,134)</u> |
| <i>Net decrease in cash and cash equivalents</i> | | <u>7,692,496</u> | <u>(17,672,383)</u> |
| Cash and cash equivalents at the beginning of the year | 19 | <u>15,636,686</u> | <u>33,309,069</u> |
| Cash and cash equivalents at the end of the year | 19 | <u>23,329,180</u> | <u>15,636,686</u> |

Cash and cash equivalents at 31 December 2024 shows the position net of expected credit losses. The gross amount of cash and cash equivalents is RON 23,456,246 (2023: RON 15,670,441) and the expected credit loss is RON 127,066 (2023: RON 33,755).

The notes to the consolidated financial statements on pages 8 to 78 form an integral part of these consolidated financial statements.

BUCHAREST STOCK EXCHANGE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024 (lei)

1. REPORTING ENTITY

On 21 June 1995, by Decision D20 of the National Securities Commission, the Bucharest Stock Exchange was established as a public, autonomous institution, under the provisions of Law no. 52/1994 on securities and stock exchanges.

Until the date of its transformation into a joint-stock company, Bursa de Valori Bucuresti S.A. operated in compliance with the provisions of Law no. 52/1994, respectively of GEO no. 28/2002 on securities, financial investment services and regulated markets, as a public institution, with a non-patrimonial purpose, financed from its own sources.

On 15 July 2005, by decision no. 12270/SC/2005 pronounced in case no. 531497/SC/2005, the request for reorganisation of the Bucharest Stock Exchange SA by changing its legal form into a joint stock company, without liquidation of assets and without discontinuing the activity of the former public institution, was admitted. The assets and liabilities of Bucharest Stock Exchange S.A. became, in accordance with Article 285 paragraph 1 of Law no. 297/2004 on the capital market, the assets and liabilities of the Bucharest Stock Exchange S.A. (hereinafter referred to as "BVB" or "the Company"). On the date of the change of legal form, the share capital of the new joint stock company was formed from the accumulated result of the public institution. This share capital was distributed equally and free of charge among the securities companies (currently financial investment services companies) active at that date.

On 31 August 2005 (the reference date), BVB, the absorbing company, merged by absorption with Bursa Electronica Rasdaq S.A., the absorbed company, the latter transferring the universal right over its own assets to the absorbing company.

On 29 December 2017 (effective date), BVB, the absorbing company, merged by absorption with SIBEX- Sibiu Stock Exchange S.A. Sibiu, the absorbed company, the latter transferring the universal right over its own assets to the absorbing company.

The legal form of the Bucharest Stock Exchange is a joint-stock company.

The official headquarters of the BVB is in 4-8 Nicolae Titulescu Avenue, 1st floor, East Wing, district 1, America House Building, 011141 Bucharest, Romania. The BVB has no branches in other cities.

The main field of activity of the BVB is "Administration of financial markets". Since 8 June 2010, BVB shares are listed on the regulated spot market administered by the Bucharest Stock Exchange under the symbol "BVB".

BVB Group's activity focuses on the following business segments:

Trading segment is represented by the BVB as market operator and the realised revenues are concentrated in several areas:

Trading income from commissions charged by BVB for buy and sell transactions carried out on the regulated market and the Multilateral Trading System. These are largely recognised at the time of the transaction.

1. REPORTING ENTITY (CONTINUED)

Revenues from the admission of issuers to trading aims at analysing the files of issuers of shares and other financial instruments and admitting them to listing on the stock exchange. In addition, annual fees are levied to maintain issuers in trading, differentiated for the Main Market and SMT.

For the Regulated Market the fees are charged on the anniversary date of the listing or issuance of the financial instrument, and for the Multilateral Trading System at the beginning of the financial year for the current year.

Revenues from the sale of market data related to financial instruments listed on the BVB, necessary for trading or trading related activities, as well as the licensing of BVB's benchmark indices.

Other revenues are represented by the amounts invoiced to subsidiaries for the maintenance of the Arena operational IT system and software developments, as well as revenues from partnerships for marketing events and projects carried out for business development purposes, either recognised on the face of the loan.

The trading segment represents 52% of the BVB Group's revenues.

Post-trading segment is represented by Depozitarul Central S.A., which provides depository and registry services with securities traded on regulated markets and alternative trading systems, as well as any related operations. The services offered to securities holders include:

1. depository operations of financial instruments issued by issuing companies;
2. registry operations for issuers of financial instruments;
3. clearing and settlement of transactions in financial instruments

Thus, in the Group's Financial Statements the activity of the Central Depository has been divided into 2 segments:

Settlement segment generates revenues from the clearing and settlement of transactions registered in the Central Depository's system as well as cross-border settlement through links established with other central depositories. This segment represents 32% of the BVB Group's revenues.

Registry segment generates revenues from registry operations for issuers and holders of financial instruments and relates to admission and maintenance operations at the Central Depository system as well as the processing of corporate events including the registration of securities transfers. This segment represents 16% of BVB Group revenues

For further details on the amount of revenue realised on each segment in 2024, see *Note 8*.

The consolidated financial statements of the Company for the financial year ended 31 December 2024 comprise the financial information of the Company and its subsidiaries (the "Group").

BUCHAREST STOCK EXCHANGE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024 (lei)

1. REPORTING ENTITY (CONTINUED)

The following entities based in Romania are subsidiaries of BVB:

| <u>Branch</u> | <u>Field of activity</u> | <u>Percentage of ownership 31 December 2024</u> | <u>Percentage of ownership 31 December 2023</u> |
|-----------------------|--|---|---|
| Central Depository SA | Clearing/settlement of transactions with securities traded on the Stock Exchange of Bucharest Securities and keeping the register Shareholders | 69,0421% | 69,0421% |
| CCP.RO Bucharest SA | It was registered with the Trade Register 4 November 2019 and aims to act as a central counterparty on the derivatives trading market. | 54,93% | 52,38% |

The Corporate Governance Institute had no activity during 2024. This entity was considered by the management of the BVB to be immaterial for inclusion in the Group's consolidated financial statements.

2. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance International Financial Reporting Standards as adopted by the European Union ("EU IFRS") and in accordance with Rule 39/2015 of the Financial Supervisory Authority ("ASF") "for the approval of the Accounting Regulations in accordance with International Financial Reporting Standards, applicable to entities authorised, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector" as amended ("Rule 39/2015"), effective as at the Group's annual reporting date, i.e. 31 December 2022. The Group has prepared these consolidated financial statements to comply with the requirements of Instruction No. 2/2014 on the application of International Financial Reporting Standards as adopted by the European Union by entities authorised, regulated and supervised by the Financial Supervisory Authority, as amended.

The consolidated financial statements comprise the consolidated statement of financial position, the consolidated profit and loss account and the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement and explanatory notes.

2. BASIS OF PREPARATION (CONTINUED)

(b) Evaluation basics

The consolidated financial statements have been prepared on the historical cost or amortised cost basis, except for financial assets at fair value and land which are measured at fair value. The methods used to determine fair value are disclosed in Note . **Error! Reference source not found.**

(c) Functional and presentation currency

The items included in the financial statements of each Group entity are measured using the currency of the economic environment in which the entity operates ("functional currency"), i.e. RON. The consolidated financial statements are presented in RON (lei), which is the Group's functional and presentation currency.

(d) Use of professional judgements and reasoning

The preparation of financial statements in accordance with IFRS EU requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated judgements are based on historical data and other factors that are believed to be relevant in the circumstances, and the results of these factors form the basis of the judgements used in determining the carrying amount of assets and liabilities for which no other valuation sources are available. Actual results may differ from the estimated amounts.

Estimates and judgements are reviewed periodically. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects that period only, or in the current period and in future periods, if the revision affects both the current and future periods.

The significant accounting methods and policies have been consistently applied by the Group throughout the financial years presented in these consolidated financial statements.

e) Reclassification of comparative information

The Group has voluntarily opted to restate certain comparative information in the 2024 *Financial Statements* out of the need for more granular presentation of certain information, either due to an identified presentation error or as a result of other improvement needs.

The information is presented below:

Profit and loss account

Net financial income for the year 2023 in the amount of RON 6,305,597 has been presented at a higher level of granularity in Dividend income, interest income, interest expense, impairment losses on financial assets at fair value through profit and loss and other net financial gains/losses.

2. BASIS OF PREPARATION (CONTINUED)

Statement of financial position

The item *Treasury shares and benefits granted in shares* at 31 December 2023 in the amount of RON 2,201,497 has been separated and shows separately the balance of Treasury shares in the amount RON (262,879) and the balance of *Benefits granted in shares* of RON 2,464,376.

Statement of changes in equity

1. The column *Own shares and benefits granted in shares* at 31 December 2023 in the amount of RON 2,201,497 has been separated into *Own shares with an ending balance of RON (262,879)* and that of *Benefits granted in shares with an ending balance of RON 2,464,376*.

The same presentation has been implemented in the Statement of changes in equity at 31 December 2024.

2. The movement on the *Legal Reserve* as at 31 December 2023 in the amount of RON 1782,242 has been reclassified from the result for the year to the *Other contributions and distributions* section (renamed from *Contributions from and distributions to shareholders*).

The same presentation has been implemented in the Statement of changes in equity at 31 December 2024.

Cash flow situation

Lease payments including interest has been separated into Lease payments and interest payments as at 31 December 2023

*The same presentation has been implemented in the **Statement of Cash Flows** as at 31 December 2024.*

Explanatory note

1. *Note 9* - In line with the separation of *Net Financial Income* from the Income Statement, the information in *Note 10* has also been presented in the same way, both at 31 December 2024 and comparatives at 31 December 2023.
2. *Note 5b)*- Liquidity risk - under the assets and liabilities structure of the Company, Financial Assets have been included and the net asset value as at 31 December 2023 has been calculated as follows: Financial Assets in the amount of 190,897,087, Financial Liabilities in the amount of RON 9,283,680 have been divided into Financial Payables in the amount of RON 7,787,925 and Dividends payable in the amount of RON 1,495,755. The Net Financial Assets line was also introduced, calculated as the difference between Financial Assets and Liabilities, the amount at 31 December 2023 being RON 138,420,566. In addition, the maturity analysis has been introduced.

The same presentation has also been implemented at 31 December 2024.

f) Sustainability aspects

The BVB analysed reporting frameworks such as GRI, TCFD, CDP, SFDR, CSDR, UN Sustainable Development Goals, EBRD ESG Policy, but also stakeholder expectations, the ESG rating provided by Sustainalytics, as well as investor demands and interests in recent years.

The BVB, as issuer, states that it is in the process of integrating the sustainability reporting requirements related to the new BVB Corporate Governance Code, the methodology for assessing the

2. BASIS OF PREPARATION (CONTINUED)

Sustainalytics, applicable national legislation in the area of sustainability as well as specific national capital market legislation. Although it includes in its annual directors' report a dedicated corporate governance chapter and a sustainability chapter, the BVB will fully integrate the provisions of national legislation transposing the CSRD in the second wave of implementation.

The separate financial statements as at 31 December 2024 do not include any estimates in respect of this process as they have no material financial impact.

BVB and its subsidiaries are not currently engaged in non-financial reporting and this does not in any way influence the Company's financial indicators. All information and indicators presented are based solely on financial data and are reported in accordance with applicable accounting regulations and applicable capital market legislation.

Further details on sustainability reporting by Bursa de Valori București SA, as well as the actions undertaken in this direction can be found in the dedicated section of the Directors' Report at the [link](#).

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Consolidation basics

(i) *Subsidiary*

Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the time control commences until the time control ceases. The accounting policies of subsidiaries have been amended, where necessary, to align with the policies adopted by the Group. A list of the Group's subsidiaries can be found at Note .1

(ii) *Changes in shareholdings in subsidiaries without change of control*

Changes in the parent's ownership interest in a subsidiary that do not result in a loss of control shall be recognised as equity transactions. Acquisitions of interests without a change in control are accounted for as transactions with the shareholders in their capacity as owners and goodwill is not recognised as a result of such transactions. The result of such transactions is recognised by the Group in equity.

(iii) *Transactions eliminated on consolidation*

Balances and transactions within the Group and any unrealised gains or losses arising from transactions within the Group are eliminated in the consolidated financial statements. Unrealised gains on transactions with associates accounted for using the equity method are eliminated against the investment in the associate. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no indication of impairment.

BUCHAREST STOCK EXCHANGE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024 (lei)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Foreign currency

Transactions denominated in foreign currency are recorded in lei at the official exchange rate on the settlement date of the transaction. Monetary assets and liabilities recorded in foreign currency on the date of the preparation of the consolidated statement of financial position are expressed in lei at the National Bank of Romania exchange rate on the reporting date. Gains or losses on their settlement and on the translation of monetary assets and liabilities denominated in foreign currency using the year-end exchange rate are recognised in the profit and loss account under *Other net financial gains/losses*.

Non-monetary assets and liabilities that are measured at historical cost in foreign currency are recognised in lei at the exchange rate on the transaction date and are not revalued at the end of the financial year at the exchange rate of the National Bank of Romania. Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are recognised in lei at the exchange rate at the date at which the fair value was determined.

Translation differences are recognised in the income statement, except for differences arising on the translation of financial instruments measured at fair value through other comprehensive income, which are included in the reserve arising from changes in the fair value of these financial instruments (non-monetary items)

The exchange rates of the main currencies were as follows:

| <u>Currency</u> | <u>Spot exchange rate</u> <u>31 December 2024</u> | <u>Spot exchange rate</u> <u>31 December 2023</u> | <u>Average 2024</u> | <u>Average rate</u> <u>2023</u> |
|-----------------|--|--|---------------------|------------------------------------|
| EUR | 4,9741 | 4,9746 | 4,9746 | 4,9465 |
| USD | 4,7768 | 4,4958 | 4,5984 | 4,5743 |

(c) Going concern

These financial statements have been prepared on a going concern basis, which assumes that the BVB and the entities in the BVB Group will continue in operation for the foreseeable future. To assess the applicability of this presumption, management analyses forecasts of future cash inflows.

(d) Financial assets and liabilities

Financial assets

1. Classification

Financial assets are divided into three classification categories: measured at amortised cost, measured at fair value through other comprehensive income (FVOCI) and measured at fair value through profit or loss (FVPL).

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The classification for debt securities is determined by the financial asset management entity's business model and whether the contractual cash flows represent principal and interest payments only (SPPI). If the debt instruments are held for collection, they may be carried at amortised cost if they also meet the SPPI requirement.

The Group's business model for financial investments is to hold financial assets (government securities and bank deposits) in order to collect contractual cash flows, and these types of financial assets held give rise, at certain dates, to cash flows that are solely payments of principal and interest on the principal amount due. Accordingly, all the Group's financial investments are measured at amortised cost.

Receivables and cash and cash equivalents

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method less anticipated credit losses.

Cash and cash equivalents comprise cash at home, balances on current accounts with banks, other short-term highly liquid investments with original maturities of up to three months and overdrafts with banks.

Financial debts

The Group does not hold financial liabilities designated to be carried at fair value through profit or loss so all of the Company's liabilities are carried at amortised cost.

2. Initial recognition

The Group initially recognises receivables and deposits on the date they are originated. All other financial assets (including assets designated at fair value through profit or loss) are initially recognised on the trade date when the Company becomes party to the contractual terms of the instrument.

3. Valuation at amortised cost

After initial recognition, a financial asset is classified as measured at amortised cost only if two conditions are met simultaneously: o the asset is held as part of a business model whose objective is to hold the financial assets to collect contractual cash flows; o the contractual terms of the financial asset give rise, at specified dates, to cash flows representing solely payments of principal and interest.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in equity instruments are always measured at fair value. However, management may make an irrevocable election to present changes in fair value in other comprehensive income, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in the income statement.

Equity instruments held by the Company at 31 December 2024 are measured at fair value through profit or loss.

4. Identifying and assessing expected credit losses

(i) Financial assets

Stage 1: includes

- (i) newly recognised exposures, except those that have not been purchased or issued impaired;
- (ii) exposures for which credit risk has not deteriorated significantly since initial recognition;
- (iii) low credit risk exposures.

Stage 2: includes exposures which, although performing, have experienced a significant deterioration in credit risk since initial recognition.

Stage 3: includes impaired credit exposures.

The expected credit loss is the difference between all contractual cash flows that are due to the Group and all cash flows that the GROUP expects to receive, discounted at the original effective interest rate.

For stage 1 exposures, the expected credit loss equals the expected loss calculated over a time horizon of up to one year.

For financial investments such as government securities, banking assets and bank accounts, the Group has adopted the standardised approach, Stage 1, being financial assets for which there is no significant increase in credit risk at the date of analysis compared to the date of initial recognition or have associated low risk and for which the need to calculate the 12-month ECL ("12-month ECL") is required.

Thus, the Group has used in the calculation of the 12-month ECL provision the information that is available for financial reporting purposes without undue cost or effort, namely the 12-month Credit Default Risk (CDS) rate for Romania published by the agency Refinitiv Eikon, being a rate that reflects the default risk related to our country.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Low credit risk trade receivables classified as stage 1 are estimated based on a simplified approach, recognising expected credit losses over the estimated expected life of the receivables based on the historical credit loss experience based on the past 12 months' default rate of the borrowers, adjusted where necessary to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented on the basis of their outstanding status in terms of the provision matrix.

For exposures in stages 2 or 3, the expected credit loss is equal to the expected loss calculated over a time horizon corresponding to the entire duration of the exposure.

The Group assesses whether the credit risk for a financial instrument has increased significantly since initial recognition on the basis of information available without undue cost or effort that is indicative of a significant increase in credit risk since initial recognition, such as a significant deterioration in the financial results or credit rating of the issuer of the financial instrument or delays in interest or principal payments on the financial instrument that are more than 30 days past due.

The Group uses the simplified approach applicable to trade and other receivables. Under this approach, it measures the loss adjustment for these receivables at an amount equal to the lifetime expected credit losses (i.e. it eliminates the need to calculate expected credit risk losses for Stage 1 at an amount equal to the 12-month expected credit losses and the need to assess the occurrence of a significant increase in credit risk).

The Group has defined "impaired" exposures as claims that fulfil one or both of the criteria:

- exposures for which it assesses that the borrower is unlikely to pay its obligations in full, regardless of the amount of the exposures and the number of days for which the exposure is past due (e.g. due to major financial difficulties faced by the client; in the case of amounts in dispute);
- amounts overdue by more than 270 days.

The allowance for impairment of trade receivables is calculated annually taking into account overdue receivables older than 270 days, taking into account a 100 per cent rate.

