



Highlights

on the Romanian Commodities Exchange
developments for the natural gas market in Romania



WHO WE ARE



We are an operating commodities exchange founded in **1992** with growing business activity in the field of commodities and a diversified range of products developed on the energy market



natural gas



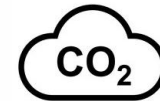
electricity



petroleum products



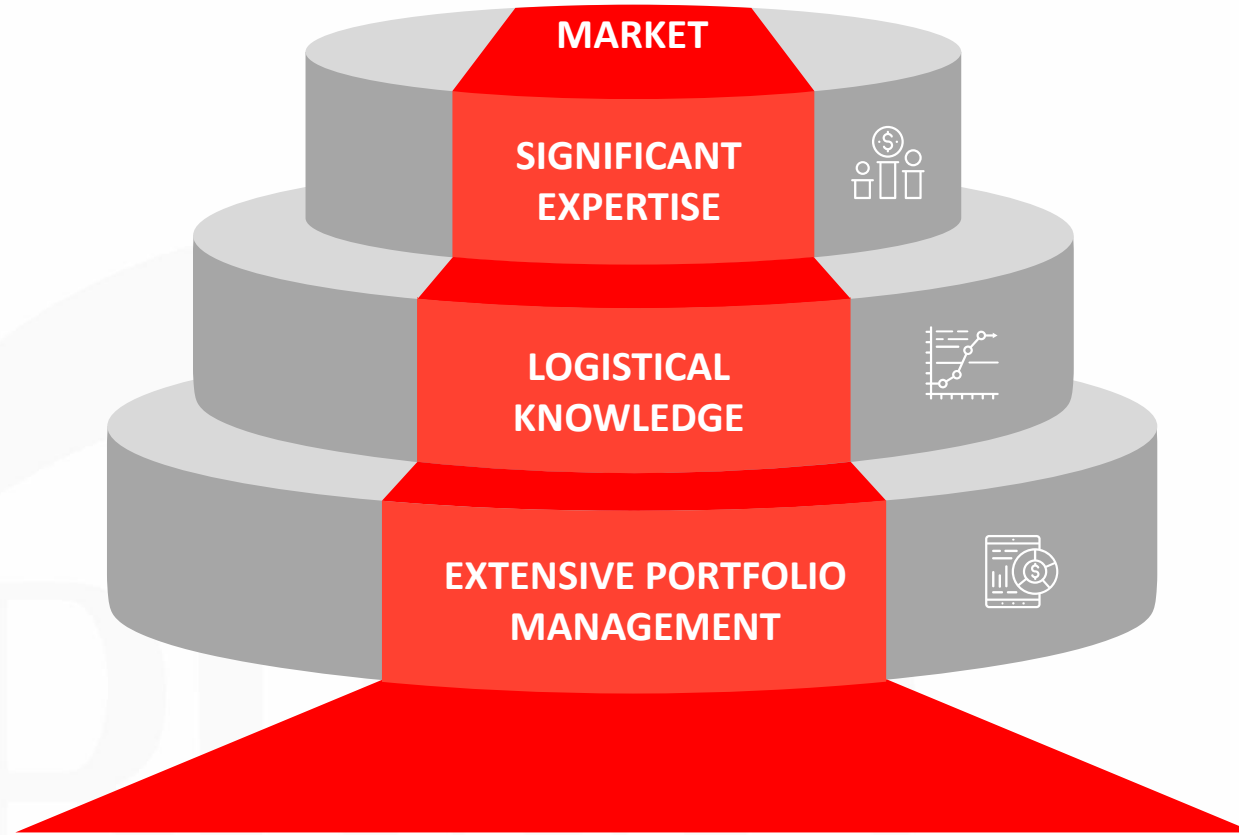
agricultural products



CO2 certificates

BRM is a private company, regulated by ANRE (the Romanian Energy Regulatory Authority) in accordance with Order no.69 / 09.11.2013, ANRE Order No. 66 – 68/2014, ANRE Order no.52 / 2013 **and on the futures market by the Romanian Financial Supervisory Authority.**

PORTFOLIO MANAGEMENT



Wholesale Gas Market



BRM administrates the following gas markets:

GAS FORWARD MARKET

where suppliers and traders initiate orders and conclude transactions with natural gas for medium and long term products.

SPOT MARKET

where providers and suppliers initiate orders and conclude transactions with natural gas for the same day or the next day.

FUTURES MARKET

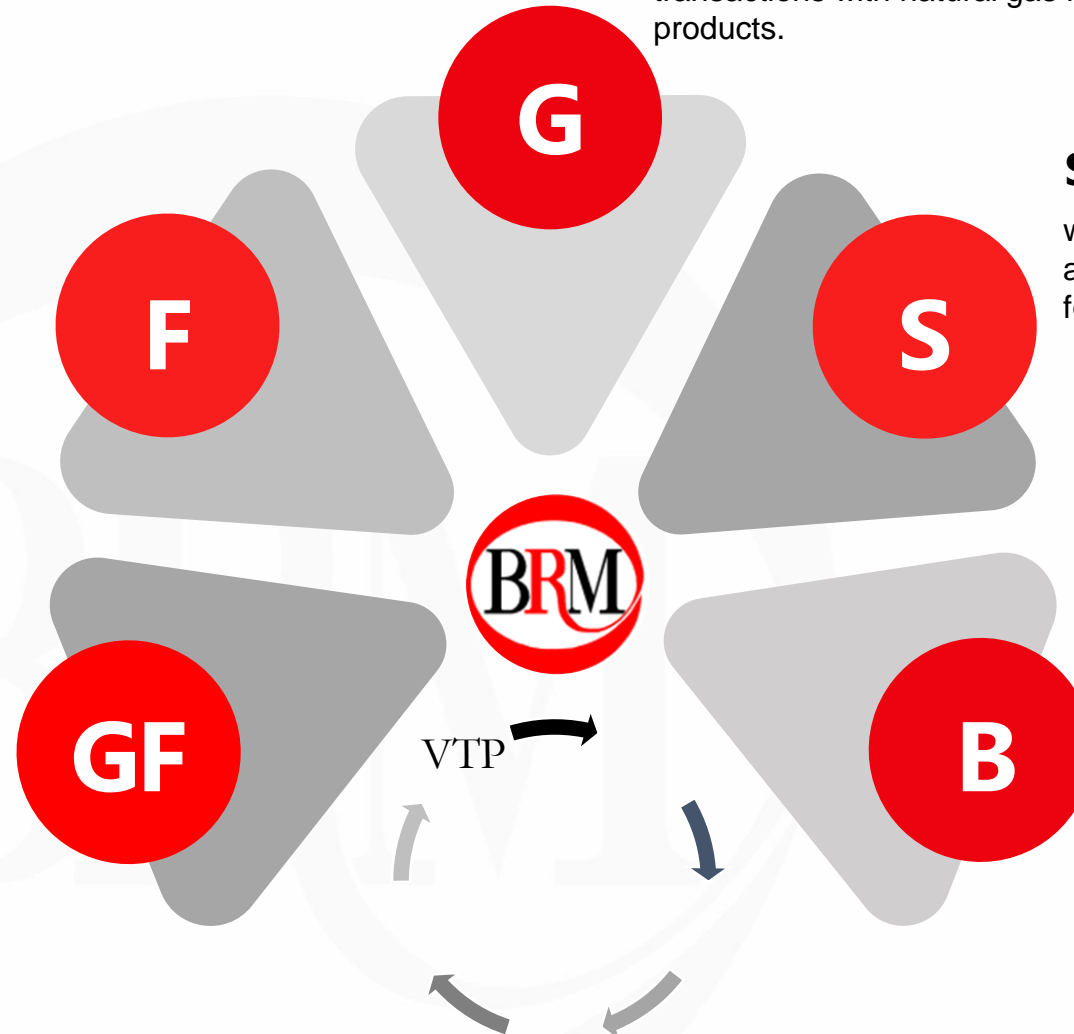
in which BRM organizes trading sessions for futures contracts with physical delivery.