The allowance for impairment of other receivables is calculated annually taking into account doubtful receivables.

The Group recognises in profit or loss the amount of changes in expected credit losses over the life of the financial assets as losses or reversals of expected credit losses.

Expected credit losses or reversals of expected credit losses are determined as the difference between the carrying amount of the financial asset and the present value of future cash flows using the financial asset's effective interest rate at inception.

The Group has not provided detailed information on how forecast economic conditions have been incorporated into the determination of ECL as the impact is not material.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial assets and liabilities covering the restricted guarantee, compensation and margin fund

Financial assets and liabilities of the guarantee, clearing and margin fund refer to services provided by the Central Depository SA.

Guarantee Fund and margin managed by Central Depository SA

Depozitarul Central SA provides depository, registry, clearing and settlement services for transactions with financial instruments (shares, fixed income securities, government securities, funds, etc.) carried out on the Bucharest Stock Exchange

Clearing participants are obliged to contribute to the guarantee fund at the Central Depository. The interest related to the administration of the guarantee fund shall be distributed on a semi-annual basis to the participants in the clearing settlement and registry system, after deduction of the administration fee for the funds constituted, which is presented in the profit or loss account under income from services, for the purpose of capitalisation in the guarantee fund and updating the contributions of the participants.

The contributions to the guarantee fund of a participant in the clearing and settlement system and the registry will be returned to the participant in the event of termination of its participation in the clearing and settlement system.

clearing settlement and register of the Central Depository, after retention of any payment obligations of the Central Depository towards the Central Depository.

The Guarantee Fund will be dissolved in the event of the dissolution of the Central Depository SA, and the contributions to the Guarantee Fund of the participants in the clearing settlement and registry system will be returned to them.

The margins of the participants in the clearing settlement system and registry shall be constituted by the deposit of initial and additional margins by each participant in the clearing settlement system and registry. The interest related to the administration of the margins shall be allocated on a semi-annual basis to the participants in the clearing settlement and registry system, after deduction of the administration fee for the funds constituted, which is shown in the profit or loss account under service income, for the purpose of capitalising them to the initial margin account and updating the contributions of the participants.

The margin of a participant in the clearing settlement and book-entry system will be returned to it in the event of termination of its status as a participant in the clearing settlement and book-entry system of the Central Depository SA, after deduction of any payment obligations it may have towards the Central Depository SA. The amounts corresponding to the margins of the participants in the clearing settlement and registry system shall be returned to them in the event of the dissolution of the Central Depository SA.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Central Depository records in its balance sheet a liability equal to the guarantee fund and margin constituted by the participants, in parallel with the recording of the corresponding asset (cash deposited by the participants)

(f) **Tangible and intangible fixed assets**

Tangible fixed assets

(i) *Recognition and assessment*

Property, plant and equipment are initially recognised at cost. Subsequent measurement is made according to their respective category:

- Land is recognised at fair value, determined on the basis of periodic valuations by independent external valuers. Revaluations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.
- All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment.

(ii) *Subsequent expenses*

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of its replacement when the cost is incurred or if it is probable that the economic benefits embodied in the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised as an expense in the income statement when incurred.

Expenditure arising from the replacement of a separately recognised component of property, plant and equipment, including inspections or capital repairs, is capitalised. Other subsequent expenditure is capitalised to the extent that it improves the future performance of those items of property, plant and equipment. All other repair and maintenance expenditure is recognised in the income statement when incurred

(iii) *Depreciation of tangible fixed assets*

Depreciation is calculated using the straight-line method over the estimated useful life of each item of property, plant and equipment. Land is not subject to amortisation.

The useful lives for the current and comparative periods are as follows:

| | |
|---|--|
| Building development | Remaining duration of rental contracts |
| Machinery and equipment | 3-20 years |
| Furniture installations and accessories | 2-15 years |

BUCHAREST STOCK EXCHANGE

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amortisation methods, useful lives and carrying amounts are reviewed at each financial year-end and adjusted accordingly.

Other intangible fixed assets

Other intangible assets (including computer software) acquired by the Group that have a finite useful life are measured at cost less accumulated amortisation and accumulated impairment losses.

Acquired intangible assets (including computer software) with a finite useful life are measured at cost less accumulated amortisation and accumulated impairment losses.

(i) Subsequent expenses

Expenditure that enables intangible assets to generate future economic benefits in excess of their originally expected performance is added to their original cost. These expenses are capitalised as intangible assets if they are not an integral part of property, plant and equipment.

Development costs directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- The technical possibility to finalise the software product so that it will be available for use;
- Management intends to finalise the software product and use or sell it;
- There is the ability to use or sell the software product;
- It can demonstrate how the software product will generate future economic benefits;

Adequate technical, financial and other resources are available to complete development and use or sell the software product; and

- The expenses attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the costs of employees involved in software development and an appropriate portion of the relevant overheads.

Other development expenditure that does not meet these criteria is recognised as an expense. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed three years.

(ii) Amortisation of intangible fixed assets

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amortisation is recognised in the income statement on a straight-line basis over the estimated useful lives of the intangible assets. Intangible assets are amortised from the date the asset is ready for use. The useful life for software and licences is between 1 and 5 years.

Amortisation methods, useful lives and carrying amounts are reviewed at each financial year-end and adjusted accordingly

Right of use assets

IFRS 16 establishes new requirements for accounting for leases so that the classifications into operating or finance leases in IAS 17 are removed and there is a single model for recognising leases. By applying this model, the lessee is required to recognise the right to use the lease assets and lease liabilities for the purposes of IFRS 16. The right of use of assets is amortised using the straight-line method over the shorter of the useful life of the asset and the lease term. For more details, see Note 13.

(g) Prepaid expenses and income

Expenditure incurred and income realised in the current period, but relating to subsequent periods, is recorded in the consolidated statement of financial position under prepaid expenses respectively income in advance, as the case may be. The share of that month's part of the expenditure in advance or of the revenue in advance shall be entered monthly as expenditure or revenue.

However, any subsequent recovery of the fair value of an impaired equity instrument at fair value is recognised in other comprehensive income.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is evidence of impairment. If such evidence exists, the recoverable amount of the asset is estimated. For goodwill the recoverable amount is estimated each year.

The recoverable amount of an asset or cash-generating unit is the higher of value in use and fair value less costs to sell. In determining value in use, expected future cash flows are discounted to determine present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For impairment testing, assets that cannot be tested individually are grouped at the level of the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets ('cash-generating unit').

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For the purposes of goodwill impairment testing, cash-generating units to which goodwill has been allocated are monitored for internal reporting purposes, subject to a cap at the operating segment level. Goodwill acquired in a business combination is allocated to groups of cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are used first to reduce the carrying amount of goodwill allocated to the units, if any, and then pro-rata to reduce the carrying amount of the other assets within the unit (group of units).

An impairment loss in respect of goodwill is not recognised in the income statement. In relation to other assets, impairment losses recognised in prior periods are assessed at each reporting date to determine whether there is evidence that the loss has been reduced or no longer exists. An impairment loss is recognised in the income statement if there have been changes in the estimates used to determine recoverable amount. An impairment loss is reversed in profit or loss only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment had been recognised.

(h) Employee benefits

(i) Short-term benefits

Short-term employee benefits include salaries, allowances and social security contributions. Short-term employee benefits are recognised as an expense as services are rendered.

(ii) Defined contribution plans

The Group entities make payments on behalf of their employees to the Romanian state pension system, health insurance and unemployment fund in the course of normal business. All Group employees are members and are also legally obliged to contribute (through social security contributions) to the Romanian State pension scheme (a defined contribution plan of the State). All related contributions are recognised in profit or loss in the period in which they are made.

(iii) Other benefits, including share-based benefits

In addition to the fixed remuneration, there is a variable component of the total remuneration that may be granted to the employees of the Group entities in addition to the fixed remuneration, conditional on the fulfilment of certain performance indicators. The variable remuneration may be granted either in cash or in BVB shares. At Group level, a stock option plan type agreement has been adopted, in shares. In the case of identified staff, when determining the variable part of the annual remuneration, consideration is given to limiting excessive risk-taking.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Based on the mandate granted by shareholders' resolutions, the Group's Board of Directors decides annually on the number of shares included in the employee loyalty programme. The fair value at the date the shares are offered to employees as a bonus is recognised in personnel expenses. (Note 8).

(iv) *Other long-term employee benefits*

The Group may grant, but is not obligated to grant, post-retirement benefits without giving rise to a legal or constructive obligation. Therefore the Group has not recognised liability in these financial statements for this purpose.

(i) Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been purchased in the normal course of business from suppliers and other creditors. Trade and other payables are classified as current if payment is due within one year or less. Otherwise, they are shown as long-term liabilities. Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

(j) Leasing liabilities

A lessee is required to recognise the right of use of assets and lease liabilities in the statement of financial position.

Lease liabilities are discounted using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for group leases, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value for the right to use the asset in a similar economic environment with similar terms, conditions and conditions. For more details, see Note 13.

(k) Provisions

Provisions are recognised in the consolidated statement of financial position when the Group has a present obligation as a result of a past event and it is probable that it will be necessary to consume economic resources in the future to settle the obligation and a reasonable estimate of the amount of the obligation can be made. In determining the provision, future cash flows are discounted using a pre-tax discount rate that reflects current market conditions and the risks specific to the liability. Discount amortisation is recognised as a finance expense.

BUCHAREST STOCK EXCHANGE

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Revenues from contracts with customers

BVB is the main market operator in Romania and manages several markets:

- Regulated Market where shares and rights issued by Romanian and international entities are traded; debt securities: corporate, municipal and government bonds issued by Romanian entities and international corporate bonds; units in collective investment schemes: shares and fund units; structured products, tradable UCITS (ETFs);
- SMT/AeRO market, aimed at start-ups and SMEs, which was launched on 25 February 2015; separate sections of SMT are dedicated to trading in foreign shares listed on another market.

The Central Depository is the institution that provides the financial market infrastructure, acting as the administrator of the financial instruments settlement system - RoClear and performing the function of registrar for joint stock companies.

Revenue from contracts with customers is recognised when control of goods and services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Under contractual terms payment terms are a maximum of 30 days.

The operational revenues of the BVB are realised, on the trading segment, from the trading activity of all listed instruments, from fees charged to issuers for admission and maintenance to trading, from the sale of stock exchange data to various users, IT services and other revenues.

Trading income

The Company charges transaction fees for client orders for transactions in shares or other financial instruments on markets managed by the Company. Customers obtain control of the service provided upon execution of the transaction. Revenue is recognised at that time.

Income from admission and maintenance to trading

Listing fees consist mainly of initial listing fees paid by issuers for the listing of securities on different markets (admission fees), subsequent admission fees for other securities (such as admission of additional securities) and annual maintenance fees paid by companies whose securities are listed on the markets administered by the BVB. Admission services around the initial admission are considered to be activities that the Company must undertake to enable the client to be listed. Accordingly, revenue generated from this performance obligation is recognised on the date of admission to trading. Post-listing services are charged on an annual basis and are recognised over the period of transfer of the service.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Sale of market data

BVB charges customers on a per-user basis for access to its real-time market information services. The Company also collects periodic licence fees from customers for the right to distribute the Company's data to third parties. Customers obtain control over the market data service provided during the period that it has access to the data. Accordingly, revenue is recognised based on the elapsed time over the period of access to the market data. The Company fulfils its obligation to provide data consistently throughout this period.

The Company generates index revenue from the BVB's benchmark index licensing fees, which gives clients the right to apply the BVB index trademarks in their products. The nature of an index licence is considered a separate 'right of access' licence as the client can reasonably expect the Company to undertake ongoing activities to sustain and maintain the value of its trademark names. The revenue generated from these licences is therefore recognised equally over the contractual term of the licence, as this best reflects the ongoing benefit of the licence by the customer over that term.

IT Services

The BVB provides software licences, including additional development, maintenance services, IT services (hosting) provided to subsidiaries and participants, connection services and data centre colocation services provided to market participants. Software licences that are distinct may be considered a 'right to use' licence given the significant standalone functionality of the underlying intellectual property. Accordingly, revenue will be recognised upon acceptance of the software and source code by the customer. For software licences that are combined with a software update service, revenue is recognised over time using the input method of labour hours spent during the update period.

Operating revenues of Central Depository is realised on the basis of service contracts as follows:

Revenues from the clearing and settlement of transactions are recorded in the Central Depository's system as well as cross-border settlement through links established with other central depositories. These revenues are recognised monthly as services are provided.

Invoicing is monthly and the payment term is 10 days from receipt of invoice.

Registry revenues generate income from registry operations for issuers and holders of financial instruments and relate to admission and maintenance operations in the Central Depository system as well as the processing of corporate events including the registration of securities transfers. Maintenance services are invoiced on a quarterly or annual basis depending on the contractual terms and the payment term is 15 working days from the issuance of the invoice. Revenue is recognised monthly by reversal from account 472. One-off services rendered for issuers and holders of financial instruments are recognised as and when invoiced, some services being conditional on the advance payment of the fee, others having a payment term of 15 days.

(m) Financial income and expenditure

Financial income comprises interest income on invested funds (including available-for-sale assets), dividend income, gains on revaluation of assets and liabilities in other currencies, discount/premium accounting for held-to-maturity financial assets (securities) by determining amortised cost using the effective interest method.

Dividend income is recognised in the income statement on the date on which the Group's right to receive dividends is established, which in the case of listed instruments is the cum-dividend date.

Financial expenses comprise losses on the sale of financial assets at fair value, losses on the revaluation of assets and liabilities in other currencies and interest expenses on leasing.

(n) Interest income on assets covering the compensation fund, the guarantee fund and the margin

In the course of its specific activities, the Company's subsidiaries earn interest income from the investment of financial resources made available through guarantee funds, compensation and margin accounts. These are recognised separately in the income statement.

The accounting treatment for interest income from the investment of these financial resources is detailed below:

- The interest on the guarantee fund managed by the Central Depository SA is distributed on a half-yearly basis to the participants by capitalisation in the guarantee fund and margin after deduction of the management fee which is presented in the profit and loss account or loss on service income. The guarantee fund and the margin shall also be distributed to the participants upon termination of membership or dissolution of the Central Depository. They are capitalised and included in the total resources of the guarantee fund and are not at the disposal of the Central Depository SA.

(o) Current and deferred corporation tax

Tax expense for the period includes current and deferred tax. Tax is recognised in the income statement unless it relates to items recognised in other comprehensive income, or directly in equity. In this case, the related tax is also recognised in other comprehensive income or directly in equity.

Current income tax expense is calculated on the basis of tax regulations enacted or substantially enacted at the balance sheet date in the countries in which the Group activity and generates taxable profit for the Group and its subsidiaries. Management periodically assesses positions in tax returns for situations where applicable tax regulations are open to interpretation. It makes provisions, where appropriate, based on amounts estimated to be due to the tax authorities.

Deferred income tax is recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not recognised if it arises from the initial recognition of an asset or liability in a transaction, other than a business combination, and which at the time of the transaction affects neither accounting nor tax profit or loss. Deferred income tax

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

is determined on the basis of tax rates (and laws) enacted or substantially enacted by the balance sheet date, and which are expected to be applied in the period in which the deferred tax assets will be realised or the deferred tax liabilities will be settled.

The annual tax loss realised, as determined by the corporate income tax return, is recovered from the taxable profits earned in the following 7 consecutive years. Beginning in 2024, the tax loss can be recovered over the next 5 consecutive years at a rate of 70%. For unused tax loss carryforwards, the deferred tax asset is recognised only to the extent that it is probable that future taxable profit will be available after offsetting the tax loss carryforwards of prior years against the tax loss carryforwards and the tax on profits to be recovered.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which temporary differences can be deducted.

Deferred income tax assets are calculated for deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable that the temporary difference will reverse in the future and there is sufficient taxable income available from which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is an applicable legal right to set off current tax assets against current tax liabilities, and when the deferred tax assets and liabilities relate to income taxes imposed by the same taxation authority on either the same taxable entity or on different taxable entities, if there is an intention to offset the balances on a net basis.

The corporate income tax rate used to calculate the current and deferred tax was 16% at 31 December 2024 (31 December 2023: 16%).

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Share capital

Ordinary shares are classified as equity.

The additional costs directly attributable to the issue of new ordinary shares or options are recognised in equity as a deduction, net of tax, from the proceeds.

(q) Own shares

Required equity instruments (own shares) are deducted from equity. No gain or loss on purchase, sale or cancellation of BVB equity instruments is recognised in profit or loss for the year.

(r) Earnings per share

The Group presents basic earnings per share ("EPS") for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per diluted share is determined by adjusting profit or loss attributable to ordinary shareholders and adjusting the weighted average number of ordinary shares outstanding for the effect of potential ordinary shares, which includes preference shares. To date it has not been necessary to calculate diluted CPA because there are no potential ordinary shares, all shares in issue having equal rights to the dividend.

(s) Legal reserve

According to Romanian law, companies must allocate an amount equal to at least 5% of pre-tax profit to legal reserves until they reach 20% of the share capital. When this level has been reached, the Group may make additional allocations from net profit only. The legal reserve is deductible up to a limit of 5% applied to the accounting profit, before income tax.

(t) Dividends

Dividends are treated as profit distribution for the period in which they are declared and approved by the General Meeting of Shareholders. The only profit available for distribution is the profit for the year recorded in the individual accounts, which differs from the profit in these consolidated financial statements prepared in accordance with IFRS EU, due to the provisions of the Romanian legislation.

Starting 2024, the Company has opted to apply the statute of limitations to dividends payable older than 3 years.

According to local legislation, unclaimed dividends become statute-barred within 3 years. This provision is governed by the Civil Code and the Companies Act No 31/1990. According to Article 2517 of the Civil Code, the period of extinctive prescription is 3 years, with certain exceptions provided by law. In the case of unclaimed dividends, this period applies, which means that after 3 years from the date on which the dividends became payable, the shareholders' right to claim payment of the dividends is time-barred.

BUCHAREST STOCK EXCHANGE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Segment reporting

An operating segment is a distinguishable component of the Group that engages in activities from which it may earn revenues and incur expenses, including revenues and expenses related to transactions with any of the other components of the Group, and is subject to risks and rewards that are different from those of the other segments. The Group's primary segment reporting format is by business segment.

Reporting by business segment is consistent with the internal reporting to the operational decision maker, the Group's Board of Directors.

(v) *New IFRS accounting standards and amendments to existing standards effective for the current year*

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and endorsed by the European Union that are mandatorily effective for reporting periods beginning on or after 1 January 2024. Their adoption did not have a material impact on the disclosures or amounts reported in these financial statements.

| Standard | Title |
|--------------------------------|--|
| Amendments to IAS 1 | Classification of debt into short-term and long-term debt and long-term debt with financial indicators |
| Amendments to IAS 7 and IFRS 7 | Financing agreements with suppliers |
| Amendments to IFRS 16 | Lease liabilities in a sale and leaseback transaction |

(w) *New IFRS accounting standards and amendments to existing standards issued and endorsed by the EU but not yet effective*

At the date of approval of these financial statements, the Company has not applied the following amended IFRS Accounting Standards which have been issued by the IASB and endorsed by the EU but are not yet effective.

| Standard | Title | Effective date set by the IASB |
|----------------------|------------------------|--------------------------------|
| Amendments to IAS 21 | Lack of convertibility | 1 January 2025 |

BUCHAREST STOCK EXCHANGE

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New IFRS accounting standards and amendments to existing standards issued but not yet adopted by the EU

At present, IFRS as adopted by the EU do not differ significantly from IFRS as adopted by the International Accounting Standards Board (IASB), except for the following new standards and amendments to existing standards, which have not been adopted by the EU at the date of authorisation of these financial statements:

| Standard | Title | EU stage of adoption |
|---|---|--|
| Amendments to IFRS 9 and IFRS 7 | Amendments to classification and measurement of financial instruments (effective date set by the IASB: 1 January 2026) | Not yet adopted by the EU |
| Amendments to IFRS 9 and IFRS 7 | Contracts referring to electricity dependent on natural conditions | Not yet adopted by the EU |
| Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 | Annual Improvements to IFRS Accounting Standards - Volume 11 (effective date set by the IASB: 1 January 2026) | Not yet adopted by the EU |
| IFRS 18 | Presentation and disclosure in financial statements (effective date set by the IASB: 1 January 2027) | Not yet adopted by the EU |
| IFRS 19 | Non-publicly accountable subsidiaries: disclosures (effective date set by the IASB: 1 January 2027) | Not yet adopted by the EU |
| IFRS 14 | Deferral accounts related to regulated activities (effective from: 1 January 2016) | The European Commission has decided not to start the approval process of this interim standard and to wait for the final standard. |
| Amendments to IFRS 10 and IAS 28 | The sale of or contribution of assets between an investor and its associates or joint ventures and subsequent amendments (effective date has been postponed indefinitely by the IASB, but early application is permitted) | The approval process has been postponed indefinitely pending finalisation of the research project on the equivalence method. |

The Company anticipates that the adoption of these new standards and amendments to existing standards will not have a material impact on the Company's financial statements in the future.

Hed hedge accounting for a portfolio of financial assets and liabilities whose principles have not been adopted by the EU remains unregulated. According to the Company's estimates, the use of hedge accounting for a portfolio of financial assets and liabilities in accordance with **IAS 39: Financial Instruments: Recognition and Measurement** would not materially affect the financial statements if applied at the balance sheet date.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- (x) The Company has adopted the "Presentation of Accounting Policies (Amendments to IAS 1 and Statement 2 on IFRS Practice)" from 1 January 2023. Although the amendments did not result in changes to the accounting policies themselves, they have, in some instances, impacted the disclosures of accounting policies presented in the financial statements.

Management has reviewed the accounting policies and updated, in some cases, the disclosures in Note 3 Significant Accounting Policies (2023: Significant Accounting Policies) in accordance with the amendments.

The Group anticipates that the adoption of these new standards and amendments to existing standards will not have a **material** impact on the Group's consolidated financial statements in the future.

4. FAIR VALUE MEASUREMENT

Certain of the Group's accounting policies and disclosure requirements require the determination of fair value for both financial and non-financial assets and liabilities. The fair values have been determined for the purpose of valuation and/or information inputs using the methods described below. Where applicable, additional information about the assumptions used in determining fair values is disclosed in the notes specific to the asset or liability.

(a) Equity and debt investments

The fair value of financial assets is determined by reference to the closing quotation for the bid price at the reporting date. The fair value of investments is determined for presentation purposes only.

(b) Trade and other receivables and financial liabilities

The fair value of trade and other receivables is estimated as the present value of future cash flows discounted at the market interest rate at the reporting date. This fair value is determined for presentation purposes only. For financial instruments such as short-term financial receivables and payables, management considers the carrying amount to be a reasonable approximation of fair value.

4. FAIR VALUE MEASUREMENT (CONTINUED)

(c) Hierarchy of fair values

The Group measures the fair value of financial instruments using one of the following prioritisation methods:

- Level 1: Quotes from an active market for similar instruments.
- Level 2: Valuation techniques based on observable market data. This category includes instruments valued using: quotes in an active market for similar instruments; market quotes for similar instruments in markets that are considered less active; or other valuation techniques where significant inputs can be directly or indirectly observed in market data.
- Level 3: Valuation techniques based on unobservable market data. This category includes all instruments for which the valuation method is not based on observable data and unobservable data have a significant influence on the instrument's valuation. This category includes instruments that are valued based on market quotations for similar instruments where unobservable adjustments or assumptions are necessary to reflect the difference between instruments.

| Valuation techniques used in the Valuation Reports of owned land | Input data | Link between input data and fair value measurement |
|--|---|--|
| <p>The evaluation model applied in the approach is the direct comparison method.</p> <p>The method consists in comparing the subject asset with other assets whose price is known.</p> <p>The value of land should be considered in terms of best use.</p> | <p>Market price / m2 .</p> <p>Specific adjustments are made to the property with regard to the necessary expenses after purchase, urban planning regulations, location, type of access, topography,</p> | <p>Estimated fair value increases (decreases) if:</p> <ul style="list-style-type: none"> - The market price is higher (lower). - Urban planning regulations change with positive or negative impact on the value |

BUCHAREST STOCK EXCHANGE

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4. FAIR VALUE MEASUREMENT (CONTINUED)

The fair values of financial assets and financial liabilities, together with the carrying amounts disclosed in the statement of financial position, are as follows:

| | 31 December 2024 | | 31 December 2023 | |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
| | <u>Carrying amount</u> | <u>Fair value</u> | <u>Carrying amount</u> | <u>Fair value</u> |
| Financial assets carried at fair value through profit and loss | 1,134,061 | 1,134,061 | 320,877 | 320,877 |
| Financial assets maturing in over one year | 56,415,015 | 54,814,388 | 53,131,187 | 50,250,449 |
| Bank deposits | 31,378,511 | 31,378,511 | 71,745,069 | 71,745,069 |
| Bank deposits restricted to cover the guarantee, compensation and margin fund | 1,650,000 | 1,650,000 | | |
| | | | 3,394,726 | 3,394,726 |
| Trade and other receivables | 9,039,305 | 9,039,305 | 12,017,132 | 12,017,132 |
| Financial assets with a maturity of less than one year | 36,805,678 | 37,889,710 | 16,065,331 | 16,119,064 |
| Other restricted assets | 21,086,214 | 21,086,214 | 18,586,079 | 18,586,079 |
| Other assets | 50,180 | 50,180 | 28,381 | 28,381 |
| Cash and cash equivalents | 23,329,180 | 23,329,180 | 15,636,686 | 15,636,686 |
| Total | <u>180,888,143</u> | <u>180,371,548</u> | <u>191,085,316</u> | <u>188,098,464</u> |

| | 31 December 2024 | | 31 December 2023 | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | <u>Carrying amount</u> | <u>Fair value</u> | <u>Carrying amount</u> | <u>Fair value</u> |
| Liabilities carried at amortised cost | | | | |
| Guarantee, Compensation and Margin Fund | 2,837,541 | 2,837,541 | 3,283,876 | 3,283,876 |
| Dividends to be distributed on behalf of clients | 20,443,519 | 20,443,519 | 18,992,865 | 18,992,865 |
| Financial liabilities | 6,965,175 | 6,965,175 | 8,331,430 | 8,331,430 |
| Lease liabilities | 21,122,561 | 21,122,561 | 20,916,100 | 20,916,100 |
| Other liabilities | 180,371 | 180,371 | - | - |
| Total liabilities | <u>51,549,166</u> | <u>51,549,166</u> | <u>51,524,271</u> | <u>51,524,271</u> |

Financial assets carried at amortised cost (restricted and unrestricted) representing mainly government securities are classified in Level 1: quoted prices in active markets. Deposits with banks, cash and cash equivalents and restricted cash in the category Other assets (see Note 18) are classified in Level 2. Trade and other receivables are categorised in Level 3

Land is recognised at fair value, determined on the basis of periodic valuations by independent external valuers. Revaluations are carried out with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount;

No transfers have been made between classification levels.

5. FINANCIAL RISK MANAGEMENT

The Group is exposed to the following risks as a result of using financial instruments:

- Credit risk
- Liquidity risk
- Market risk, which includes interest rate risk and currency risk
- Taxation risk (non-financial risk)

This note sets out information about the Group's exposure to each of the above-mentioned risks, the Group's objectives, policies and processes for risk assessment and management and procedures for capital management.

(a) General risk management framework

The Board of Directors of the BVB has overall responsibility for establishing and overseeing the risk management framework at Group level. The Board of Directors of the BVB is assisted in this endeavour by the Special Committees, which have an advisory role. The activity of the BVB Special Committees is governed by the following principles:

- a. the principle of objectivity;
- b. investor protection principle;
- c. the principle of promoting stock market development;
- d. active role principle.

The Board of Directors is also responsible for examining and approving the BVB's strategic, operational and financial plan, as well as the Group's corporate structure.

The Group's risk management policies are defined to ensure that the risks faced by the Group are identified and analysed, appropriate limits and controls are established, and risks and compliance with established limits are monitored. The risk management policies and systems are regularly reviewed to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, seeks to develop an orderly and constructive control environment in which all employees understand their roles and obligations. Internal audit of Group entities oversees how management monitors compliance with risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the entities.

(b) Credit risk

Credit risk is the risk that the Group will incur a financial loss as a result of the non-performance of contractual obligations by a customer or counterparty to a financial instrument, and arises principally from the Group's trade receivables and financial investments, as well as from specific clearing and settlement activities carried out by the Group's subsidiaries.

The expected credit loss is the difference between all contractual cash flows that are due to the Group and all cash flows that the Group expects to receive, discounted at the original effective interest rate.

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

For stage 1 exposures, the expected credit loss is equal to the expected loss calculated over a time horizon of up to one year. For exposures in Stages 2 or 3, the expected credit loss shall be equal to the expected loss calculated over a time horizon corresponding to the entire duration of the exposure.

The BVB assesses whether the credit risk for a financial instrument has increased significantly since initial recognition based on information available without undue cost or effort that is indicative of a significant increase in credit risk since initial recognition, such as a significant deterioration in the financial results or credit rating of the issuer of the financial instrument or delays in interest or principal payments on the financial instrument that are more than 30 days past due.

The Group uses the simplified approach applicable to trade and other receivables recognised in "Other financial assets at amortised cost" that do not have a significant financing component. Under this approach, the BVB/Group measures the loss adjustment for these receivables at an amount equal to the expected lifetime credit losses (i.e. it eliminates the need to calculate the expected credit risk losses for Stage 1 at an amount equal to the 12-month expected credit losses and the need to assess the occurrence of a significant increase in credit risk).

The Group has defined "impaired" exposures as claims that fulfil one or both of the criteria:

- exposures for which the BVB/Group assesses that the borrower is unlikely to pay its obligations in full, regardless of the amount of the exposures and the number of days for which the exposure is past due (e.g. due to major financial difficulties faced by the customer; in the case of amounts in dispute);
- amounts overdue by more than 270 days.

The Group recognises in profit or loss the amount of changes in expected credit losses over the life of the financial assets as losses or reversals of expected credit losses. Expected credit losses or reversals of expected credit losses are determined as the difference between the carrying amount of the financial asset and the present value of future cash flows using the financial asset's effective interest rate at inception.

The Group has not provided detailed information on how forecast economic conditions have been incorporated into the determination of ECL as the impact is not material.

The provision matrix is initially based on the Company's observed historical default rates. The Society will calibrate the matrix to adjust historical credit losses with forward-looking information. For example, if forecasted economic conditions (i.e., gross domestic product) are expected to deteriorate in the coming year which may lead to an increased number of defaults, historical default rates are adjusted. At each reporting date, observed historical default rates are updated and changes in forward-looking estimates are analysed. Information about ECLs on trade receivables and is disclosed in Note 16. BVB has not provided details on how forecast economic conditions have been incorporated into the determination of ECLs as the impact is not material.

The movement in the allowance for doubtful accounts and the provision for expected credit losses on trade receivables is disclosed in *Note 16*.

BUCHAREST STOCK EXCHANGE

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5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Trade and other receivables

The Group's exposure to credit risk is mainly influenced by the individual characteristics of each customer and the country in which it operates. Most of the Group's customers operate in Romania. The Group's customer base consists of issuers of securities, financial investment services companies and other financial institutions participating on the Bucharest Stock Exchange. The Group's clients for the share register activity are all companies listed on the Rasdaq Electronic Stock Exchange. At present, although some of these companies are in the process of legal reorganisation or are unable to pay, there is a legal obligation that the share register services are still invoiced until delisting. For these customers the receivables are fully impaired. The Group calculates an impairment loss for trade receivables using the simplified approach under IFRS 9, recognising expected losses on trade receivables over the life of the receivables. The Group also calculates a specific impairment adjustment in respect of doubtful trade receivables for which the process of recovering the receivables has commenced.

(ii) Financial investments

The Group limits its exposure to credit risk by investing only in liquid instruments issued by counterparties of satisfactory credit quality. Management constantly monitors credit quality and, as the Group has only invested in instruments with high credit quality, management does not expect these counterparties to default on their contractual obligations.

The table below shows the exposure by bank as well as the ratings given by the rating agencies to the banks with which the Group has cash and deposits or open bank accounts at the end of the financial reporting periods:

| <i>In LEI</i> | Rating | 31 December 2024 | 31 December 2023 |
|------------------------------|--|-----------------------------|-----------------------------|
| Transilvania Bank | Fitch: BBB- | 13,863,872 | 31,044,640 |
| Banca Comerciala Romana | Fitch: BBB+ | 24,973,383 | 29,472,481 |
| Libra Bank | Fitch: BB- | 6,777,674 | 7,206,763 |
| Treasury | Fitch: BBB- (equivalent to sovereign rating) | 67,335 | 70,085 |
| BRD - Group Societe Generale | Fitch: BBB+ | 1,167,199 | 292,574 |
| Exim Bank | Fitch: BB- | 8,271,237 | 19,530,707 |
| NBR | no rating | 1,321 | 2,527 |
| Raiffeisen | Fitch:A+ | 17,362,440 | 19,805,097 |
| CEC Bank | BB | 4,968,645 | 1,929,820 |
| Unicredit | Fitch: BBB | 6,162 | 5,708 |
| Alpha Bank | Fitch: BB | 9,052 | - |
| TechVentures.Bank | no rating | 108,791 | - |

BUCHAREST STOCK EXCHANGE

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| | | | |
|--|-----------|-------------------|--------------------|
| ING Bank | Fitch: A+ | 15,478 | 8.847 |
| Citibank London | Fitch: A1 | 138,231 | 138.231 |
| Total balances with banks | | 77,730,821 | 109.507.481 |
| Cash in hand | | 63,319 | 67.638 |
| Total cash, accounts and deposits placed with banks | | 77,794,140 | 109,575,119 |
| Cash and current accounts, including accounts held in clients' names | | 24,087,783 | 22,245,627 |
| Bank deposits with original maturity of less than 3 months | | 20,454,677 | 12,010,893 |
| Bank deposits with original maturity over 3 months | | 33,251,680 | 75,318,599 |
| Expected credit loss, of which related: | | (350,235) | (212,559) |
| Cash and current accounts, including accounts held in clients' names | | 24,087,783 | 22,241,308 |
| Bank deposits with original maturity of less than 3 months | | 20,327,611 | 11,981,457 |
| Bank deposits with original maturity over 3 months | | 33,028,511 | 75,139,795 |
| Total cash, accounts and bank deposits | | 77,443,905 | 109,362,560 |

Exposure to credit risk

The maximum credit risk exposure equals the balance sheet exposure at the reporting date and was:

| | <u>31 December 2024</u> | <u>31 December 2023</u> |
|--|-------------------------|-------------------------|
| Financial assets valued at FVPL | 1,134,061 | 320,877 |
| Other financial fixed financial assets at amortised cost | 56,415,015 | 53,131,187 |
| Bank deposits | 31,378,511 | 71,745,069 |
| Bank deposits at amortised cost covering the guarantee fund, compensation and margin | 1,650,000 | 3,394,726 |
| Financial liabilities | 9,039,305 | 12,017,132 |
| Prepayments | 1,369,157 | 1,285,850 |
| Other financial assets carried at amortised cost under one year | 36,805,678 | 16,065,331 |
| Other assets carried at amortised cost, restricted | 21,086,214 | 18,586,079 |
| Other assets | 50,180 | 28,381 |
| Cash and cash equivalents | 23,329,180 | 15,636,686 |
| Total | 182,257,300 | 191,890,442 |

The Group monitors its exposure to credit risk by analysing the age of its receivables as reflected in the table below:

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5. FINANCIAL RISK MANAGEMENT (CONTINUED)

| | Financial claims | | Financial assets carried at amortised cost | | Cash and cash equivalents cash and other restricted assets | | Bank deposits carried at amortised cost | |
|-------------------------------------|-------------------|-------------------|---|-------------------|--|-------------------|--|-------------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Individual provision | | | | | | | | |
| Significant risk | 1,872,220 | 813,648 | - | - | - | - | - | - |
| Gross value | 1,872,220 | 813,648 | - | - | - | - | - | - |
| Impairment adjustment | (1,872,220) | (813,648) | - | - | - | - | - | - |
| Net value | - | - | - | - | - | - | - | - |
| Remaining, unprovisioned | | | | | | | | |
| Individual | | | | | | | | |
| Outstanding under 90 days | 1,461,499 | 261,745 | - | - | - | - | - | - |
| Overdue between 90 and 180 days | 30,873 | 69,266 | - | - | - | - | - | - |
| Overdue between 180 and 360 days | 114,156 | 110,005 | - | - | - | - | - | - |
| Gross value | 1,606,528 | 441,016 | - | - | - | - | - | - |
| Expected credit loss | (5,655) | (2,720) | - | - | - | - | - | - |
| Net value | 1,600,873 | 438,297 | ≡ | ≡ | ≡ | ≡ | ≡ | ≡ |
| Current, unprovisioned | | | | | | | | |
| No significant risk | 9,140,602 | 12,139,340 | 93,698,939 | 69,337,276 | 44,542,460 | 34,256,520 | 33,251,680 | 75,318,599 |
| Gross value | 9,140,602 | 12,139,340 | 93,698,939 | 69,337,276 | 44,542,460 | 34,256,520 | 33,251,680 | 75,318,599 |
| Expected credit loss | (101,297) | (122,208) | (478,245) | (140,757) | (127,066) | (33,755) | (223,169) | (178,804) |
| Net value | 9,039,305 | 12,017,132 | 93,220,693 | 69,196,518 | 44,415,394 | 34,222,765 | 33,028,511 | 75,139,795 |
| Total gross value | 11,012,822 | 12,952,987 | 93,698,939 | 69,337,276 | 44,542,460 | 34,256,520 | 33,251,680 | 75,318,599 |
| Total net value | 9,039,305 | 12,017,132 | 93,220,693 | 69,196,518 | 44,415,394 | 34,222,765 | 33,028,511 | 75,139,795 |

No transfers have been made between classification levels.