GAS FORWARD WITH COUNTERPARTY SERVICES MARKET

in which the suppliers and traders initiate orders and conclude transactions with natural gas, similar to the Gas Forward platform, with Counterparty services offered by BRM.

BALANCING MARKET

where the providers initiate orders and conclude transactions with natural gas. Orders for sale and purchase are launched for the gas day D-1, within the limits of the daily imbalances communicated by the TSO.

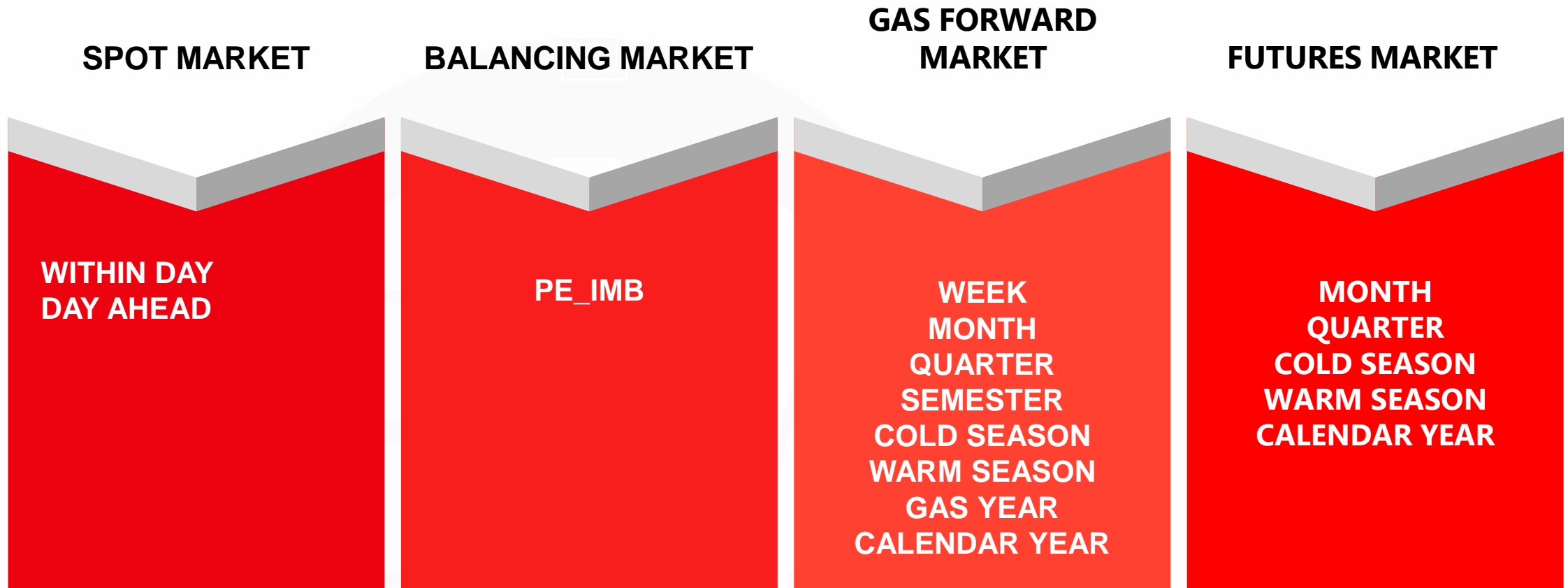


Products



Products included in the wholesale gas markets

Central Counterparty Gas Forward market



The products administered by BRM on Central Counterparty Gas Forward market are the same as on the Gas Forward market.

RCE (Romanian Commodities Exchange)