BUCHAREST STOCK EXCHANGE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024 *(lei)*

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

Group is exposed to credit risk through its subsidiary Depozitarul Central SA (Central Depository).

Depozitarul Central SA ("DC") provides clearing and settlement services for transactions in financial instruments (equities, fixed income securities, government securities, funds, etc) carried out on the Bucharest Stock Exchange on the regulated spot market. Clearing participants have the obligation to contribute to the constitution of the guarantee fund at the Central Depository.

In order to limit the exposure to the risk of default on bonds resulting from transactions concluded in trading systems and registered in the system of the Central Depository, a trading limit is established for each participant.

If it is established that, on the settlement date, the participant in the clearing-settlement system and registry does not have sufficient funds available on the settlement account to cover the payment obligation, it may request a credit, either from the clearing participant with which it has entered into a settlement agreement, or from any other credit institution on the basis of a contractual relationship, or it may request the market operator to perform special sale transactions to cover its position.

If the participant does not obtain the necessary resources for settlement, the Central Depository will resort to the following financial resources in order:

- a) the appropriate margin of the respective participant in the clearing and settlement system and register;
- b) the guarantee fund related to the participant in the clearing and settlement system and registry;
- c) the guarantee fund constituted by the other participants in the clearing and settlement system and the registry;
- d) the margins deposited by other participants in the clearing and settlement system and register.

If the application of the above-mentioned measures results in transactions that cannot be successfully settled, they will be excluded from the current day's net settlement and will be postponed for later settlement.

As at 31 December 2024, the value of transactions with trade date at the end of 2024 and settled in 2025 is RON 76,352 thousand (As at 31 December 2023 there were transactions of RON 109,497 thousand with trade date at the end of 2023 and settled in 2024).

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with financial liabilities that are settled in cash or by the transfer of another financial asset. The Group's approach to liquidity risk is to ensure, as far as possible, that it holds at all times sufficient liquidity to meet liabilities when they fall due, both under normal and stressed conditions, without incurring unacceptable losses or jeopardising the Group's reputation.

BUCHAREST STOCK EXCHANGE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024 (lei)

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group has no committed borrowings, needing liquidity only to cover its current operating expenses and settlements within the clearing-settlement systems it operates. Considering that a significant portion of the Group's assets consists of highly liquid investments, the level of liquidity risk to which the Group is exposed is low.

The contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements, are as follows:

| <u>31 December 2024</u> | <u>Carrying value</u> | <u>Future cash flows</u> | <u>Under 1 month</u> | <u>1-3 months</u> | <u>3-12 months</u> | <u>Over 12 months</u> |
|---|---------------------------|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Non-current financial assets at amortised cost | 93,220,692 | 93,220,692 | - | 1,141,657 | 35,866,452 | 56,212,583 |
| Financial assets valued at FVPL | 1,134,061 | 1,134,061 | - | - | - | 1,134,061 |
| Banks deposits | 31,378,511 | 31,378,511 | 3,442,260 | 15,811,797 | 12,124,453 | - |
| Banks deposits covering the guarantee, compensation and margin fund | 1,650,000 | 1,650,000 | - | - | 1,650,000 | - |
| Financial receivables | 9,039,305 | 9,039,305 | 7,777,175 | 246,010 | 660,766 | 355,354 |
| Financial assets carried at amortised cost, restricted | 21,086,214 | 21,086,214 | 21,086,214 | - | - | - |
| | 23,329,180 | 23,329,180 | 4,538,202 | 18,790,978 | - | - |
| Cash and cash equivalents | | | | | | - |
| Total: | <u>180,837,963</u> | <u>180,837,963</u> | <u>36,843,851</u> | <u>35,990,442</u> | <u>50,301,672</u> | <u>57,701,998</u> |
| Non-derivative financial liabilities | | | | | | |
| Financial liabilities | 6,488,707 | 6,488,707 | 4,850,244 | 251,395 | 1,387,068 | - |
| Dividend payments | 476,468 | 476,468 | 476,468 | - | - | - |
| Dividends to be distributed on behalf of clients | 20,443,519 | 20,443,519 | 20,443,519 | - | - | - |
| Guarantee, Compensation and Margin Fund | 2,837,541 | 2,837,541 | 2,837,541 | - | - | - |
| Leasing liabilities | 21,122,561 | 26,830,013 | 291,465 | 874,395 | 2,331,720 | 23,332,432 |
| Other liabilities | 180,371 | 180,371 | - | - | - | 180,371 |
| Total | <u>51,549,167</u> | <u>57,256,619</u> | <u>28,899,237</u> | <u>1,125,791</u> | <u>3,718,788</u> | <u>23,512,803</u> |
| | <u>129,288.79</u> | <u>123,581.345</u> | <u>7,944.614</u> | <u>34,864.652</u> | <u>46,582.883</u> | <u>34,189.194</u> |
| Net financial assets | <u>7</u> | | | | | |

BUCHAREST STOCK EXCHANGE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024 (lei)

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

| <u>31 December 2023</u> | <u>Carrying value</u> | <u>Future cash flows</u> | <u>Under 1 month</u> | <u>1-3 months</u> | <u>3-12 months</u> | <u>Over 12 months</u> |
|---|---------------------------|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Non-current financial assets at amortised cost | 69.196.518 | 69.196.518 | - | - | 21.561.631 | 47.634.887 |
| Financial assets valued at FVPL | 320.877 | 320.877 | - | - | - | 320.877 |
| Banks deposits | 71.745.069 | 71.745.069 | 3.091.354 | 4.291.668 | 64.362.047 | - |
| Banks deposits covering the guarantee, compensation and margin fund | 3.394.726 | 3.394.726 | 3.394.726 | - | - | - |
| Financial receivables | 12.017.132 | 12.017.132 | 10.648.988 | 253.089 | 848.486 | 266.569 |
| Financial assets carried at amortised cost, restricted | 18.586.079 | 18.586.079 | 18.586.079 | - | - | - |
| Cash and cash equivalents | <u>15.636.686</u> | <u>15.636.686</u> | <u>6.027.458</u> | <u>9.609.228</u> | - | - |
| Total: | 190.897.087 | 190.897.087 | 41.748.605 | 14.153.985 | 86.772.164 | 48.222.333 |
| Non-derivative financial liabilities | | | | | | |
| Financial liabilities | 7,787,925 | 7,787,925 | 4,281,214 | 1,025,035 | 2,481,676 | - |
| Dividend payments | 1,495,755 | 1,495,755 | 1,495,755 | - | - | - |
| Dividends to be distributed on behalf of clients | 18,992,865 | 18,992,865 | 18,992,865 | - | - | - |
| Guarantee, Compensation and Margin Fund | 3,283,876 | 3,283,876 | 3,283,876 | - | - | - |
| Leasing liabilities | 20,916,101 | 26,610,348 | 301,041 | 903,123 | 2,408,327 | 22,997,857 |
| Total | 52,476,522 | 58,170,769 | 28,354,751 | 1,928,158 | 4,890,004 | 22,997,857 |
| Net financial assets | <u>138,420,566</u> | <u>132,726,318</u> | <u>13,393,854</u> | <u>12,225,828</u> | <u>81,882,161</u> | <u>25,224,476</u> |

The cash flows included in the maturity analysis are not expected to be realised earlier or at materially different amounts. The Group maintains sufficient liquid assets (residual maturity less than 3 months) to cover all maturing liabilities.

BUCHAREST STOCK EXCHANGE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024 (lei)

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and the price of equity instruments, could affect the Group's income or the value of financial instruments held.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters and at the same time to optimise investment returns.

Currency risk exposure

The Group's exposure to foreign exchange risk is presented below, based on national values in lei equivalent:

| 31 December 2024 | <u>EUR</u> | <u>USD</u> | <u>RON</u> | <u>Total</u> |
|--|-------------------|------------------|--------------------|--------------------|
| Financial assets | | | | |
| Financial receivables | 448,322 | 277 | 8,590,706 | 9,039,305 |
| Placements (government securities, bank deposits, cash and cash equivalent)* | 46,970,883 | 7,175,646 | 116,518,069 | 170,664,597 |
| Total financial assets | 47,419,205 | 7,175,923 | 125,108,775 | 179,703,902 |
| Financial liabilities | | | | |
| Guarantee Fund, compensation and margin | - | - | 2,837,541 | 2,837,541 |
| Financial debts | 1,301,372 | 19,332 | 5,644,470 | 6,965,175 |
| Dividends to be distributed on behalf of customers | 12,532 | - | 20,430,987 | 20,443,519 |
| Leasing liabilities | 21,122,561 | - | - | 21,302,932 |
| Other long-term liabilities | 180,371 | | | |
| Total financial liabilities | 22,616,836 | 19,332 | 28,912,998 | 51,549,166 |
| Net financial assets/liabilities | 24,802,368 | 7,156,591 | 96,195,777 | 128,154,736 |

BUCHAREST STOCK EXCHANGE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024 (lei)

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

* Contains balance sheet positions: Other financial assets carried at amortised cost (fixed assets), Financial assets carried at amortised cost covering goodwill, netting and margin (fixed assets), Other financial assets carried at amortised cost (current assets), Financial assets carried at amortised cost covering goodwill, netting and margin (current assets), Deposits with banks carried at amortised cost (current assets), Deposits with banks carried at amortised cost covering the guarantee fund and margin (current assets), Cash and cash equivalents, Other restricted assets.

| 31 December 2023 | EUR | USD | RON | Total |
|--|--------------------------|-------------------------|---------------------------|---------------------------|
| Financial assets | | | | |
| Financial receivables | 417,608 | 270 | 11,599,254 | 12,017,132 |
| Investments (government securities, bank deposits, cash and cash equivalents)* | 61,530,797 | 7,054,194 | 109,974,086 | 178,559,077 |
| Total financial assets | <u>61,948,405</u> | <u>7,054,464</u> | <u>121,573,340</u> | <u>190,576,209</u> |
| Financial liabilities | | | | |
| Guarantee, compensation and margin fund | - | - | 3,283,876 | 3,283,876 |
| Financial liabilities | 2,791,008 | 18,608 | 5,521,814 | 8,331,430 |
| Dividends to be distributed on behalf of clients | 15,096 | (113) | 18,977,882 | 18,992,865 |
| Leasing liabilities | 20,916,100 | - | - | 20,916,101 |
| Total financial liabilities | <u>23,722,204</u> | <u>18,495</u> | <u>27,783,572</u> | <u>51,524,271</u> |
| Net financial assets | <u>38,226,201</u> | <u>7,035,969</u> | <u>93,789,768</u> | <u>139,051,938</u> |

* Contains balance sheet positions: Other financial assets carried at amortised cost (fixed assets), Financial assets carried at amortised cost covering goodwill, netting and margin (fixed assets), Other financial assets carried at amortised cost (current assets), Financial assets carried at amortised cost covering goodwill, netting and margin (current assets), Deposits with banks carried at amortised cost (current assets), Deposits with banks carried at amortised cost covering the guarantee fund and margin (current assets), Cash and cash equivalents, Other restricted assets.

BUCHAREST STOCK EXCHANGE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024 (lei)

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

Sensitivity analysis

A depreciation of the Leu at 31 December 2024 compared to 31 December 2023 as shown below against the EUR and USD would have resulted in an increase in the Group's result by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

| | <u>31 December 2024</u> | <u>31 December 2023</u> |
|--|-------------------------|-------------------------|
| 10% depreciation of RON against the euro | 2,480,237 | 3,822,620 |
| 10% depreciation of RON against the USD | <u>715,659</u> | <u>703,597</u> |
| Total | <u>3,195,896</u> | <u>4,526,217</u> |

An appreciation of RON at 31 December 2024 compared to 31 December 2023 against the other currencies would have had the same but opposite effect on the amounts shown above, assuming that all other variables remain constant.

Exposure to interest rate risk

The Group does not hold financial instruments with variable interest rates. The financial instruments held are not affected by changes in interest rates. Therefore, a change in interest rates at the reporting date would not affect the income statement or equity.

(e) Gearing Ratio

It is the policy of the Board of Directors to maintain a sound capital base necessary to maintain the confidence of investors, creditors and the market and to sustain the future development of the entity. The Board monitors return on capital employed, defined by the Group as operating profit divided by total equity less non-controlling interests.

The Group's debt to equity ratio at the end of the period was as follows:

| | <u>2024</u> | <u>2023</u> |
|---------------------------|---------------------------|---------------------------|
| Total liabilities | 59,563,003 | 60,296,366 |
| Cash and cash equivalents | 23,329,180 | 34,222,765 |
| Net liabilities | <u>36,233,823</u> | <u>26,073,</u> |
| Total capital | <u>181,509,458</u> | <u>177,842,136</u> |
| Gearing Ratio | 20% | 15% |

In the current market conditions of rising interest rates, liquidity has been invested mainly in bank deposits and government securities in order to maximise the value of interest income but also to obtain liquidity in a short timeframe, if necessary.

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Economic environment risk

Global risks are assessed to be on the upside after the outbreak of the war in Ukraine, expectations for economic developments have significantly lowered from previous estimates and inflationary pressures still persist. Although the direct exposures of the European financial system to Russia are generally low, the indirect effects stemming from rising commodity prices, tightening financing conditions, possible cyber incidents or pressures stemming from the trade-off between energy security and energy transition may be significant.

Current fears that deteriorating financial conditions could contribute at a later stage to a further decline in investor confidence have prompted a concerted effort by governments and central banks to adopt special measures to counter the vicious circle of rising risk aversion and to ensure the normal functioning of the market

The Group's debtors may also be affected by liquidity crisis situations that could affect their ability to honour their current debts. The deterioration in creditors' operating conditions also affects the management of cash flow forecasts and the impairment analysis of financial and non-financial assets. To the extent information is available, management has reflected revised estimates of future cash flows in its impairment policy.

The management cannot reliably estimate the effects on the Group's financial statements resulting from deterioration in financial market liquidity, impairment of financial assets influenced by illiquid market conditions and high volatility in the national currency and financial markets. The Group's management believes that it is taking all necessary measures to support the growth of the Group's business in current market conditions by:

- developing liquidity management strategies and establishing specific liquidity management measures in crisis situations;
- current liquidity forecasts;
- daily monitoring of cash flows and estimating the effects on the Group's debtors, due to the limited access to financing and the restricted possibility to sustain business growth in Romania;
- Careful examination of the terms and conditions included in the compensation and settlement commitments, now and in the near future.

(g) Taxation risk (non-financial)

The interpretation of the texts and the practical implementation of the procedures of the new applicable tax regulations harmonised with European legislation may vary from entity to entity, and there is a risk that in certain situations the tax authorities may take a different position from that of the Group.

The Romanian Government also has a number of agencies authorised to control companies operating in Romania. These controls are similar to tax audits in other countries, and may cover not only tax issues but also other legal and regulatory issues of interest to these agencies. The Group may continue to be subject to tax audits as new tax regulations are issued.

The remaining period open for fiscal control is 5 years.

6. ACQUISITION OF SUBSIDIARIES AND INTERESTS WITHOUT CONTROL

On 4 November 2019, CCP.RO Bucharest SA (CCP.RO) was established with a share capital of 79,800,000 lei, of which the BVB holds 59.52% representing 47,500,000 lei. The contribution to the share capital of CCP.RO by non-controlling interests is RON 32,300,000.

During 2024, two new increases in the share capital of CCP RO were recorded, totalling RON 27,484,610, out of which the BVB's contribution was RON 17,403,400. The amount of CCP.RO's share capital as at 31 December 2024 was RON 118,159,610 and the BVB's holding in the CCP.RO subsidiary increased from 52.38% to 54.93%.

As at 31 December 2024, CCP.RO is still in the process of implementing the CCP, but the formal application for authorisation submitted to the ASF on 31 January 2023 was withdrawn in December 2024. It is envisaged to resubmit the application for authorisation under EMIR3, together with the related documentation and additional requests from the ASF.

Since CCP.RO is not yet operational as a central counterparty, no revenues from operating activities or profits have been recognised, the Company considered that these elements may constitute indicators of impairment of the investment in CCP.RO and contracted an independent appraiser to perform a valuation of the BVB's investment in CCP.RO Bucharest, in accordance with the requirements of IAS 36 "Impairment of Assets". The impairment test was aimed at determining the value in use of the investment in CCP.RO, based on the expected future cash flows, according to the business plan approved by the CCP.RO shareholders. The cash flows have been discounted to present value using as discount rate an estimated average cost of capital of 14.44%, which takes into account the specificity of CCP.RO's activity and the political and geopolitical context in which our country is currently operating.

The results of the evaluation showed that it is necessary to record an impairment adjustment for BVB investment in CCP.RO in amount of RON 64,903,400, approximately 20%, i.e. the amount of RON 13,100,148.

At consolidated level, the impairment recognised by the parent company has no impact on the financial results.

BUCHAREST STOCK EXCHANGE

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FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024 (lei)

7. SEGMENT REPORTING

Segment information is reported based on the Group's activities. Transactions between business segments are carried out under normal market conditions. Segment assets and liabilities include both items that are directly attributable to those segments and items that can be allocated using a reasonable basis.

The Group is composed of the following main business segments:

- Capital markets - trading (dealing in securities and financial instruments on regulated markets);
- Post-trade services (services realised after the conclusion of a transaction until the money is received in the account and the securities are transferred to the portfolio);
- Registry services (maintaining and updating the register of security holders for listed companies);
- CCP.RO services - related to CCP.RO central counterparty activity under authorisation and implementation

The Group's component companies have been organised by business 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 related revenues, and CCP.RO Bucharest SA (CCP.RO) is included in the "CCP.RO" service segment. For the services rendered within the above-mentioned business segments, revenues are obtained mainly from commissions charged to capital market participants and other revenues related to the activities rendered.

Revenues by segment depending on when the performance obligation arises are summarised below:

| | 2024 | | 2023 | |
|------------------------------------|----------------------------|---|----------------------------|---|
| | At the time of transaction | The period to which it refers (over time) | At the time of transaction | The period to which it refers (over time) |
| Trading revenues | 31,253,679 | 8,159,881 | 42,202,957 | 7,200,292 |
| Settlement revenues | 174,614 | 5,557,963 | 209,843 | 4,822,773 |
| Registry revenues | <u>2,768,871</u> | <u>2,163,725</u> | <u>2,297,289</u> | <u>1,724,867</u> |
| Total revenue from services | 64,906,363 | 11,563,945 | 71,144,425 | 10,413,614 |

As at 31 December 2024, the amount collected under customer contracts for which there is a performance obligation and which will be recognised as income in the following period are mainly represented by the fees for maintaining of trading and registry activities charged to the issuers of financial instruments and are disclosed in the Consolidated Statement of Financial Position, on the line Deferred income in Note 22.

The Group has not disclosed the transaction price allocated to the remaining loan as the exception in IFRS 15.121a (the loan obligation is part of a contract that has an expected duration of one year or less) has been utilised."

BUCHAREST STOCK EXCHANGE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024 (lei)

7. SEGMENT REPORTING (CONTINUED)

The Group's revenue, expenses and gross profit for the financial year 2024 are set out below by the segments described:

| 2024 | Trading services | Clearing and settlement services | Registry services | CCP.RO | Group |
|--|-------------------------|---|--------------------------|---------------------|--------------------|
| Revenue from customers | | | | | |
| External | 41,494,342 | 24,670,109 | 12,415,321 | - | 78,579,772 |
| <i>Revenues from transactions with related parties (eliminated at consolidation)</i> | 320,000 | 46,141 | - | - | 366,141 |
| Operating expenses | (29,624,305) | (15,748,838) | (10,680,387) | (12,317,585) | (68,371,114) |
| <i>- of which expenditure on staff and allowances of administrative boards</i> | (15,682,983) | (8,564,836) | (5,934,121) | (5,348,332) | (35,530,272) |
| Operating profit | 11,870,037 | 8,921,271 | 1,734,934 | (12,317,585) | 10,208,658 |
| Net financial income | 1,527,423 | 1,296,434 | 645,604 | 1,804,668 | 5,274,130 |
| Profit before taxation | 13,397,461 | 10,217,705 | 2,380,538 | (10,512,916) | 15,482,788 |
| Corporate income tax | (2,227,847) | (1,415,840) | (380,886) | 300,634 | (3,723,939) |
| Net profit | 11,169,614 | 8,801,866 | 1,999,652 | (10,212,282) | 11,758,848 |

The Group's revenue, expenses and gross profit for the financial year 2023 are set out below by the segments described:

| 2023 | Trading services | Clearing and settlement services | Registry services | CCP.RO | Group |
|--|-------------------------|---|--------------------------|--------------------|--------------------|
| Revenue from customers | 50,227,982 | 22,299,933 | 10,258,218 | - | 82,786,133 |
| External | | | | | |
| <i>Income from other segments (eliminated on consolidation)</i> | 320,000 | 21,774 | - | - | 341,774 |
| Operating expenses | (27,967,011) | (14,445,755) | (9,139,361) | (7,589,379) | (59,141,506) |
| <i>- of which expenditure on staff and allowances of administrative boards</i> | (14,364,805) | (7,525,497) | (5,118,540) | (4,604,891) | (31,613,733) |
| Operating profit | 22,260,971 | 7,854,178 | 1,118,857 | (7,589,379) | 23,644,627 |
| Net financial income | 1,163,139 | 1,332,870 | 697,547 | 3,112,040 | 6,305,598 |
| Profit before taxation | 23,424,110 | 9,187,048 | 1,816,405 | (4,477,339) | 29,950,223 |
| Corporation tax | (3,311,248) | (1,362,514) | (305,121) | 726,880 | (4,252,003) |
| Net profit | 20,112,862 | 7,824,534 | 1,511,284 | (3,750,459) | 25,698,220 |

BUCHAREST STOCK EXCHANGE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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7. SEGMENT REPORTING (CONTINUED)

The Group's assets and liabilities as well as capital expenditure are presented below by the segments described:

| | <u>Trading services</u> | <u>Settlement services</u> | <u>Registry services</u> | <u>CCP.RO</u> | <u>Group</u> |
|-------------------------|-------------------------|----------------------------|--------------------------|---------------|--------------------|
| 31 December 2024 | | | | | |
| Active | 57,597,845 | 35,352,631 | 48,878,905 | 99,243,080 | 241,072,461 |
| Debts | 18,671,076 | 7,675,660 | 27,141,537 | 6,074,730 | 59,563,003 |
| Capital expenditure | 4,707,744 | 3,088,473 | 1,522,497 | 13,023,247 | 22,341,961 |

| | <u>Trading services</u> | <u>Post-trading services</u> | <u>Services record</u> | <u>CCP.RO services</u> | <u>Group</u> |
|-------------------------|-------------------------|------------------------------|------------------------|------------------------|--------------------|
| 31 December 2023 | | | | | |
| Active | 77,305,884 | 45,441,076 | 32,351,616 | 83,039,927 | 238,138,502 |
| Debts | 17,425,104 | 13,176,097 | 22,551,472 | 7,143,693 | 60,296,366 |
| Capital expenditure | 5,218,210 | 2,085,446 | 960,779 | 4,043,528 | 12,307,964 |

8. OPERATING EXPENSES

Operating expenses consist of the following:

8.1 Staff expenditure and allowances of the Administrative Board

| | <u>2024</u> | <u>2023</u> |
|---|--------------------------|--------------------------|
| Personnel costs | 29,623,552 | 24,524,071 |
| Board members' allowances | 2,728,239 | 2,323,839 |
| Other expenses with staff and CA members, including SOP estimates and for bonuses granted | 2,448,030 | 4,154,088 |
| Contributions and taxes related to employees and allowances | 730,451 | 611,735 |
| Total | <u>35,530,272</u> | <u>31,613,733</u> |

Other personnel expenses include estimated expenses related to the Share Option Plan (SOP) to grant free shares to employees and management of the BVB and the Central Depository based on performance criteria, approved for 2024.

Personnel costs recorded in 2024 were influenced by the increase in the number of employees at Group level (CCP.RO and BVB), as well as by the annual indexation made taking into account the increased inflation recorded in the previous year and level of salaries on the labour market.

BUCHAREST STOCK EXCHANGE

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8. OPERATING EXPENSES (CONTINUED)

The number of employees, including part-time contracts and directors on contract, in the Group was:

| | 2024 | | 2023 | |
|----------------------------------|----------------------|--------------------------|----------------------|-----------------------|
| | At the end of the | Media <u>per year</u> | At the end of the | Average <u>per</u> |
| Bucharest Stock Exchange SA | 49 | 45 | 44 | 44 |
| Central Depository SA | 48 | 48 | 49 | 49 |
| CCP.RO Bucharest SA | <u>17</u> | <u>15</u> | <u>13</u> | <u>11</u> |
| Total number of employees | <u>114</u> | <u>108</u> | <u>106</u> | <u>104</u> |

Share-based payment (SOP) transactions

The BVB Group grants benefits to its non-executive directors, directors and employees in the form of variable remuneration, depending on the fulfilment of the performance condition, in the form of free shares on the basis of a Share Allocation Plan adopted at Group level.

The consolidated realised and estimated expenses realised and estimated expenses for benefits granted and related to share-based payment transactions at Group level are shown separately in 2024 and amounted to RON 2,497,072 (2023: RON 2,371,480).

In 2024, a total of 36,704 shares, granted for the year 2023, with a market value at the time of grant of RON 2,349,056, were transferred free of charge to employees, management and the Board of the Stock Exchange, in accordance with the Share Allotment Plan adopted at Group level and approved by the AGM.

Also, in 2024, a number of 14,516 shares, granted for the year 2023, with a market value at the time of grant of RON 929,024, were transferred free of charge to the employees, management and Board of Directors of the Central Depository, in accordance with the Share Allotment Plan adopted at Group level and approved by the AGM.

For the year 2023, the Non-Executive Directors have met the performance condition stipulated in the Share Allocation Plan approved at Group level, i.e. they have achieved good financial results, recording profits, taking into account the degree of realisation of the budget for the year 2023, and have therefore taken the decision to submit for approval to the AGM the grant of shares, respectively the exercise of the options received.

Based on their assessment of the 2023 results, taking into account the degree of realisation of the 2023 budget, the Non-Executive Directors resolved to award shares to the Directors.

The granting of stock options and free BVB shares is carried out for non-executive directors and BVB directors on the basis of the BVB Group-wide Remuneration Policy for the management structure, approved by the BVB AGM and the DC in 2023 and the Group-wide approved Share Allocation Plan

BUCHAREST STOCK EXCHANGE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024 (lei)

8. OPERATIONAL EXPENDITURE (CONTINUED)

The granting of BVB stock options and free BVB shares to BVB Group employees is carried out on the basis of the BVB Internal Employee Remuneration Policy approved by the Board of the Stock Exchange in 2018, respectively the DC Internal Employee Remuneration Policy approved by the Board of Directors of DC, as well as the Group-wide approved Share Award Plan.

In 2024 options for free BVB shares were granted, in accordance with the Stock Option Plan adopted at Group level (Stock Option Plan type), to employees, members of the Boards of Directors, management of the parent company and employees and management of the Central Depository subsidiary.

The transfer of shares shall take place within 12 months from the date of the grant of the stock options as a share component of the variable remuneration subject to the fulfilment of the performance criteria and the obligation not to dispose of the shares allocated as variable remuneration for a period of one year from the vesting date.

8.2 Third parties services expenses

| | <u>2024</u> | <u>2023</u> |
|---|--------------------------|-------------------------|
| Business Consultancy Services | 198,487 | 294,503 |
| Financial, IT and internal audit services | 1,311,169 | 575,315 |
| Commissions and fees (legal, contributions, etc) | 976,036 | 749,911 |
| Third party services for events | 468,516 | 600,749 |
| Other services provided by third parties | 3,350,688 | 2,764,345 |
| Services provided by third parties for business development | 967,896 | 1,031,305 |
| Clearing system technology and maintenance services | 2,812,445 | - |
| Swift services and transaction commissioning | 1,729,270 | 1,064,480 |
| Total | <u>11,814,506</u> | <u>7,080,608</u> |

The increase recorded in *Other services provided by third parties* is based on the new services recorded by CCP.RO for operationalisation purposes, as well as by the Central Depository from the implementation of the Aurachain project and additional IT maintenance expenses and outsourcing of some functions. Thus, on a voluntary basis, the BVB Group decided to present these expenses separately, starting with 2024, and restating, for comparison purposes, the information presented in 2023.

The Group's statutory auditor for the year 2024 was Deloitte Audit S.L.U. The audit fee according to the service agreement between the parties was EUR 58,740. The statutory auditor did not provide any other professional services in the year 2024.

During 2024, the statutory auditor did not provide to the Group any prohibited non-audit services referred to in Article 5 para. (1) of Regulation (EU) No 537/2014 of the European Parliament and of the Council.

BUCHAREST STOCK EXCHANGE

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8. OPERATING EXPENSES (CONTINUED)

8.3 Other operating expenses

| | <u>2024</u> | <u>2023</u> |
|--|--------------------------|--------------------------|
| Utilities and other rents | 2,402,165 | 2,909,566 |
| Depreciation of tangible fixed assets (Note 11) | 3,088,912 | 2,088,773 |
| Amortisation of intangible fixed assets (Note 12) | 1,809,743 | 1,694,816 |
| Amortisation of rights of use of assets (Note 13) | 3,145,076 | 3,674,954 |
| Expenses with ASF and other taxes | 2,121,859 | 2,478,566 |
| Consumables | 289,962 | 226,579 |
| IT repair, maintenance and maintenance | 2,567,874 | 1,984,695 |
| Equipment insurance, professional, etc | 367,349 | 347,260 |
| Events and protocol costs | 1,038,764 | 783,763 |
| Marketing and advertising | 1,064,842 | 1,468,739 |
| Transport and travelling | 594,525 | 529,890 |
| Telecoms and postal services | 721,213 | 546,299 |
| Bank charges | 151,206 | 113,473 |
| Losses from uncollected receivables | 96,292 | 113,950 |
| Expenses/(Income) from provisions for litigation | (94,000) | 174,970 |
| One-off expenses for the derecognition of fixed assets and space refurbishment, net of provision | 424,933 | 361,693 |
| Expenses/(Income) from adjustment of receivables | 551,007 | 3,273 |
| Other expenditure | 684,612 | 945,908 |
| Total | <u>21,026,336</u> | <u>20,447,166</u> |

In 2024 there were higher depreciation and amortisation expenses in respect of fixed assets as a result of investments made since the prior year occasioned by the relocation of the head office, including the depreciation of the right-of-use asset relating to the new lease.

BUCHAREST STOCK EXCHANGE

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9. FINANCIAL INCOME AND EXPENSES

Financial income and expenses recognised in the income statement comprise:

| | <u>2024</u> | <u>2023</u> |
|---|-------------------------|-------------------------|
| Interest income on financial assets | 6,843,873 | 6,456,186 |
| Leasing interest expenses | (1,209,235) | (1,035,979) |
| Impairment losses on financial assets carried at fair value through profit and loss | (224,745) | (159,847) |
| <i>Other net financial income, of which:</i> | <u>(135,763)</u> | <u>1,045,238</u> |
| Net foreign exchange gain/(loss) | 220,994 | 237,280 |
| Income from financial fixed assets sold | 97,186 | - |
| Net expected credit losses | (453,944) | 807,958 |
| Net financial income | <u>5,274,130</u> | <u>6,305,597</u> |

The comparative information in Note 10 "Financial income and expenses" to the Financial Statements has been reclassified to be consistent with the information presented in the current year.

Interest income related to financial assets carried at amortised cost and deposits with banks includes interest on investments in government bonds, government securities and deposits.

IFRS 16 lease interest expense increased in 2024 due to the lease related to the new premises.

10. INCOME TAX EXPENSE

Reconciliation of pre-tax profit to income tax expense in the income statement.

| | <u>2024</u> | <u>2023</u> |
|---|-------------------------|-------------------------|
| Pre-tax profit | <u>15,482,787</u> | <u>29,950,223</u> |
| Theoretical profit tax (16%) | 2,477,246 | 4,792,036 |
| Tax on non-taxable and assimilated income | (1,005,882) | (457,288) |
| Tax on non-deductible and assimilated expenses | 956,299 | 664,614 |
| Tax adjustment from impact tax loss | 1,682,100 | <u>716,374</u> |
| Current profit tax (16%) | <u>4,109,764</u> | <u>5,715,736</u> |
| Sponsorship deducted from the calculated corporate income tax | (358,228) | (357,416) |
| Current tax expenditure after subtracting amounts for | | |
| Sponsorship | 3,751,536 | 5,358,320 |
| Deferred tax expense / (income) | <u>(27,597)</u> | <u>(1,106,317)</u> |
| Corporate tax expense / (income) | <u>3,723,939</u> | <u>4,252,003</u> |

BUCHAREST STOCK EXCHANGE

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11. TANGIBLE ASSETS

| | <u>Land (i)</u> | Building improvements (ii) | IT equipment, office equipment and furniture (iii) | Assets under construction | <u>Total</u> |
|------------------------------------|------------------|----------------------------------|--|------------------------------|---------------------|
| Cost | | | | | |
| Balance at 1 January 2024 | 6,601,294 | 1,363,487 | 19,120,830 | 4,786,854 | 31,872,465 |
| Additions | - | 6,496,291 | 11,466,448 | 5,307,617 | 23,270,357 |
| Disposals | - | <u>(559,952)</u> | <u>(4,590,838)</u> | <u>(8,336,853)</u> | <u>(13,487,644)</u> |
| Balance at 31 December 2024 | 6,601,294 | 7,299,825 | 25,996,440 | 1,757,618 | 41,655,177 |
| Amortisation | | | | | |
| Balance at 1 January 2024 | - | 993,460 | 13,446,363 | - | 14,439,822 |
| Amortisation during the year | - | 603,953 | 2,484,959 | - | 3,088,912 |
| Depreciations | - | - | (361,693) | - | (361,693) |
| Disposals | - | <u>(473,241)</u> | <u>(4,229,236)</u> | - | <u>(4,702,477)</u> |
| Balance at 31 December 2024 | - | 1,124,172 | 11,340,393 | - | 12,464,565 |
| Net book values | | | | | |
| Balance at 1 January 2024 | <u>6,601,294</u> | <u>370,027</u> | <u>5,674,467</u> | <u>4,786,854</u> | <u>17,432,642</u> |
| Balance at 31 December 2024 | 6,601,294 | 6,175,654 | 14,656,047 | 1,757,618 | 29,190,612 |

- i) "Land" includes land owned by BVB, revalued as at 31 December 2023 at RON 6,601,294 following the independent Valuation Report performed in 2023. The historical value of the land held is RON 2,170,513 and the revaluation reserve recognised is RON 4,430,781.
- ii) The category "Buildings refurbishment" includes the refurbishment works for the new BVB Group headquarters, namely data centre, office space and events room for the BVB press, to be put into use during 2024.
- iii) During 2024, the purchases in the category "IT equipment, office equipment and furniture" in the amount of RON 11,466,448, are represented, on the one hand, by the IT infrastructure necessary for the functioning of the CCP.RO clearing system in the amount of RON 6,083,383, and on the other hand, by the replacement of some technological equipment purchased in order to improve the current performance, the replacement of some servers and storage and network equipment for the current activity, as well as new equipment and furniture intended for the fitting out of the new BVB Group headquarters.
- iv) Disposals made during 2024 in the IT equipment category mainly represent servers and other equipment decommissioned, some of which are mainly replaced by the BVB, as well as the decommissioning of facilities in the old premises. (BVB
- v) Assets under construction additions made during 2024 are represented by office set-up works in progress and furniture for the Group's new head office, of which for the BVB and the Central Depository have been put into use, those in balance are related to CCP.RO, put into use at the beginning of 2025.