#1

MARKET LEADER

in trading natural gas
in Romania



70%

WE TRADE

more than 70% of the
national domestic
consumption



96

TRADERS

more than 90 traders



234

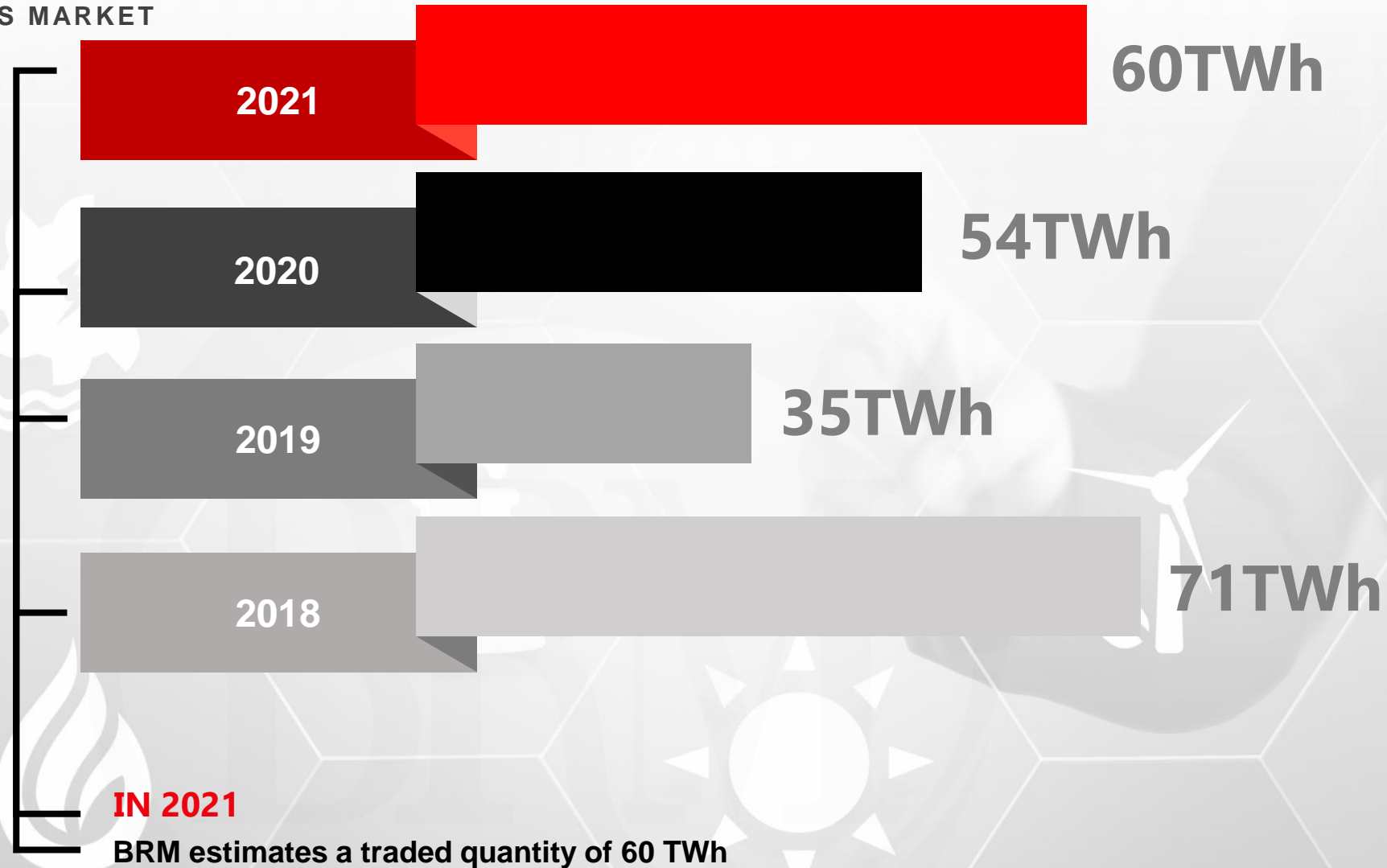
CLIENTS

more than 200 retail
clients

Volumes



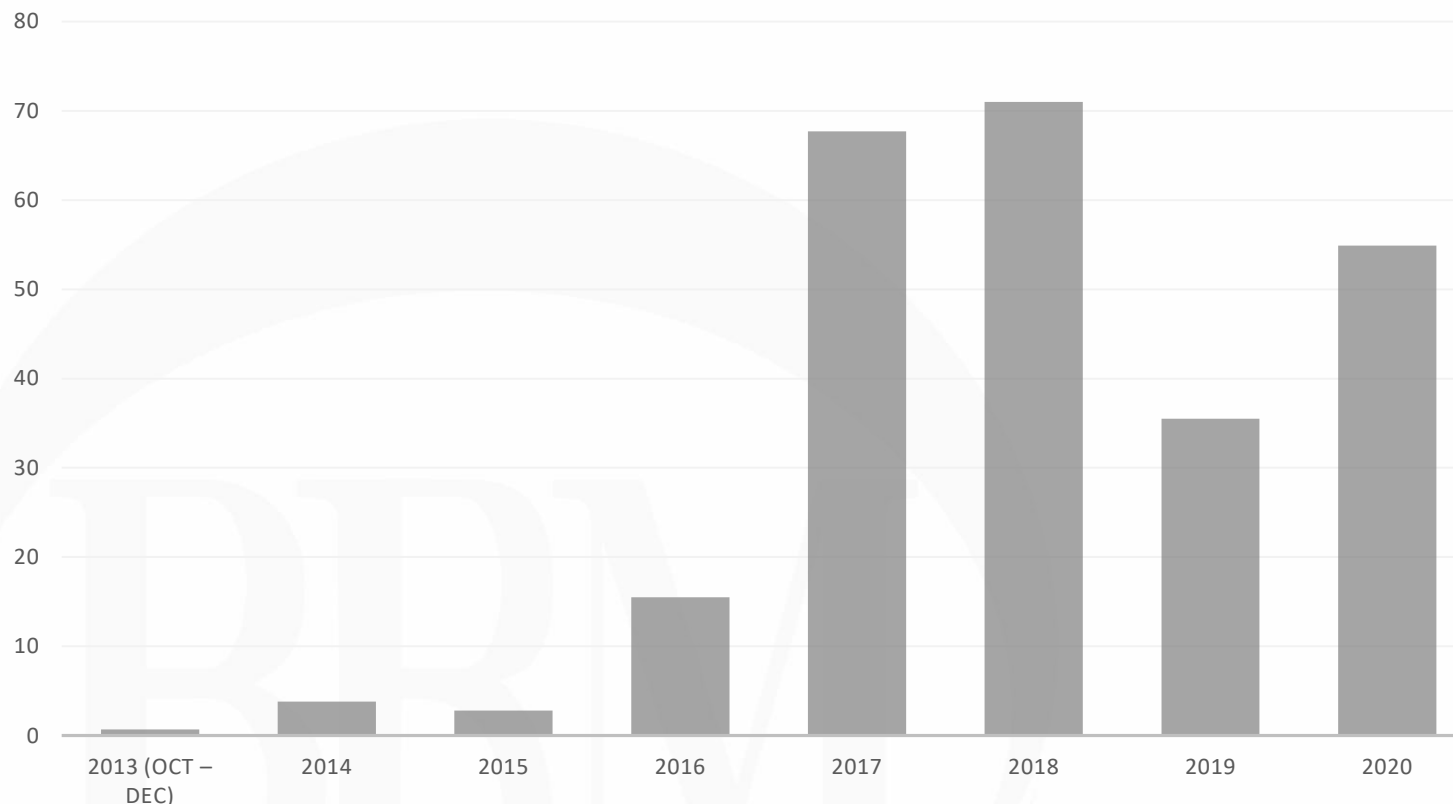
IN GAS MARKET



BRM NATURAL GAS MARKET EVOLUTION (RETAIL + WHOLESALE)



Traded Volumes (TWh)



Note 1: Due to legal considerations of the 2018 enacted Government Emergency Ordinance no. 114/2018, which artificially limited the price of natural gas from the current market levels to 14,35 Euro/MWh for both producers and suppliers, which took effect starting with January 2019, the period January - March 2019 saw a 100% regulated regime implementation. Starting with the 1st of April 2019 until December 2019, the market functioned in a 55% regulated regime.