BUCHAREST STOCK EXCHANGE

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11. TANGIBLE FIXED ASSETS (CONTINUED)

| | <u>Land</u> | <u>Building improvements</u> | <u>IT equipment, office equipment and furniture</u> | <u>Assets under construction</u> | <u>Total</u> |
|--|-------------------------|----------------------------------|---|--------------------------------------|--------------------------|
| Cost | | | | | |
| Balance at 1 January 2023 | 3,919,026 | 1,363,487 | 19,618,124 | - | 24,900,636 |
| Additions | | - | 3,654,205 | 4,546,337 | 8,200,542 |
| Re-evaluations | 2,682,268 | - | - | - | 2,682,268 |
| Disposals | | - | (4,151,499) | 240,517 | (3,910,982) |
| Balance at 31 December 2023 | <u>6,601,294</u> | <u>1,363,487</u> | <u>19,120,830</u> | <u>4,786,854</u> | <u>31,872,464</u> |
| Amortisation | | | | | |
| Balance at 1 January 2023 | - | 739,984 | 15,480,880 | - | 16,220,863 |
| Amortisation during the year | - | 253,476 | 1,835,297 | - | 2,088,773 |
| Depreciations | - | - | 361,693 | - | 361,693 |
| Disposals | - | - | (4,231,507) | - | (4,231,507) |
| Balance at 31 December 2023 | <u>-</u> | <u>993,460</u> | <u>13,446,363</u> | <u>-</u> | <u>14,439,822</u> |
| Net book values | | | | | |
| Balance at 1 January 2023 | 3,919,026 | 623,503 | 4,137,244 | - | 8,679,773 |
| Balance at 31 December 2023 | <u>6,601,294</u> | <u>370,027</u> | <u>5,674,467</u> | <u>4,786,854</u> | <u>17,432,642</u> |

For comparison purposes, we have voluntarily opted to present land and building amenities separately.

The movement in property, plant and equipment impairment adjustments during 2024, is as follows:

| | <u>2024</u> | <u>2023</u> |
|--|-------------|----------------|
| Impairment adjustments at 1 January | 361.693 | - |
| Depreciation during the year | - | 361.693 |
| Reversals during the year | (361.693) | - |
| Depreciation adjustments at 31 December | - | 361.693 |

At the end of 2023, in the context of the relocation of the head office to the Group level, an impairment adjustment was recognised for tangible assets that will not be taken over in the new head office in the amount of RON 361,693. In 2024, these assets were derecognised and the impairment adjustment was reversed to income.

BUCHAREST STOCK EXCHANGE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024 (lei)

12. INTANGIBLE ASSETS

| | Licence, software (ii) | Assets under development (iii) | Total |
|------------------------------------|---------------------------|-----------------------------------|-------------------------|
| Cost | | | |
| Balance at 1 January 2024 | 21,469,684 | 3,120,354 | 24,590,037 |
| Additions | 6,338,170 | 701,668 | 7,039,838 |
| Disposals | (1,457,033) | (3,577,164) | (5,034,197) |
| Balance at 31 December 2024 | 26,350,821 | 244,858 | 26,595,678 |
| Amortisation | | | |
| Balance at 1 January 2024 | 17,858,791 | - | 17,858,791 |
| Amortisation during the year | 1,809,743 | - | 1,809,743 |
| Disposals | (1,674,733) | - | (1,674,734) |
| Balance at 31 December 2024 | 17,993,801 | - | 17,993,800 |
| Net book values | | | |
| Balance at 1 January 2024 | <u>3,610,893</u> | <u>3,120,354</u> | <u>6,731,246</u> |
| Balance at 31 December 2024 | <u>8,357,020</u> | <u>244,858</u> | <u>8,601,877</u> |

- (i) Licences and software mainly include the value of the trading, clearing settlement and registry systems used by Group companies in the specific activities they perform.
- (ii) During 2024, purchases of software licences were made in order to ensure the functioning and improvement of the trading (ARENA), post-trading (ARENA Post-Trading, Sogel) and registry systems, as well as the purchases made and put in place at CCP.RO in order to ensure the IT infrastructure necessary for the clearing system.
- (iii) Intangible fixed assets outstanding on the balance sheet at the end of 2024 are mainly represented by the capitalisations carried out at BVB level in order to implement the derivatives market.

BUCHAREST STOCK EXCHANGE

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12. INTANGIBLE ASSETS (CONTINUED)

| | <u>Licence, software</u> | <u>Assets under development</u> | <u>Total</u> |
|------------------------------------|------------------------------|-------------------------------------|-------------------------|
| Cost | | | |
| Balance at 1 January 2023 | <u>20.064.745</u> | <u>873.015</u> | <u>20.937.759</u> |
| Procurement | 1.619.566 | 3.730.488 | 5.350.054 |
| Disposals | (214.627) | (1.483.149) | (1.697.776) |
| Balance at 31 December 2023 | 21.469.684 | 3.120.354 | 24.590.037 |
| Amortisation | | | |
| Balance at 1 January 2023 | <u>16.378.602</u> | - | <u>16.378.602</u> |
| Amortisation during the year | 1.694.816 | - | 1.694.816 |
| Disposals | (214.627) | - | (214.627) |
| Balance at 31 December 2023 | 17.858.791 | - | 17.858.791 |
| Net book values | | | |
| Balance at 1 January 2023 | <u>3.686.142</u> | <u>873.015</u> | <u>4.559.157</u> |
| Balance at 31 December 2023 | <u>3.610.893</u> | <u>3.120.354</u> | <u>6.731.246</u> |

13. RIGHTS-OF-USE ASSETS

| 2024 | <u>Buildings</u> | <u>Cars</u> | <u>Total</u> |
|------------------------------------|--------------------------|-----------------------|--------------------------|
| Cost | | | |
| Balance at 1 January 2024 | 26,728,875 | 700,689 | 27,429,563 |
| Additions | 2,562,009 | 307,587 | 2,869,596 |
| Disposals | (6,527,437) | (85,462) | (6,761,083) |
| Balance at 31 December 2024 | <u>22,763,447</u> | <u>922,813</u> | <u>23,538,076</u> |
| Amortisation | | | |
| Balance at 1 January 2024 | 8,425,993 | 323,447 | 8,749,440 |
| Amortisation during the year | 3,006,307 | 138,769 | 3,145,076 |
| Disposals | (6,675,621) | (85,462) | (6,761,083) |
| Balance at 31 December 2024 | <u>4,756,680</u> | <u>376,754</u> | <u>5,133,433</u> |
| Net book values | | | |
| Balance at 1 January 2024 | <u>18,302,881</u> | <u>377,242</u> | <u>18,680,123</u> |
| Balance at 31 December 2024 | <u>18,006,767</u> | <u>377,242</u> | <u>18,384,009</u> |

BUCHAREST STOCK EXCHANGE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024 (lei)

13. RIGHTS-OF-USE ASSETS (CONTINUED)

At 31 December 2024, the Group had 6 leases in place for its main and secondary premises for which the implicit interest rate used was between 5% and 5.36% per annum, determined by the cost of borrowing in the financial market to finance an asset of a similar value for a comparable period of time.

As at 31 December 2024, the Group has entered into 6 car rental contracts (operating leases) for which the interest rate used was 4.2% - 8.16%/year, the amount either offered by the lessor for financing the same assets under a finance lease or, in the case, where the amount of interest could not be provided by the lessor, the cost of borrowing on the financial market for financing an asset of a similar value for a comparable period of time

For interest expense related to liabilities arising from leasing contracts, see Note 9.

| 2023 | <u>Buildings</u> | <u>Cars</u> | <u>Total</u> |
|------------------------------------|--------------------|-----------------|--------------------|
| Cost | | | |
| Balance at 1 January 2023 | <u>9,534,001</u> | <u>619,453</u> | <u>10,153,453</u> |
| Additions | 19,329,926 | 171,287 | 19,501,212 |
| Disposals | <u>(2,135,052)</u> | <u>(90,051)</u> | <u>(2,225,103)</u> |
| Balance at 31 December 2023 | 26,728,875 | 700,689 | 27,429,563 |
| Amortisation | | | |
| Balance at 1 January 2023 | <u>5,054,564</u> | <u>278,985</u> | <u>5,333,550</u> |
| Amortisation during the year | 3,540,442 | 134,512 | 3,674,954 |
| Disposals | <u>(169,013)</u> | <u>(90,051)</u> | <u>(259,064)</u> |
| Balance at 31 December 2023 | 8,425,993 | 323,447 | 8,749,440 |
| Net book values | | | |
| Balance at 1 January 2023 | <u>4,479,436</u> | <u>340,467</u> | <u>4,819,904</u> |
| Balance at 31 December 2023 | 18,302,881 | 377,242 | 18,680,123 |

Movements in lease liability related to right-of-use assets at 31 December 2023 and 31 December 2024 are shown below:

| | 2024 | 2023 |
|-----------------------|--------------------|--------------------|
| 1 January | 20,916,100 | 5,161,979 |
| Cresteri | 3,071,082 | 20,459,070 |
| | - | (2,162,562) |
| Interest accumulation | (1,079,780) | (1,030,558) |
| Plati | <u>(1,784,842)</u> | <u>(1,511,828)</u> |
| 31 December | 21,122,561 | 20,916,100 |

BUCHAREST STOCK EXCHANGE

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The maturity of the lease liability based on contractual cash flows at 31 December 2024 is shown below:

| | <u>Due</u> | <u>Less than 3 months</u> | <u>3-12 months</u> | <u>1-5 years</u> | <u>Over 5 years</u> | <u>Total</u> |
|--------------------------------------|------------|---------------------------|--------------------|------------------|---------------------|--------------|
| Leasing liability-undiscounted value | - | 1,165,860 | 2,331,720 | 14,242,752 | 9,089,680 | 26,830,013 |

14. DEFERRED TAX ASSET

| | <u>2024</u> | <u>2023</u> |
|---|------------------|------------------|
| Deferred tax receivable | | |
| Balance at 1 January | 3,083,173 | 1,976,857 |
| <i>Recognised in the outcome of the exercise:</i> | | |
| Related loss to be recovered | 300,634 | 726,880 |
| Related SOP expenditure | (36,219) | 379,437 |
| Related to land revaluation reserve | <u>(708,925)</u> | - |
| Balance at 31 December | 2,638,663 | 3,083,173 |

The deferred income tax receivable has been calculated for deductible temporary differences arising from the investment in the subsidiary CCP.RO and is based on the tax loss recognised by CCP.RO. The recognised temporary differences are expected to be deducted from the taxable profit earned in the following years.

During 2024, deferred income tax receivable was recognised in respect of deductible temporary differences arising on the estimated expense under the Group approved 2023 Bonus Share Plan to be deducted against the following year's taxable profit.

The taxable temporary differences arising from the revaluation surplus relate to land held. The recognised temporary differences are expected to be deducted against the gain realised on the sale of the land in the future.

The details of the deferred tax calculated at group level are given below:

31 December 2024

| <i>In LEI</i> | Active | Debts | Net |
|---|------------------|---------------------|---------------------|
| Tangible fixed assets | 4,430,781 | - | 4,430,781 |
| Tax loss CCP.RO | - | (18,666,316) | (18,666,316) |
| Provision for benefits and untaken holidays | - | (2,256,107) | (2,256,107) |
| Total | 4,430,781 | (20,922,423) | (16,491,642) |
| Net temporary differences - 16% rate | | | (16,491,642) |
| Deferred income tax receivables | | | 2,638,663 |

BUCHAREST STOCK EXCHANGE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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15. FINANCIAL INSTRUMENTS

15.a) Financial instruments carried at amortised cost

The financial instruments held by the Group consist of:

| | <u>31 December 2024</u> | <u>31 December 2023</u> |
|--|--------------------------|--------------------------|
| Financial assets carried at amortised cost <i>i)</i> - gross value | 56,174,618 | 52,169,814 |
| Expected credit losses | (478,245) | (140,757) |
| Other assets - guarantees <i>iii)</i> | <u>718,642</u> | <u>1,102,130</u> |
| Total fixed assets | <u>56,415,015</u> | <u>53,131,187</u> |
| | <u>31 December 2024</u> | <u>31 December 2023</u> |
| Banks deposits with original maturity between 3 months and 1 year <i>iv)</i> | 31,601,680 | 71,923,873 |
| Banks deposits with original maturity between 3 months and 1 year, restricted to cover the guarantee fund - gross amount | 1,650,000 | 3,394,726 |
| Expected credit losses | (223,169) | (178,804) |
| Financial assets carried at amortised cost - gross value) | 36,805,678 | 16,065,331 |
| Total current assets | <u>69,834,188</u> | <u>91,205,126</u> |

Financial assets show amounts net of expected credit losses. The gross value of financial assets (government securities and deposits with banks) is RON 126,950,618 (2023: RON 144,655,874) and the expected credit loss is RON 701,414 (2023: RON 319,561).

- i)* Non-current financial assets are represented by government securities issued by the Ministry of Finance, denominated in Lei, USD and EUR, with initial maturities between 10 months and 5 years at annual coupon rates of 7.2% for Lei, 2.75% for EUR and 3% for USD.
- Term deposits with banks are made in MDL, with Romanian banks, with initial maturities between 3 months and 1 year at interest rates between 5.28% and 6%.
- ii)* Term deposits with banks are made in lei, usd and euro, with Romanian banks, with initial maturities between 3 months and 1 year at interest rates ranging between 6.3% and 7.65% for lei, between 1.5% and 3.5% for usd deposits and between 2.5% and 3% for euro
- iii)* Other assets - guarantees - have been classified in the consolidated financial position as assets carried at amortised cost.
- iv)* Deposits with banks with maturities between 3 months and one year restricted to cover the guarantee fund, compensation and margin are made in lei with Romanian banks at interest rates between 5.30% and 5.60%.

| <i>Expected credit losses</i> | 2024 | 2023 |
|-------------------------------|------------------|------------------|
| Balance at 1 January | <u>319,561</u> | <u>891</u> |
| Expected impairment losses | 557,892 | 138,994 |
| Reversals of write-downs | <u>(176,038)</u> | <u>(710,806)</u> |
| Balance at 31 December | 701,414 | 319,561 |

BUCHAREST STOCK EXCHANGE

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Impairment losses are calculated on the basis of a model using the published 1-year CDS (Credit Default Swap) rate for Romania, and for financial assets held by the Group the expected credit loss is calculated for 12 months (step 1).

Purchases and repurchases of government securities for all categories of financial assets above are shown in the following table

| | Government bonds maturing in over 1 year | Government bonds maturing in less than 1 year |
|--|---|--|
| 1 January 2024 | 53,131,187 | 16,065,331 |
| Purchases (including effective interest) and exchange rate differences | 37,184,106 | 18,575,000 |
| Reclassifications | (19,527,697) | 19,527,697 |
| Redemptions | <u>(14,372,581)</u> | <u>(17,362,350)</u> |
| 31 December 2024 | 56,415,015 | 36,805,678 |

The effective interest rate includes the coupon and the amortisation of the discount.

BUCHAREST STOCK EXCHANGE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024 *(lei)*

15. FINANCIAL INSTRUMENTS (CONTINUED)

15.b) Financial instruments in the form of equity instruments carried at fair value through profit or loss

In 2024, financial instruments carried at fair value through profit and loss represent the BVB's interests in entities in which it does not have control:

| | <u>1 January 2024</u> | <u>Increases</u> | <u>Fair value adjustments</u> | <u>31 December 2024</u> |
|--------------|-----------------------|------------------|-------------------------------|-------------------------|
| EuroCTP B.V. | 320.877 | 1.037.929 | (224.745) | 1.134.061 |

In 2023, the BVB became a shareholder in the new joint venture project for the establishment of a Consolidated Tape by paying the initial contribution of RON 480,724 (approx. EUR 97,000), corresponding to a 1.39% stake held by the BVB in the new company EuroCTP B.V., established for the purpose of organising a tender for the selection of a provider for the consolidation solution for the market data for equity market data in the European Union.

During the year, the BVB was requested to pay up to the full amount committed by the BVB in support of the project of EUR 305,800.

Amounts recognised in respect of other financial assets measured at fair value through profit and loss during 2024 are as follows:

| | <u>2024</u> | <u>2023</u> |
|---|-----------------------|-----------------------|
| Impairment losses on equity instruments at fair value | 224,745 | 159,847 |
| Total | <u>224,745</u> | <u>159,847</u> |

16. TRADE AND OTHER RECEIVABLES

The Group's trade and other receivables consist of the following:

| | <u>31 December 2024</u> | <u>31 December 2023</u> |
|---|-------------------------|--------------------------|
| Trade receivables - gross amount <i>i)</i> | 9,836,502 | 11,815,816 |
| Adjustment for impairment of receivables commercial <i>(ii)</i> | (1,139,527) | (813,648) |
| Expected credit losses | (101,297) | (122,208) |
| VAT not chargeable | 37,568 | 78,206 |
| Other receivables | 1,138,752 | <u>1,058,966</u> |
| Adjustment for impairment of other receivables | (168,028) | |
| Total | <u>9,039,305</u> | <u>12,017,132</u> |

BUCHAREST STOCK EXCHANGE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024 (lei)

16. TRADE AND OTHER RECEIVABLES (CONTINUED)

The financial receivables taken into account in the calculation of the exposures in Note 5 represent at 31 December 2024 amount of RON 9,039,305 and at 31 December 2023 an amount of RON 12,017,132.

- i) Trade receivables mainly represent receivables from financial investment services companies invoiced for services rendered in the last month of the financial year, as well as receivables for services invoiced to listed issuers and other clients: trading system maintenance fee, additional terminal usage fee, online information sales, index licence fees, data dissemination fee and others.

The allowance for impairment of receivables related to uncollected receivables is presented below:

| | <u>2024</u> | <u>2023</u> |
|--|-------------------------|-----------------------|
| Impairment adjustment - individual component | 1,872,220 | 813,648 |
| Expected credit losses | <u>101,297</u> | <u>122,208</u> |
| Total | <u>1,973,517</u> | <u>935,856</u> |

The movement in the impairment adjustment during the year was as follows:

| | <u>2024</u> | <u>2023</u> |
|--|------------------|------------------|
| <i>Impairment adjustment - individual component</i> | | |
| Balance at 1 January | 813,648 | 810,376 |
| Impairment losses | 1,282,752 | 254,080 |
| Reversals of write-downs | <u>(224,181)</u> | <u>(250,807)</u> |
| Balance at 31 December | 1,872,220 | 813,648 |

Until 2023 inclusive, a specific adjustment has been calculated, based on uncollected invoices older than 270 days, i.e. 30% of the value of uncollected receivables from issuers annual maintaining fee, based on the amendment in 2021 of Regulation no. 5/2018 on issuers of financial instruments and market operations, namely the introduction of the obligation for listed issuers to provide proof of payment of the amounts due to the Stock Exchange, the recovery of uncollected amounts will be possible until the moment of delisting/withdrawal from trading at the latest.