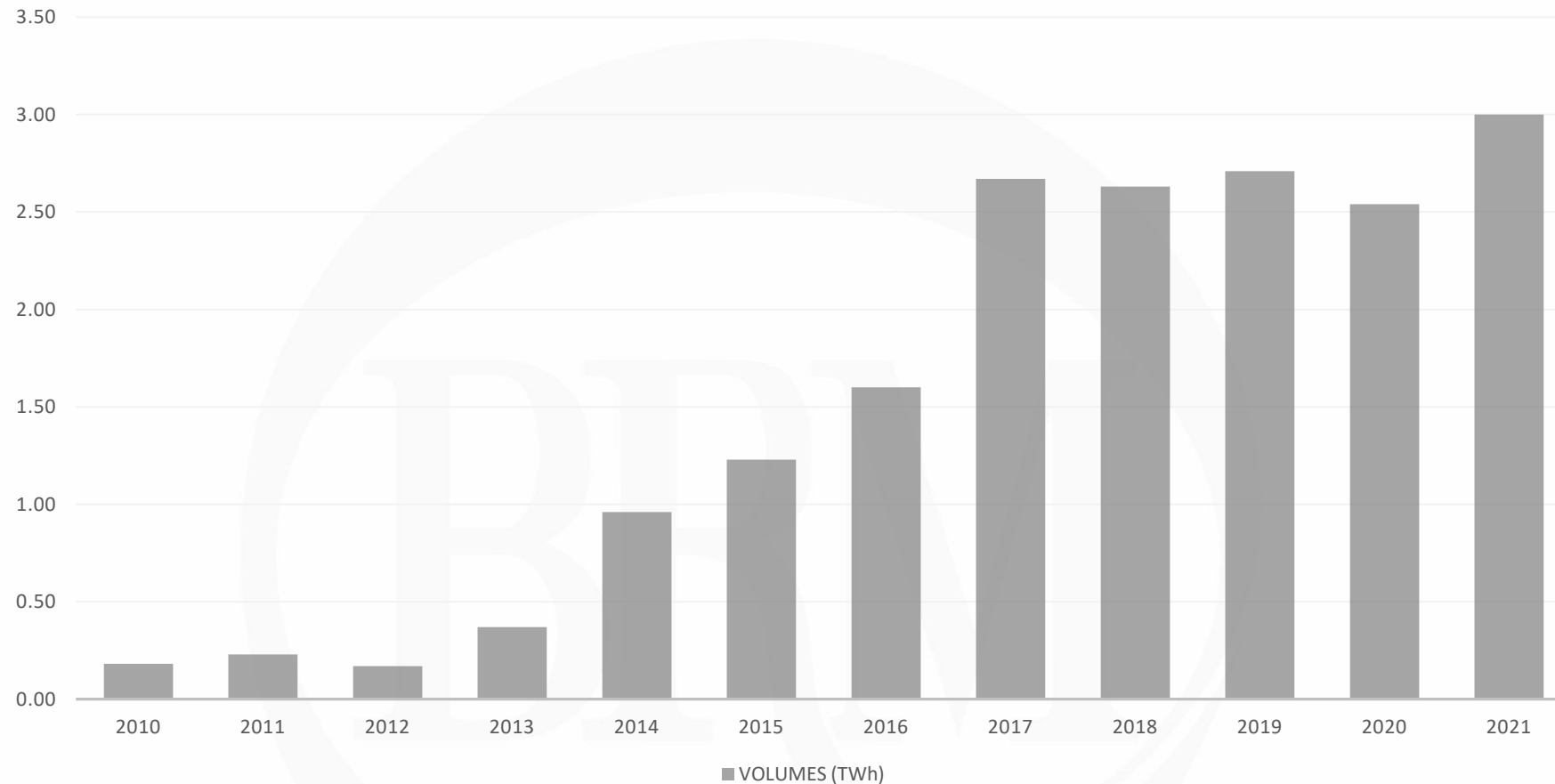
Note 2: The same ordinance functioned during January - June 2020.

The impact of GEO 114/2018 was felt in the traded volumes which amounted 68.226.128,38 MWh in 2018 and 33.426.976,84 MWh in 2019.

BRM NATURAL GAS RETAIL MARKET TRADED VOLUMES



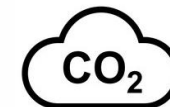
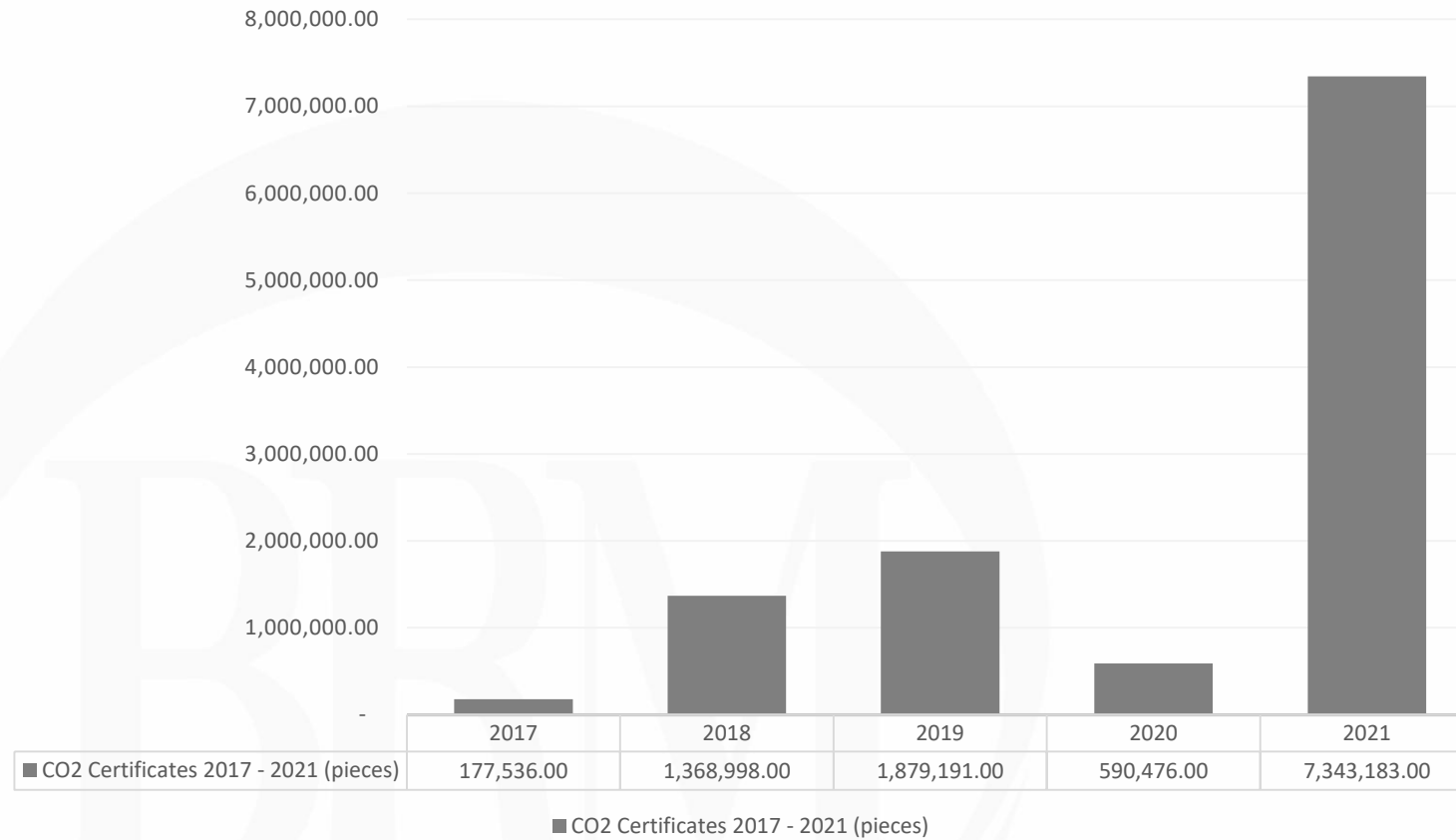
VOLUMES (TWh)