However, on the basis of the respective receivables recovery history for the period 2021-2023, the Company has opted to revert to the policy of 100% provisioning of uncollected receivables older than 270 days.

BUCHAREST STOCK EXCHANGE

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FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024 (lei)

16. TRADE AND OTHER RECEIVABLES (CONTINUED)

| | <u>2024</u> | <u>2023</u> |
|-------------------------------|----------------|----------------|
| <i>Expected credit losses</i> | | |
| Balance at 1 January | 122,208 | 95,857 |
| Impairment losses | (19,880) | 30,676 |
| Reversals of write-downs | <u>(1,031)</u> | <u>(4,325)</u> |
| Balance at 31 December | 101,297 | 122,208 |

The Company calculates an impairment loss for trade receivables using the simplified approach, recognising an expected loss on receivables over the life of the receivables.

The amount of the anticipated credit loss on trade receivables has been calculated using the rate determined by the amount of trade receivables related to customers that became doubtful in the reporting period over the total revenue generated by the Company in the same period.

The rate so determined has been applied to the balance of individually unprovisioned receivables at 31 December 2024.

The trade receivables provisioning matrix is summarised below:

| 31 December 2024 | Receivables from contracts with customers | Trade receivables | | | | |
|----------------------------------|---|-------------------|-----------|------------|------------|-------------------|
| | | Current | < 30 days | 31-60 days | 61-90 days | More than 90 days |
| Expected loss rate | 18% | 0.53% | 0.78% | 0.47% | 2.26% | 89% |
| Gross value of trade receivables | 9,836,502 | 5,975,083 | 398,408 | 1,365,001 | 118,392 | 1,979,617 |
| Expected credit losses | 1,805,489 | 31,499 | 3,112 | 6,400 | 2,671 | 1,761,807 |

| 31 December 2023 | Receivables from contracts with customers | Trade receivables | | | | |
|----------------------------------|---|-------------------|-----------|------------|------------|-------------------|
| | | Current | < 30 days | 31-60 days | 61-90 days | More than 90 days |
| Expected loss rate | 7% | 0.17% | 0.17% | 0.17% | 0.17% | 46% |
| Gross value of trade receivables | 11,815,816 | 9,117,100 | 686,161 | 206,683 | 105,169 | 1,700,703 |
| Expected credit losses | 935,856 | 34,292 | 5,380 | 5,041 | 1,450 | 889,694 |

BUCHAREST STOCK EXCHANGE

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FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024 (lei)

17. PREPAYMENTS

Prepaid expenses in the amount of RON 1,369,157 (31 December 2023: RON 1,285,850) mainly represent consultancy services or rents paid in advance, insurance premiums for equipment, IT equipment maintenance, insurance premiums for directors' liability insurance and various subscriptions.

18. OTHER RESTRICTED ASSETS

As at 31 December 2024, the Central Depository holds on behalf of its clients amounts to be distributed to their shareholders in the form of dividends in the amount of RON 21,086,214 (31 December 2023: RON 18,586,079).

19. CASH AND CASH EQUIVALENTS

Cash and cash equivalents held by the Group consist of:

| | <u>2024</u> | <u>2023</u> |
|---|-------------------|-------------------|
| Banks deposits with original maturity over less than 3 months - gross value | 20,454,677 | 12,010,893 |
| Current banks accounts - gross value | 2,938,249 | 3,591,910 |
| Cash in hand | 63,319 | 67,638 |
| Expected credit losses | <u>(127,066)</u> | <u>(33,755)</u> |
| Total | 23,329,180 | 15,636,686 |

Cash and cash equivalents at 31 December 2024 shows the net position of expected credit losses. The gross amount of cash and cash equivalents is RON 23,456,246 (2023: RON 15,670,441) and the expected credit loss is RON 127,066 (2023: RON 33,755).

| <i>Expected credit losses</i> | <u>2024</u> | <u>2023</u> |
|-------------------------------|------------------|------------------|
| Balance at 1 January | <u>33,755</u> | <u>296,862</u> |
| Impairment losses | 213,359 | 49,966 |
| Reversals of write-downs | <u>(120,048)</u> | <u>(313,073)</u> |
| Balance at 31 December | 127,066 | 33,755 |

The expected credit loss on financial investments (financial assets, deposits and cash) is calculated for 12 months (step 1) based on a model using our country's Credit Default Risk (CDR) published by Refinitiv Eikon

BUCHAREST STOCK EXCHANGE

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20. TRADE AND OTHER LIABILITIES

The Group's trade and other payables consist of:

| | <u>2024</u> | <u>2023</u> |
|---|-------------------|-------------------|
| Trade payables <i>i)</i> | 3,656,696 | 5,453,479 |
| Salary contributions due | 1,439,714 | 918,534 |
| Taxes due | 131,463 | 14,961 |
| VAT payable | 58,073 | 126,451 |
| Dividends payable to BVB shareholders | 476,906 | 1,496,104 |
| Dividends to be distributed by the Central Depository | 20,443,519 | 18,992,865 |
| Advances received from customers | 472,425 | 327,849 |
| Guarantees received | 27,278 | 27,278 |
| Other liabilities to management and staff <i>ii)</i> | 3,172,728 | 3,236,857 |
| Other liabilities <i>iii)</i> | <u>1,503,706</u> | <u>1,053,997</u> |
| Total | 31,382,508 | 31,648,375 |

The financial liabilities taken into account in the calculation of the exposures in Note 5 represent RON 6,965,175 at 31 December 2024 and RON 8,331,430 at 31 December 2023.

- i)* Trade payables mainly represent obligations to CCP.RO's external service providers for which invoices have not yet been issued, but also obligations to internal suppliers, mostly less than 30 days old, paid at the beginning of 2025
- ii)* Other payables to management and staff represent estimates related to performance bonuses under the Remuneration Policies, as well as related to untaken holidays related to 2024 activity, to be paid during 2025
- iii)* Other payables include amounts payable to sundry creditors and the final instalment of the contribution to the Consolidated Tape project.

21. LEASING LIABILITIES

| | <u>2024</u> | <u>2023</u> |
|---------------------------------|-------------------|-------------------|
| Short-term leasing debts | 2,426,059 | 2,425,407 |
| Leasing liabilities - long-term | <u>18,696,502</u> | <u>18,490,693</u> |
| Total | 21,122,561 | 20,916,100 |

During 2023, all Group entities entered into a new 10-year lease agreement for the head office

For interest expense related to liabilities arising from leasing contracts, see Note 9.

Liabilities arising from leasing contracts with maturities on 31 December 2024 and 31 December 2023

BUCHAREST STOCK EXCHANGE

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| | <u>31 December 2024</u> | <u>31 December 2023</u> |
|---|--------------------------------|--------------------------------|
| Leasing liabilities (over 5 years) | 9,089,680 | 7,271,473 |
| Leasing liabilities (between 1 and 5 years) | 14,242,752 | 15,726,384 |
| Liabilities arising from leasing contracts (up to 1 year) | <u>3,497,581</u> | <u>3,612,491</u> |
| Total gross debt | 26,830,013 | 26,610,348 |
| | | |
| Leasing liabilities (over 5 years) | 7,797,025 | 6,436,730 |
| Leasing liabilities (between 1 and 5 years) | 10,899,478 | 12,053,964 |
| Liabilities arising from leasing contracts (up to 1 year) | <u>2,426,059</u> | <u>2,425,407</u> |
| Total net liabilities | 21,122,561 | 20,916,100 |

22. DEFERRED INCOME

Deferred income consists of:

| | <u>2024</u> | <u>2023</u> |
|--|--------------------|--------------------|
| Income from registry activities | 45,781 | 40,827 |
| Income from issuers listing maintaining fees | 2,050,310 | 1,785,608 |
| Other prepaid income | <u>28,104</u> | <u>47,942</u> |
| Total | 2,124,195 | 1,874,377 |

Deferred revenue represents non-receivable amounts in respect of listed issuers' trading system maintenance fees and registrar activities, which are recognised as income over 12 months, and which are progressively recognised as income as the services are rendered.

The amount of RON 1,846,273 included in deferred income from contract liabilities at 31 December 2023 has been recognised as revenue in 2024 (2024: RON 1,600,295).

BUCHAREST STOCK EXCHANGE

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23. PROVIZIOANE

Provisions outstanding at 31 December 2024 consist of:

| | <u>2024</u> | <u>2023</u> |
|--|----------------|------------------|
| Provisions for litigation | 901,495 | 995,495 |
| Provision to restore the rented space to its initial state | - | <u>325,807</u> |
| Total | 901,495 | 1,321,302 |

The movement on provisions looks like this:

| | <u>2024</u> | <u>2023</u> |
|--|------------------|------------------|
| Provisions | | |
| Balance at 1 January | 1,321,302 | 1,146,332 |
| Recognised as a result of the exercise | 183,000 | 508,307 |
| Provision releases | <u>(602,807)</u> | <u>(333,337)</u> |
| Balance at 31 December | 901,495 | 1,321,302 |

During 2024, reversals of provisions were made, i.e. the provision for litigation, representing payments made in the Bucur Obor case by the Central Depository (see note 28) and the provision for bringing the current premises to their original condition, as contractually agreed, when the relocation to the new head office.

24. GUARANTEE, COMPENSATION AND MARGIN FUND

The Guarantee, Compensation and Margin Fund is composed of:

| | <u>2024</u> | <u>2023</u> |
|--|------------------|------------------|
| Guarantee Fund for Securities Transactions | | |
| Securities - Central Depository | 2,837,541 | 2,585,335 |
| Margin for securities transactions | - | <u>698,541</u> |
| Total | 2,837,541 | 3,283,876 |

As of 1 July 2024, the new methodology for the Guarantee Fund has been operationalised, which involves the calculation of contributions to the Guarantee Fund according to a new algorithm and the elimination of margins, thus the margin for securities transactions has been eliminated.

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25. CAPITAL AND RESERVES

(a) Share capital

As at 31 December 2024, BVB had a share capital of RON 88,541,700 (31 December 2023: RON 80,492,460), divided into 8,854,170 shares with a nominal value of RON 10/share, dematerialised, with the same voting rights, divided into the following categories:

| | <u>2024</u> | <u>2023</u> |
|--------------------------|-------------------------|-------------------------|
| Ordinary shares (number) | 8,854,170 | <u>8,049,246</u> |
| Total | <u>8,854,170</u> | <u>8,049,246</u> |

| Shareholder structure at 31 December 2024 | Number of <u>shares</u> | % in capital <u>social</u> |
|--|----------------------------|-------------------------------|
| Legal entities, of which: | <u>7,015,056</u> | <u>79.23%</u> |
| - Romans | 6,880,910 | 77.71% |
| - foreign | 134,146 | 1.52% |
| Natural persons, of which: | <u>1,788,894</u> | <u>20.20%</u> |
| - Romans | 1,694,756 | 19.14% |
| - foreign | 94,138 | 1.06% |
| Bucharest Stock Exchange | <u>50,220</u> | <u>0.57%</u> |
| Total | <u>8,854,170</u> | <u>100.00%</u> |

In accordance with Article 136 para. 5 of Law 126/2018 on Markets in Financial Instruments, no shareholder of a market operator may hold, directly or together with persons with whom it acts in concert, more than 20% of the total voting rights. Consequently, as at 31 December 2023, no shareholder of the BVB held stakes exceeding this threshold.

Decision no. 632/18.05.2010 issued by CNVM approved the prospectus drawn up for the admission to trading on the regulated market administered by BVB of its own shares. On 8 June 2010, the first transactions with shares issued by the BVB on the regulated market in Romania were carried out.

The closing price in the last trading session of 2024 was 40.90 lei/share (2023: 65.60 lei/share).

BUCHAREST STOCK EXCHANGE

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25. CAPITAL AND RESERVES (CONTINUED)

(b) Own shares

The total number of own shares outstanding at 31 December 2024 is 50,220 shares representing 0.57% of the share capital (31.12.2023: 9,844 shares, representing 0.12% of the share capital) for a total amount of RON 2,687,178 (31.12.2023: RON 262,879)

The evolution of the number of shares (and their value) during 2024 and 2023 is as follows:

| | <u>2024</u> | <u>2023</u> |
|---|--------------------|--------------------|
| Balance at 1 January | (262,879) | (1,024,524) |
| Own shares buy-back* | (5,337,567) | - |
| Shares transferred to own employees | 1,984,074 | 761,645 |
| Shares transferred to employees of subsidiaries | 929,194 | |
| Balance at 31 December | (2,687,178) | (262,879) |

* Own shares repurchased in accordance with the Share Repurchase Programme approved by the AGEA on 26 April 2024.

Details of the movements in the number of shares and their prices during 2024 are shown below:

| | 2024 | | | 2023 | | |
|---|------------------|---------------|------------------|------------------|---------------|------------------|
| | Number of shares | Average price | Value | Number of shares | Average price | Value |
| | | You | You | | You | You |
| Opening balance at the beginning of the period | 9,844 | 26.70 | 262,879 | 40,419 | 25.35 | 1,024,524 |
| Shares redeemed | 85,849 | 59.19 | 5,081,563 | - | - | - |
| Shares from capital increase related to own shares held | 1,482) | - | - | - | - | - |
| Fractional shares share capital increase | 4,265 | 60.02 | 256,004 | - | - | - |
| Shares granted to BVB employees | (36,704) | 54.06 | (1,984,074) | (30,575) | 24.91 | (761,645) |
| Shares granted to Group employees | <u>(14,516)</u> | <u>64.01</u> | <u>(929,194)</u> | - | - | - |
| Closing balance at the end of the period | 50,220 | 53.51 | 2,687,178 | 9,844 | 26.70 | 262,879 |

BUCHAREST STOCK EXCHANGE

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25. CAPITAL AND RESERVES (CONTINUED)

Shares acquisition performed by the parent company were part of the Buy-Back Programme approved by the GMS on 24 April 2024 and carried out during the period 22 May 2024 - 8 October 2024.

The free shares were received from the capital increase carried out by the BVB whereby shareholders received 1:10 free shares of the newly issued shares.

The shares from the share capital increase fractions represent the shares remaining after the free distribution, their value being paid to the shareholders.

The options exercisable at the beginning of the reporting period that were exercised in full in 2024 correspond to shares related to SOP 2023 in the amount of RON 2,913,268 (50,860 shares) granted in the second quarter of 2024 at a price of RON 46/share (price at the date of granting the option) to the Board of Directors, management and employees of the parent company and the subsidiary Central Depository.

There were no shares cancelled during 2024.

(c) Benefits for administrators and employees

Benefits granted to employees, directors and trustees in the form of equity instruments represent the amount of benefits related to the participation in the directors', directors' and employees' benefit plan under the SOP programmes, the portion granted in shares.

Details of the benefits exercised and the benefits granted during the year 2024, as well as comparatives in 2023, are shown in the table below:

| | <u>2024</u> | <u>2023</u> |
|-------------------------------|--------------------|------------------|
| Balance at 1 January | 2.464.376 | 948.996 |
| Options granted | 2.784.965 | 2.371.480 |
| Options exercised | <u>(2.993.234)</u> | <u>(856.100)</u> |
| Balance at 31 December | 2.256.107 | 2.464.376 |

In 2024, the BVB granted options under the Stock Option Plan to eligible members of the Board of the Stock Exchange, the management and employees of the BVB and the management and employees of the Central Depository.

Benefits relating to the following SOP programmes are outstanding at 31 December 2024 and 31 December 2023, respectively.

| | <u>2024</u> | <u>2023</u> |
|------------------------------------|------------------|------------------|
| SOP 2024 for the parent company | 1,159,526 | 1,799,376 |
| SOP 2024 related to the subsidiary | <u>1,096,581</u> | <u>665,000</u> |
| Total | 2,256,107 | 2,464,376 |

25. CAPITAL AND RESERVES (CONTINUED)

The options granted during 2024 and which are exercisable at the end of the reporting period correspond to the shares related to the SOP 2024 approved at Group level, which total RON 2,256,107 (a number of 40,864 shares) and will be granted in 2025 at a price of RON 55.21/share (average price at the date of the grant of the option).

There were no options expired or forfeited during 2023 and 2024.

(d) Dividends

The Board of the Stock Exchange intends to submit to the approval of the General Shareholders' Meeting of 29/30 April 2025 the proposal to allocate the Company's statutory net profit for 2024, in amount of RON 1,188,121, as follows: the amount of RON 170,798 to the legal reserve, and the amount of RON 1,017,323 to the retained earnings.

Distribution of 2023 result

The General Shareholders' Meeting of the BVB on 26 April 2024 approved the proposal to distribute the statutory net profit for the year 2023 of the Bucharest Stock Exchange in the amount of 21,830,972 lei, of which 1,257,111 lei for the legal reserve and the rest in the form of gross dividends. The amount to be distributed in 2024 in the form of gross dividends for 2023 is RON 12,524,621. The dividend payment date set by the AGM was 27 August 2024. The dividend per share was 1.5550 lei/share.

From the reserves constituted from the net profit for the year 2023, the share capital was increased by RON 8,049,240 through the issue of 804,924 new ordinary, registered and dematerialised shares, with a nominal value of RON 10/share ("New Shares"). The New Shares were allocated to the Company's shareholders in proportion to their holdings in the Company's share capital; within the framework of the share capital increase, each shareholder received, free of charge, for each 10 shares held, a number of New Shares of the 804,924 newly issued.

The General Meeting of the Shareholders of the Central Depository approved on 28.05.2024 the proposal to distribute the statutory net profit for the year 2023, in the amount of 8.767.583 lei, as follows: the amount of 527.430 lei for the legal reserve the amount of 4.120.077 lei for distribution in other reserves and the distribution of the amount of 4.120.076 lei as dividends.

(e) Legal reserve

In accordance with the legal requirements, the Group constitutes legal reserves in the amount of at least 5% of the profit recognised under the RCR up to the level of 20% of the share capital. Legal reserves cannot be distributed to shareholders.

Legal reserves may be used to cover losses from operating activities.

(f) Revaluation reserves

Revaluation reserves resulted from the following:

- Revaluation of land owned by BVB, for which the accounting policy is fair value;
- Historical reserve related to the Soger system held by the Central Depository, generated at the time of the merger with Regisco. The revaluation reserve will be realised when the asset is sold/ scrapped.