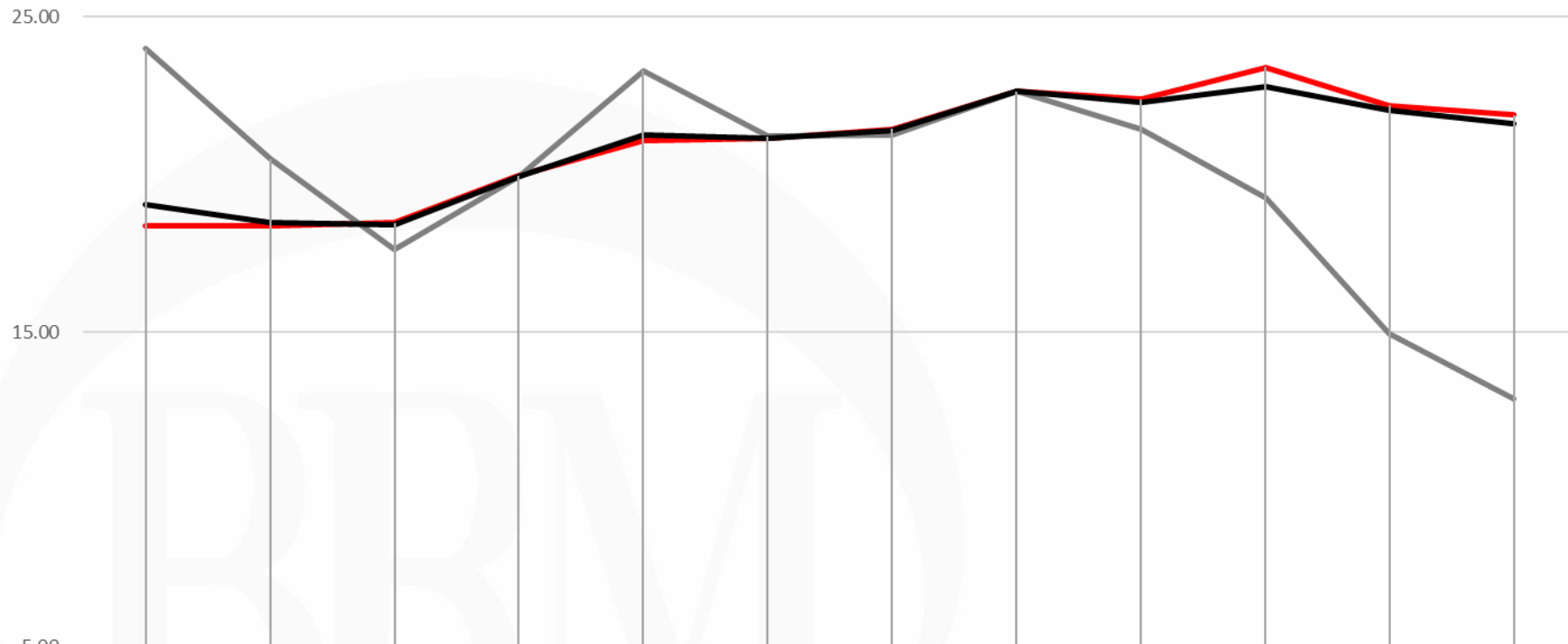
CO2 CERTIFICATES 2017-2021



CO2 Certificates 2017 - 2021 (pieces)

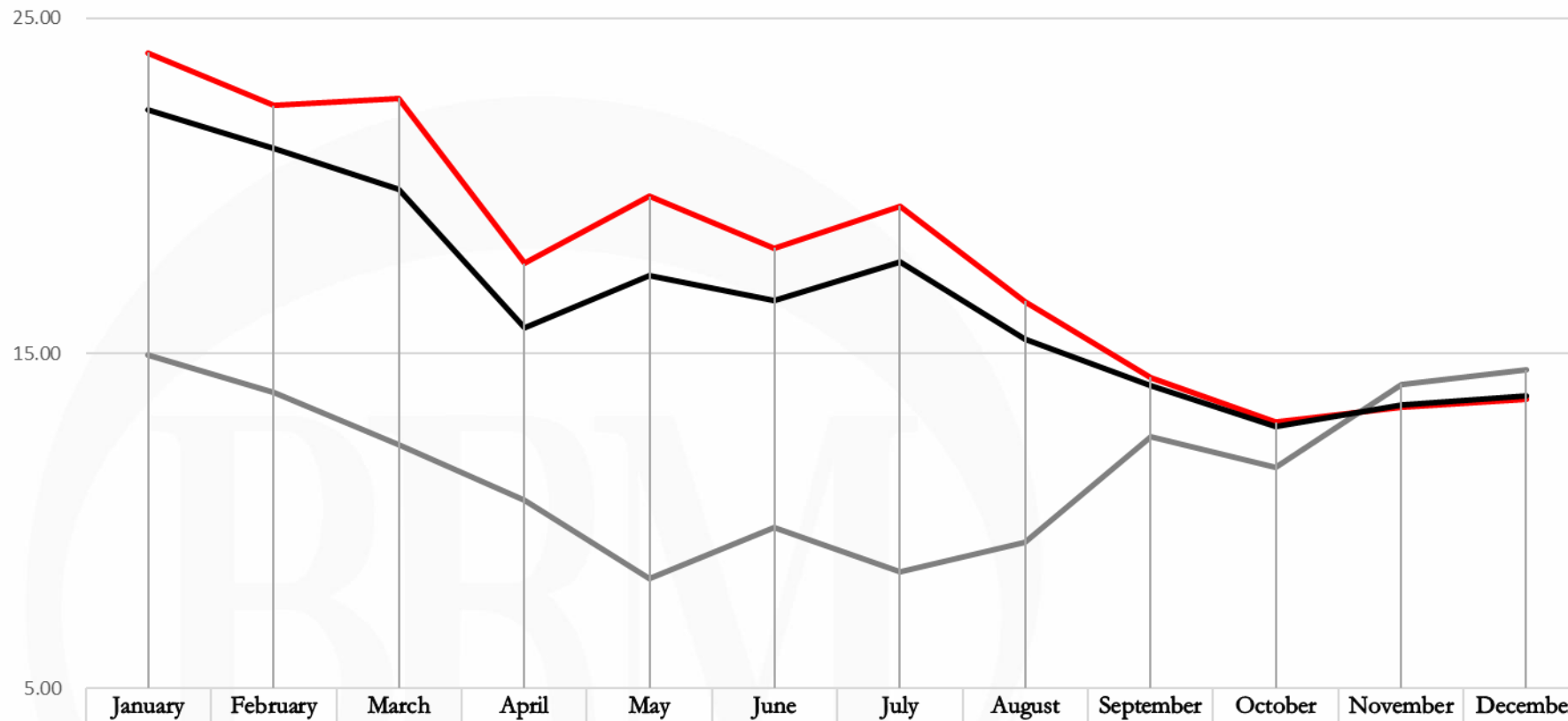


Weighted average monthly prices of completed transactions and delivered in 2019



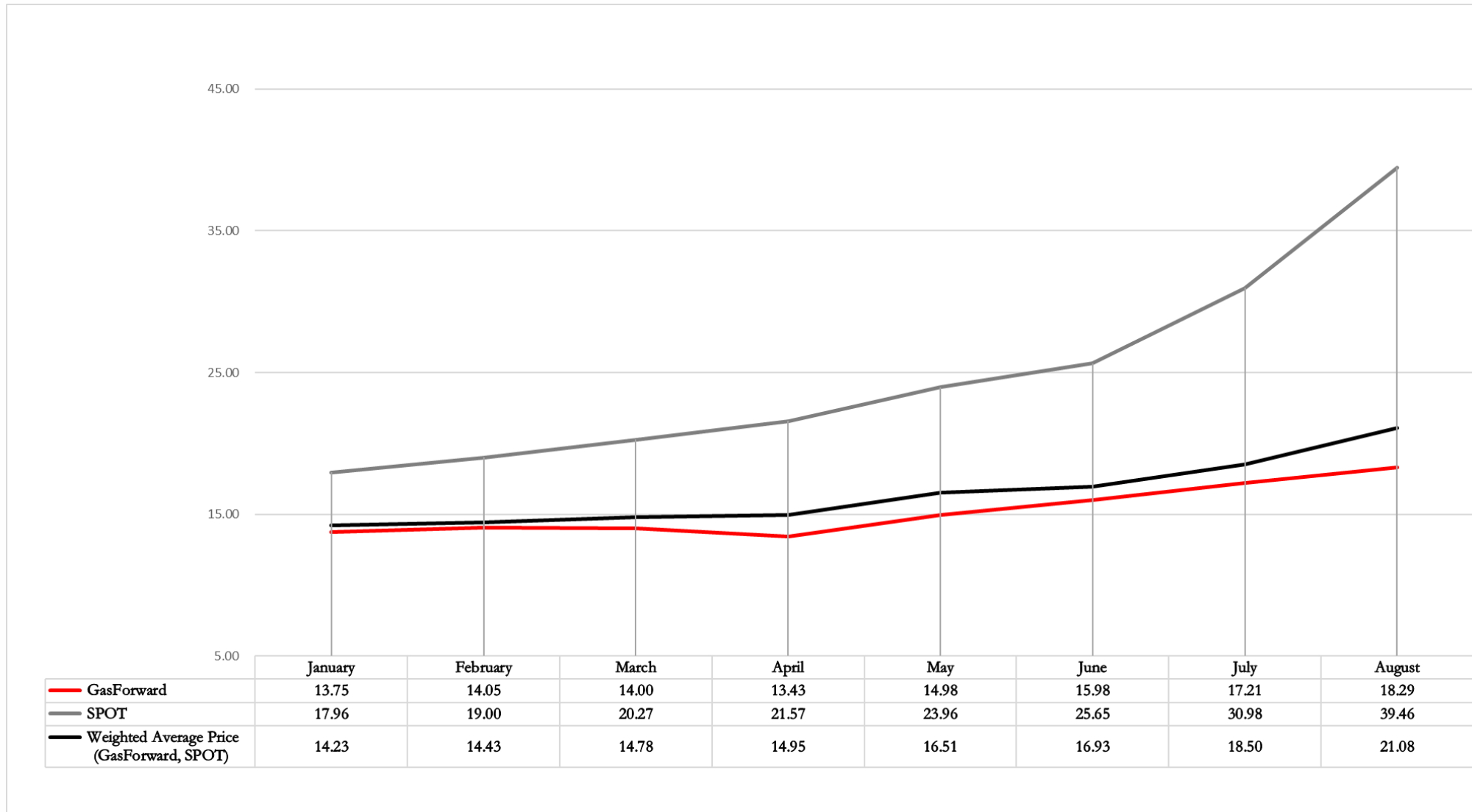
	January	February	March	April	May	June	July	August	September	October	November	December
GasForward	18.38	18.38	18.46	19.95	21.06	21.13	21.43	22.62	22.38	23.38	22.18	21.87
SPOT	23.98	20.50	17.60	19.91	23.28	21.20	21.26	22.63	21.41	19.25	14.95	12.87
Weighted Average Price (GasForward, SPOT)	19.04	18.47	18.40	19.94	21.23	21.13	21.40	22.63	22.28	22.76	22.02	21.60

Weighted average monthly prices of completed transactions delivered and in delivery in 2020