BUCHAREST STOCK EXCHANGE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024 (lei)

26. NON-CONTROLLING INTERESTS

Non-controlling interests represent the portion of profit or loss and net assets not owned, directly or indirectly, by the Group and are presented in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from the parent's shareholders' equity.

Changes in ownership interests in subsidiaries that do not result in a loss of control are accounted for as transactions between shareholders in their capacity as shareholders.

| | <u>2024</u> | <u>2023</u> |
|--|-------------------|-------------------|
| Opening balance at 1 January | 49,114,285 | 44,915,398 |
| Profit attributable to non-controlling interests | (1,343,407) | 1,005,330 |
| Dividends distributed to non-controlling interests | (1,236,229) | (626,905) |
| Share capital increase interests without control | 10,081,210 | 3,875,000 |
| Reclassifications of retained result following change in ownership | <u>53,062</u> | <u>(54,538)</u> |
| Closing balance at 31 December | 56,668,921 | 49,114,285 |

| <u>Subsidiary</u> | BVB ownership percentage | Percentage of ownership of non- controlling interests | Non- controlling voting interests | Result allocated non-controlling interests | Non-controlling interest at the end of the period |
|--------------------|--------------------------------|--|--|--|---|
| Central Depository | 69.04% | 30.96% | 30.96% | 3,259,363 | 14,677,945 |
| CCP.RO Bucharest | <u>54.93%</u> | <u>45.07%</u> | <u>45.07%</u> | <u>(4,602,771)</u> | <u>41,990,976</u> |
| Total | | | | (1,343,407) | 56,668,921 |

BUCHAREST STOCK EXCHANGE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024 (lei)

26. NON-CONTROLLING INTERESTS (CONTINUED)

Information on the financial statements of BVB subsidiaries as at 31 December 2024 and 31 December 2023.

Summary financial position at 31 December 2024

| Indicator | Central Depository | CCP.RO Bucharest |
|--|--------------------------|--------------------------|
| Fixed assets and assets with right of use | 15,947,455 | 16,099,387 |
| Financial assets at amortised cost | 18,540,513 | 27,475,979 |
| Other fixed assets | <u>175,453</u> | <u>3,004,370</u> |
| Total fixed assets | 34,663,421 | 46,579,736 |
| Trade and other receivables | 5,426,720 | 192,776 |
| Deposits with banks, financial assets at amortised cost, cash and other current assets | <u>44,141,395</u> | <u>52,470,568</u> |
| Total current assets | 49,568,115 | 52,663,343 |
| Leasing and other long-term debts | 6,674,841 | 3,028,703 |
| Current liabilities | 30,149,522 | 3,046,026 |
| Total own capital | <u>47,407,173</u> | <u>93,168,351</u> |
| Equity attributable to equity holders of the parent: | 32,729,912 | 51,177,375 |
| Minority interests | 14,677,261 | 41,990,976 |

Summary financial position at 31 December 2023

| Indicator | Central Depository | CCP.RO Bucharest |
|---|--------------------------|--------------------------|
| Fixed assets and rights-of-use assets | 12,585,589 | 8,543,885 |
| Financial assets at amortised cost | 13,956,040 | 20,870,326 |
| Other fixed assets | <u>106,400</u> | <u>2,703,736</u> |
| Total fixed assets | 26,648,028 | 32,117,947 |
| Trade and other receivables | 8,862,866 | 100,627 |
| Banks deposits, financial assets at amortised cost, cash and other current assets | <u>27,982,038</u> | <u>50,821,353</u> |
| Total current assets | 36,844,903 | 50,921,979 |
| Leasing and other long-term liabilities | 8,923,013 | 3,288,990 |
| Total current liabilities: | 8,502,090 | 3,854,703 |
| Total own capital | <u>41,912,828</u> | <u>75,896,234</u> |
| Equity attributable to shareholders of the parent: | 28,936,617 | 39,754,447 |
| Minority interests | 12,976,212 | 36,141,786 |

BUCHAREST STOCK EXCHANGE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024 (lei)

Summary profit and loss account at 31 December 2024

| Indicator | Central Depository | CCP.RO Bucharest |
|---------------------------------------|-----------------------|---------------------|
| Operating revenues | 37,131,570 | - |
| Operating expenses | (26,749,225) | (12,317,795) |
| Operating profit: | 10,382,345 | (12,317,795) |
| Net financial income: | 1,942,039 | 1,804,668 |
| Profit for the period: | 10,527,658 | (10,212,493) |
| : | | |
| Attributable profit | <u>10,527,658</u> | <u>(10,212,493)</u> |
| Minority interests | 3,259,363 | (4,602,771) |
| Shareholders of the parent company | 7,268,295 | (5,609,722) |

Summary profit and loss account at 31 December 2023

| Indicator | Central Depository | CCP.RO Bucharest |
|---------------------------------------|-----------------------|---------------------|
| Operating revenues | 32,579,927 | - |
| Operating expenses | (23,926,890) | (7,589,379) |
| Operating profit: | 8,653,037 | (7,589,379) |
| Net financial income: | 2,030,418 | 3,112,040 |
| Profit for the period: | 9,015,821 | (3,750,459) |
| Attributable profit | <u>9,015,821</u> | <u>(3,750,459)</u> |
| Minority interests | 2,791,298 | (1,785,968) |
| Shareholders of the parent company | 6,224,523 | (1,964,491) |

Summary cash flow statement as at 31 December 2024

| Indicator | Central Depository | CCP.RO Bucharest |
|--|-----------------------|---------------------|
| Net cash from: | | |
| Operating activities | 7,156,236 | (11,853,339) |
| Investment activities | (3,634,361) | (6,003,508) |
| Financing activities | <u>(5,075,648)</u> | <u>26,996,382</u> |
| Net increase / (decrease) in cash and cash equivalents: | (1,553,774) | 9,139,535 |

BUCHAREST STOCK EXCHANGE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024 (lei)

Summary cash flow statement as at 31 December 2023

| <u>Indicator</u> | <u>Central Depository</u> | <u>CCP.RO Bucharest</u> |
|--|-------------------------------|-----------------------------|
| Net cash from: | | |
| Operating activities | 10,991,161 | (7,332,555) |
| Investment activities | (9,171,571) | (14,309,387) |
| Financing activities | <u>(3,028,008)</u> | <u>3,618,939</u> |
| Net increase / (decrease) in cash and cash equivalents: | (1,208,417) | (18,023,003) |

27. EARNINGS PER SHARE

The calculation of basic earnings per share as at 31 December 2024 is based on the profit attributable to ordinary shareholders of the Parent Company of RON 13,102,255 (2023: RON 24,692,890) and the weighted average number of ordinary shares outstanding of 8,296,629 (2023: 8,049,246).

28. RELATED PARTY TRANSACTIONS

Key management personnel

31 December 2024

The management of the Company has been provided by the Board of Directors validated by the ASF as of 9 February 2024 and is composed of the following members:

- Radu Hanga - President, independent
- Şerban Valentin Marin - Vice-President
- Dumitru Remus Vulpescu - Vice-President, independent
- Răzvan Legian Raţ - Secretary General, independent
- Loredana Norica Chitu - Member, independent
- Claudia Gabriela Ionescu - Member, independent
- Octavian Molnăr - Member
- Vasile Cristian Pascu - Member, independent
- Daniela Secară - Member, independent

Until the authorisation by the Financial Supervisory Authority in February 2024 of the new members of the Board of the Stock Exchange elected by the Ordinary General Meeting of Shareholders on 22.11.2023 for a 4-year term of office, the Board of the Stock Exchange had the following composition: Radu Hanga - Chairman, Robert Cosmin Pană - Vice-Chairman, Dan Viorel Paul - Vice-Chairman, Claudia Gabriela Ionescu - General Secretary, Mihaela Ioana Bîciu - Member, Octavian Molnăr - Member, Dragoş Valentin Neacşu - Member, Răzvan Legian Raţ - Member and Ştefan Szitaş - Member.

BUCHAREST STOCK EXCHANGE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024 (lei)

Executive leadership was provided by:

- Mr Adrian Tanase CEO
- Mr Alin Barbu Deputy CEO

The total gross remuneration paid to directors and executives, including those holding positions in subsidiaries was, according to the remuneration report for the year 2024, RON 5,003,198 (2023: RON 4,609,412.)

The remuneration of the key personnel of the Company, namely the BVB's directors and officers, is set out below:

| Total gross remuneration | <u>2024</u> | <u>2023</u> |
|---|--------------------|--------------------|
| Fixed remuneration | 3.054.911 | 3,189,348 |
| Variable remuneration (SOP and bonuses) | 1.944.687 | 1.850.245 |
| Optional pension | <u>3.600</u> | <u>3.600</u> |
| Total | 5.003.198 | 4.609.412 |

In 2024, the gross fixed remuneration transferred to the BVB Directors totalled RON 1,788,555 (2023: RON 1,614,435).

In 2024, the gross fixed allowances transferred to the members of the BVB Board of Directors totalled 1,266,356 lei (2023: 1,141,132 lei).

The Group did not grant loans, advances or guarantees in favour of the members of the Board of the Stock Exchange and the executive directors of the BVB.

29. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Court actions

The Group is subject to a number of legal actions arising in the normal course of business. The Group's management believes that, apart from the amounts already recognised in these consolidated financial statements as provisions for litigation or impairment adjustments and described in the notes to these consolidated financial statements, other legal actions will not have a material adverse effect on the Group's economic results and financial position.

Bucur Obor case - Depozitarul Central

By Criminal Judgement no. 172/F/25.02.2011, pronounced by the Bucharest Tribunal - Second Criminal Section in case no. 12458.01/3/2004 - the court ordered "the cancellation of all fraudulent transactions carried out on the basis of share trading orders" that were executed between December 1998 and January 1999, without the consent of the owners of the respective securities, "the establishment of ownership rights over the stolen shares and of which they were dispossessed by means of illicit virtual transactions, carried out on the basis of trading orders through: SVM EXPERT BROKER GROUP SA, through WEST BANK SA, through SVM INVEST SA and through SVM KGT - INVEST SA." as well as "to order the holder of the share register (registrar) respectively the companies where the civil parties in question hold shares, to re-register these civil parties (shareholders) in the share register."

BUCHAREST STOCK EXCHANGE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024 *(lei)*

Although the Central Depository was not a party to the litigation in which the above-mentioned judgement was pronounced, various actions were brought against the Central Depository, which resulted in the creation of provisions. As at 31 December 2024, the Central Depository had constituted provisions for litigation in the amount of RON 901,495. Also, during 2024, indemnities in this process were paid in the amount of RON 304,175 (RON 277,000 from the reversal of the provision).

b) Bank letters of guarantee

In order to fulfil the obligations assumed in the premises lease contract concluded with Complex Multifuncțional Victoria SA, bank letters of guarantee were issued on the basis of credit contracts concluded with Banca Comerciala Romana (BCR) as follows: Bursa de Valori București SA- EUR 495,000, Depozitarul Central SA - EUR 637,309, CCP.RO - EUR 244,395.

BVB also acts as guarantor, for the amount of EUR 124,999, in a bank letter of guarantee with a value of EUR 244,395, issued in the context of the signing of the credit agreement concluded by CCP.RO Bucharest SA (BVB subsidiary) with Banca Comerciala Romana (BCR) for the lease of premises concluded by CCP.RO Bucharest SA with the Multifunctional Complex Victoria SA.

30. ASPECTS TO HIGHLIGHT

At the date of the consolidated financial statements, taking into account that the Group has no significant dependent activities with countries in armed conflicts or in conflict zones, neither in terms of acquisitions, sales or investments, we believe that the Group's business will not be materially affected in the foreseeable future and therefore no adjustments have been made in this respect.

31. SUBSEQUENT EVENTS

On 10 March 2025, the Ordinary General Meeting of the Shareholders of CCP.RO Bucharest S.A. was convened at the request of the BVB in order to revoke the Board of Directors of CCP.RO following the withdrawal of the authorisation application and the delay in resubmission of the authorisation file according to EMIR 3.

During the meeting, it was noted that the minimum quorum required by Article 39 of the Articles of Association, namely at least 80% of the share capital, was not met in order to adopt a resolution on item 2 on the agenda - Revocation of all members of the Board of Directors of CCP.RO Bucharest S.A.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders,
Bursa de Valori Bucuresti S.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the consolidated financial statements of Bursa de Valori Bucuresti S.A. and its subsidiaries ("the Group"), with registered office in 4-8 Nicolae Titulescu street, America House Building, District 1, Bucharest, identified by unique tax registration code RO17777754, which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit and loss and comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.
2. The consolidated financial statements as at December 31, 2024 are identified as follows:
 - Equity RON 181,509,458
 - Net profit for the financial year RON 11,758,848
3. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards ("IFRS") as adopted by the European Union ("UE") and applying Financial Supervisory Authority ("FSA") Norm no. 39/28 December 2015, regarding the approval of the accounting regulations in accordance with IFRS, applicable to the entities authorized, regulated and supervised by the FSA from the Financial Investments and Instruments Sector, as well as Investors Compensation Fund, with subsequent amendments (referred to herein as "FSA Norm no. 39/2015").

Basis for Opinion

4. We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation (EU) No. 537/2014 of the European Parliament and the Council (herein after referred to as "the Regulation") and Law 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements (herein after referred to as "the Law 162/2017"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), in accordance with ethical requirements relevant for the audit of the financial statements in Romania including the Regulation and the Law 162/2017 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

5. The financial statements of the Bucharest Stock Exchange Group for the year ended December 31, 2023 were audited by another auditor who issued an unmodified opinion on those statements on March 20, 2024.

Key Audit Matters

6. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We determined that there are no key audit matters that need to be communicated in our report.

Other Information

7. The administrators are responsible for the preparation and presentation of the other information. The other information comprises the Administrators' Consolidated report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, unless otherwise explicitly mentioned in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements for the year ended December 31, 2024, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Other reporting responsibilities with respect to other information – Administrators' consolidated report

With respect to the Administrators' consolidated report, we read it and report if this has been prepared, in all material respects, in accordance with the provisions of FSA Norm no. 39/2015 articles no. 29 and 30.

On the sole basis of the procedures performed within the audit of the consolidated financial statements, in our opinion:

- a) the information included in the Administrators' consolidated report for the financial year for which the consolidated financial statements have been prepared, is consistent, in all material respects, with the consolidated financial statements;
- b) the Administrators' consolidated report has been prepared, in all material respects, in accordance with the provisions of FSA Norm no 39/2015 articles 29 and 30.

Moreover, based on our knowledge and understanding concerning the Group and its environment gained during the audit on the financial statements prepared at December 31, 2024, we are required to report if we have identified a material misstatement of this Administrators' consolidated report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union ("UE") and FSA norm 39/2015 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
10. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
12. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.
13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

16. We have been appointed by the General Meeting of Shareholders on 26 April 2023 to audit the consolidated financial statements of Bursa de Valori (Bucharest Stock Exchange) Group for the financial year ended December 31, 2024. The uninterrupted total duration of our commitment is one year, covering the financial years ended December 31, 2024.

We confirm that:

- Our audit opinion is consistent with the additional report submitted to the Audit Committee of the Company that we issued the same date we issued this report. Also, in conducting our audit, we have retained our independence from the audited entity.
- No non-audit services referred to in Article 5 (1) of EU Regulation no. 537/2014 were provided.

Report on the Information Regarding Income Tax

17. For the financial year preceding the financial year for which the financial statements were prepared, the Group was not required under FSA Norm no. 39/2015, articles 39² -39⁷ to publish a report on income tax information.

The engagement partner on the audit resulting in this independent auditor's report is Alina Ioana Mirea.

Report on compliance with the Law 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements ("Law 162/2017"), and Commission Delegated Regulation (EU) 2018/815 on the European Single Electronic Format Regulatory Technical Standard ("ESEF")

18. We have undertaken a reasonable assurance engagement on the compliance with Law 162/2017, and Commission Delegated Regulation (EU) 2019/815 applicable to the consolidated financial statements included in the annual financial report of Bursa de Valori Bucuresti S.A. ("the Group") as presented in the digital files which contain the unique code ("LEI") 2549004BOCU15LMNDJ92 ("**Digital Files**").

(I) Responsibilities of management and those charged with governance for the Digital Files prepared in compliance with the ESEF

Management of the Group is responsible for preparing Digital Files that comply with the ESEF. This responsibility includes:

- the design, implementation and maintenance of internal control relevant to the application of the ESEF;
- the selection and application of appropriate iXBRL mark-ups;
- ensuring consistency between the Digital Files and the consolidated financial statements to be submitted in accordance with FSA norm no. 39/2015.

Those charged with governance are responsible for overseeing the preparation of the Digital Files that comply with ESEF.

(II) Auditor's Responsibilities for Audit of the Digital Files

Our responsibility is to express a conclusion on whether the consolidated financial statements included in the annual financial report complies in all material respects with the requirements of ESEF based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

Our firm applies International Standard on Quality Management 1 ("ISQM1"), and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with ESEF. The nature, timing and extend of procedures selected depend on the auditor's judgment, including the assessment of the risks of material departures from the requirements set out in ESEF, whether due to fraud or error. A reasonable assurance engagement includes:

- obtaining an understanding of the Group's process for preparation of the digital files in accordance with ESEF, including relevant internal controls;
- reconciling the digital files including the marked-up data with the audited consolidated financial statements of the Group to be submitted in accordance with FSA Norm no. 39/2015;
- evaluating if all financial statements contained in the consolidated annual report have been prepared in a valid XHTML format;
- evaluating if the iXBRL mark-ups, including the voluntary mark-ups, comply with the requirements of ESEF.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. In our opinion, the consolidated financial statements for the year ended 31 December 2024 included in the annual financial report in the Digital Files comply in all materials respects with the requirements of ESEF.

In this section, we do not express an audit opinion, review conclusion or any other assurance conclusion on the consolidated financial statements. Our audit opinion relating to the consolidated financial statements of the Group for the year ended 31 December 2024 is set out in the "Report on the audit of the consolidated financial statements" section above.

Alina Ioana Mirea, Audit Partner

For signature, please refer to the original Romanian version.

Registered in the Electronic Public Register of Financial Auditors and Audit Firms under AF 1504

On behalf of:

DELOITTE AUDIT SRL

Registered in the Electronic Public Register of Financial Auditors and Audit Firms under FA 25

The Mark Building, 84-98 and 100-102 Calea Griviței, 9th Floor, District 1
Bucharest, Romania
26 March 2025