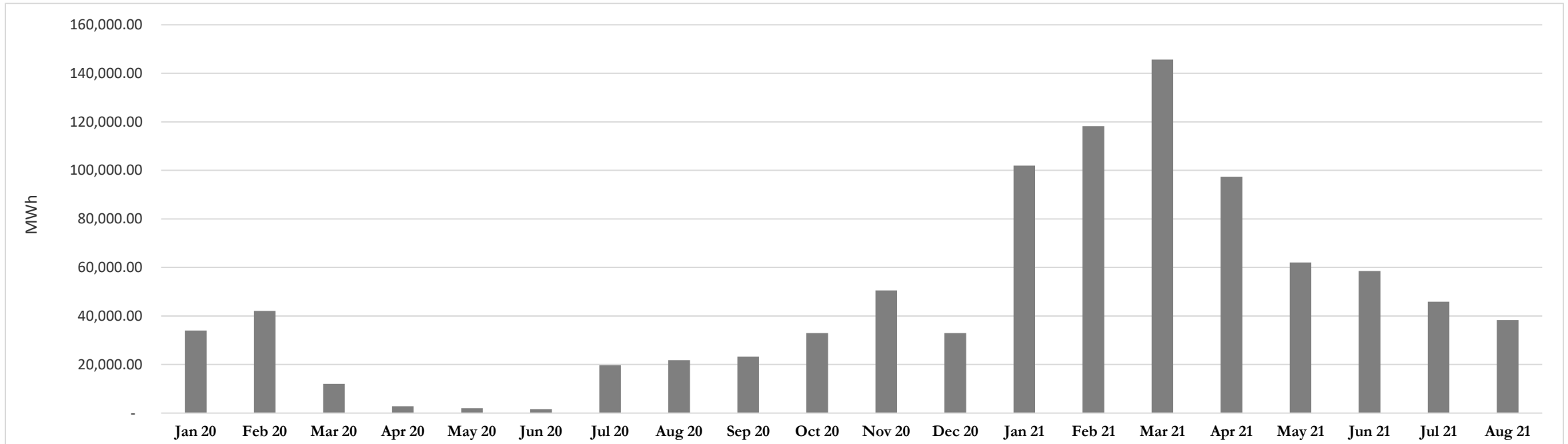


GasForward	23.98	22.39	22.62	17.69	19.68	18.14	19.40	16.55	14.28	12.93	13.40	13.63
SPOT	14.93	13.82	12.27	10.62	8.26	9.82	8.48	9.38	12.52	11.61	14.08	14.50
Weighted Average Price (GasForward, SPOT)	22.28	21.11	19.88	15.75	17.32	16.58	17.71	15.43	14.03	12.83	13.47	13.72

Weighted average monthly prices of completed transactions delivered and in delivery in 2021



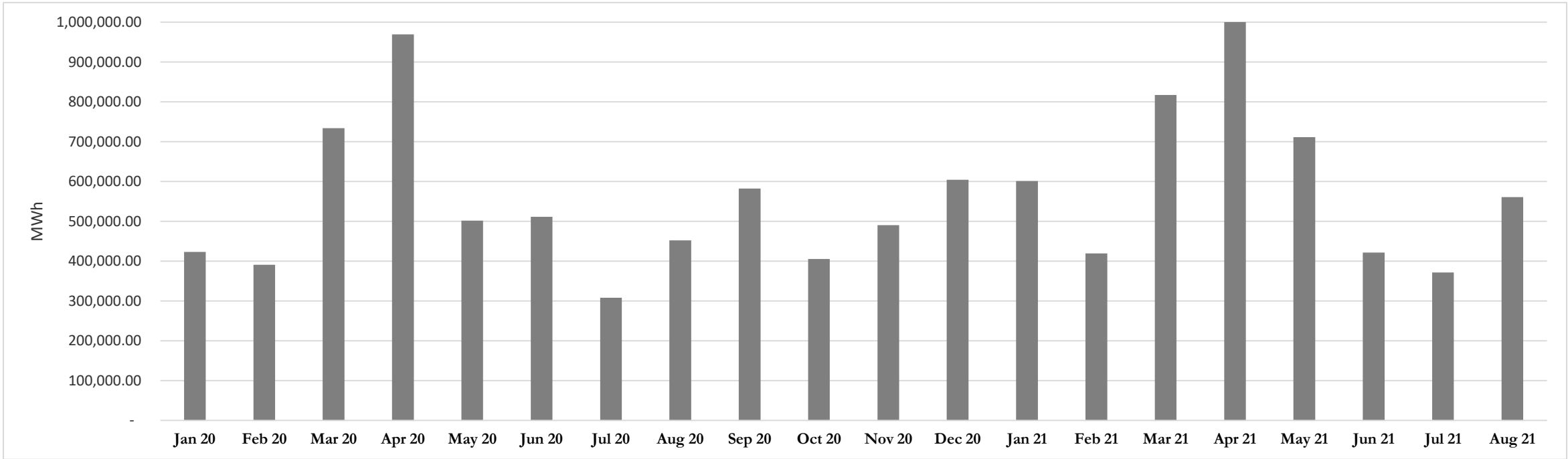
Traded Quantities - Balancing Market - 2020-2021



Year 2020													TOTAL
Month	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	TOTAL
Quantity MWh	33.963,58	42.053,05	12.049,41	2.809,65	2.026,41	1.529,69	19.632,58	21.782,16	23.315,51	32.950,27	50.569,56	32.970,87	275.652,74

Year 2021									TOTAL
Month	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	Jul 21	Aug 21	TOTAL
Quantity MWh	101.955,00	118.209,00	145.650,00	97.400,79	62.044,69	58.519,45	45.857,68	38.285,11	667.921,72

Traded Quantities - SPOT Market - 2020-2021



Year 2020													
Month	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	TOTAL
Quantity MWh	423.192,92	391.184,18	733.745,57	969.541,42	501.442,29	511.279,88	308.024,76	452.297,40	582.467,80	405.214,15	490.484,15	604.625,75	6.373.500,25

Year 2021									
Month	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	Jul 21	Aug	TOTAL
Quantity MWh	601.111,30	419.482,60	817.237,79	1.033.191,58	711.487,99	421.786,29	371.735,22	561.021,97	4.937.054,74

Traded Volumes in a Gas Year



Traded volumes in a gas year				
TOTAL	2018 - 2019		2019 - 2020	
	Forward	SPOT	Forward	SPOT
October	8,196,037.40	549.62	3,555,023.42	614,221.04
November	7,327,539.00	39,885.53	3,981,486.00	134,148.52
December	5,983,837.00	119,903.66	503,959.00	203,209.20
January	134,432.00	227,272.39	400,626.00	428,887.92
February	181,565.00	152,436.04	226,124.00	387,265.18
March	113,266.00	230,798.23	8,050,511.00	707,385.57
April	477,297.98	526,260.89	1,129,922.00	994,465.42
May	27,171.00	193,609.34	723,932.00	498,567.29
June	2,760,742.00	128,199.62	2,918,719.00	514,824.88
July	1,173,087.73	312,060.31	3,217,001.00	312,022.76
August	12,280,549.00	250,344.09	9,376,352.00	448,025.40
September	5,138,697.00	271,166.59	7,192,810.00	586,288.80
TOTAL	46,246,707.42		47,105,777.39	

No. of participants in a gas year	
2018 - 2019	2019 - 2020
64	76

Cleared volumes & participants



SPOT MARKET

+67% Market Share
+100% increase in traded volumes
estimated for end 2021

FORWARD MARKET

+15% Market Share

5 NEW MEMBERS IN 2021 (SPOT & FORWARD MARKET)

- The BRM CCP cleared volume traded currently amounts 3 TWh
- 40 unique participants



Chronological Highlights

May 2019

BRM has been operating the Balancing market on behalf of Transgaz (TSO), within the limits of the daily imbalances communicated by the TSO.

September 2019

BRM has launched counterparty services for natural gas with physical delivery contract, services offered by BRM.

August 2020

BRM has launched the **Novation Option**, in which the suppliers and traders can transfer their obligation to BRM, as a CCP.

Main advantages: diminished guarantees, flexibility, daily settlement, 100% executed contracts and obligations.

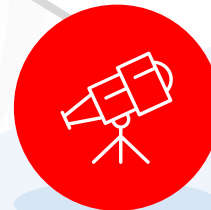
November 2020

BRM has launched the **Futures market**, in which BRM organizes trading sessions for futures contracts with physical delivery

2015

Romanian Commodities Exchange was registered on ACER REMIT Information System.

Today BRM offers CCP services for both SPOT and Gas Forward Markets and gives its participants the benefits of clearing also bilateral transactions.



Chronological Highlights



2021

BRM has launched its own **Guarantee Management Option**, in order for participants to have the facility to resize their guarantees threshold according to their needs

BRM managed to obtain the approval for the future instruments and the **Futures Market** will be launched mid October 2021

BRM has launched an **Electronic Platform for Power Trading** designated for households, marking its first premier for the households retail sector trading

Following the recent completion within the list of standard products with future contracts, approved by ANRE (through Ordinance 29/2021), **BRM is keen on making the futures market trading a Strategic TOP Priority.**

Regional Strategy



WHAT BRM AIMS FOR?

In the current European energy architecture, BRM is actively supporting and encouraging Romania to play an important role in **strengthening regional cooperation**, especially in the perspective of future Black Sea gas supplies.

HOW?

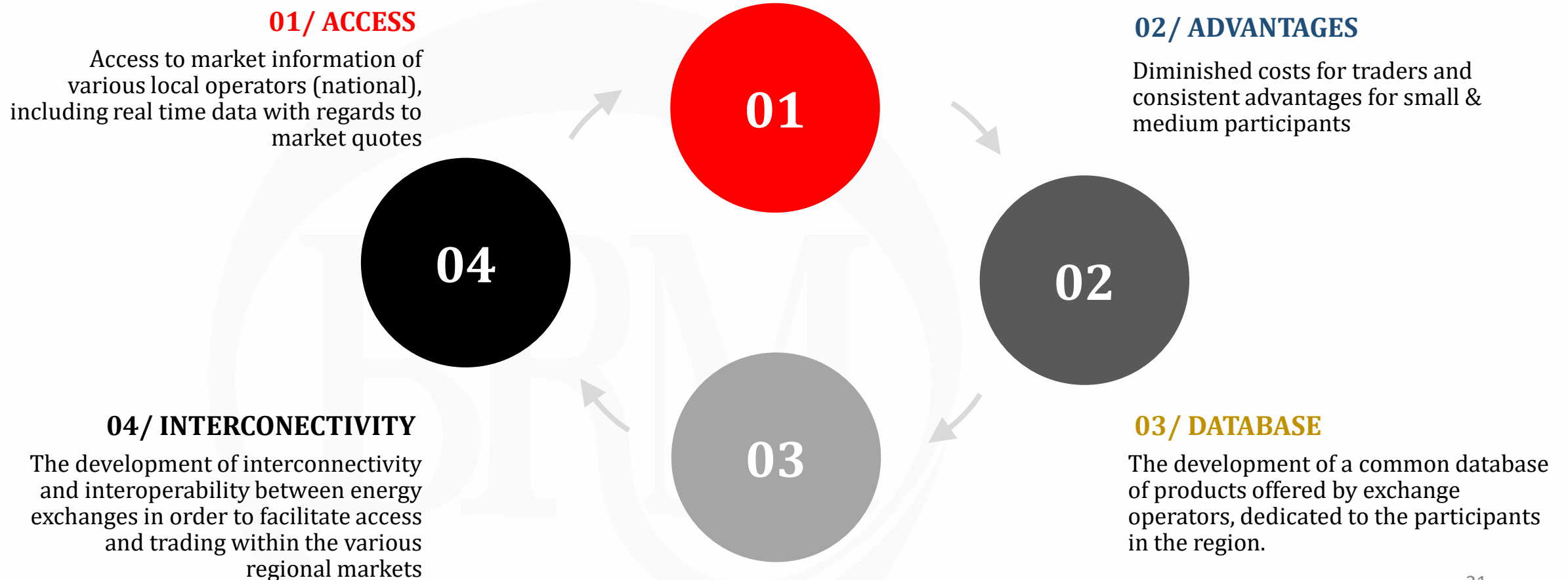
In order to achieve this, BRM is planning on **promoting strong relations with similar entities and other stakeholders** (TSO's, traders etc.), contributing to a CEE top priority energy developing features.



Regional Strategy



BRM plans on diversifying its activity within the region, in order to create the premises for generating new opportunities for market participants to conduct trans-border trading in a more efficient way, as well as to apply complex trading options like:



SEEGAS Joint Steering Committee

proposals



- Completing the feasibility study with stakeholders' opinion regarding common interests of cooperation through the region; agreeing on standardized product use having the aim of trading optimization;
- Adding an analysis on the status of implementation of the European Network Codes in the region, aiming to establish a common tariff policy; developing tools for synchronizing capacity allocation with SPOT transactions for cross-border allocation;
- Interoperability of trading systems (connecting market operators acting like GCMs by creating a common framework-procedures, rules, protocols);
- Regional CCP solution;
- Analysis on the regional support for accessing European Hubs (quotations, orders, etc.).

THANK YOU!

