

To:  
**Financial Supervisory Authority**  
Financial Instruments and Investments Sector

Bucharest Stock Exchange

### **CURRENT REPORT**

In compliance with the provisions of Law no. 24/2017 on issuers of financial instruments and market operations and Regulation no. 5/2018 on issuers of financial instruments and market operations

**Date of the report:** August 16, 2022

**Name of issuer:** SSIF BRK Financial Group SA

**Headquarters:** Cluj-Napoca, 119 Moșilor Street, Cluj County

**Telephone/fax no:** 0364-401.709/0364-401.710

**Tax Identification Code:** 6738423

**Trade Register no/date:** J12/3038/1994

**Subscribed and paid share capital:** RON 50,614,492.80

**Regulated market where issued securities are traded:** Bucharest Stock Exchange, - Premium Tier, market symbol: BRK

**Important events to be reported:** Half-Yearly Financial Results on June 30, 2022

BRK Financial Group SA informs the investors and the general public that the Half-Yearly Financial Report as of June 30, 2022, will be available starting from August 16, 2022, at 18:00 (local time) in printed version, at the headquarters of BRK Financial Group SA from Cluj-Napoca, 119, Moșilor Street, as well as in electronic form on the official website, [www.brk.ro](http://www.brk.ro), in the section "Investor Relations / Financial Results", as well as in the link below.

We mention that the financial statements as of June 30, 2022, are not audited.

**Monica Ivan**  
General Manager

# Board of Directors' Report 1H 2022

Individual and Consolidated Financial  
Statements

SSIF BRK FINANCIAL GROUP S.A. in accordance with  
the International Financial Reporting Standards  
adopted by the European Union ("IFRS").

## Outline

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## Identification data

|                     |  |
|---------------------|--|
| Report date         | June 30 2022   |
| Company name        | SSIF BRK Financial Group S.A.                                  |
| Field of activity   | Financial intermediation activities                            |
| CAEN code           | 6612   |
| Fiscal code/CUI     | 6738423  |
| Trade Register Code | J12/3038/1994  |
| Address             | Str. Moșilor, Nr. 119, Cluj-Napoca, România                    |
| Phone/Fax           | 0364 401 709 or 0364 401 710                                   |
| Email               | <a href="mailto:office@brk.ro">office@brk.ro</a>               |
| Website             | <a href="http://www.brk.ro">www.brk.ro</a>                     |
| Securities          | 337.429.952 ordinary shares with a par value de 0,15 RON/share |
| Regulated market    | Bucharest Stock Exchange, Main Segment, Premium Category       |
| BVB symbol          | BRK  |
| ISIN                | ROBRKOACNOR0   |
| Audit               | The financial statements as of June 30 2022 are not audited    |

## Message from the board



Dear shareholders,

BRK Financial Group publishes today the financial results for the first semester of 2022 and we continue our tradition of explaining in detail the achievements of the business segments. **We report a loss of 5.9 million lei** (H1/2021: +15 M RON), **composed of the profit of the core activity of +921k RON** (H1/2021: +4.63 M RON) **and a loss of 6.81M RON** (H1/2021: +10.4M RON) related to operations on own account. We mention that the result of the operations on the own account is affected to the greatest extent by the effect of the revaluation (marking to the market) of the positions in the portfolio (-4.2M RON net result from the revaluation) as well as of the transactions closed at a loss (-1.05M RON), to which are added the financing costs and exchange rate differences. The result of the administration of the own account can also be viewed by reference to **the total assets held in the own account (>100M RON)**.

Regarding the basic activity, seen in the assembly of the 4 sub-segments, we report a result of 921k RON, and **a very good positioning on the market**. Thus, in **the 2 subsegments of Market Making, we maintain our market leader position** (structured products, 39% market share, doubling of turnovers and 28% increase in revenues, and in terms of revenues from market making services provided within partnerships with issuers, we report triple revenues and a portfolio of 16 issuers - which places us as the market leader in this segment). Regarding the intermediation activity, with a volume of 1.12 billion lei, **BRK is in the top 5 of the intermediaries from BVB** (H1/2021: 6th place and a turnover of 902M RON), and in the corporate segment, in despite the 90% decrease in revenues of this segment (523k RON in H1/2022 vs 4.65M RON in H1/2021), BRK remained competitive, **brokering 6 of the 14 listings that took place in the first 6 months of this year**, positioning - is thus in the first place among local intermediaries from this point of view.

Thank you for your trust!

**Monica IVAN,**  
CEO

## Individual statement of financial position as of 30.06.2022

| RON   | 30.06.2022         | 31.12.2021         |
|---|--------------------|--------------------|
| <b>Assets</b>   |                    |                    |
| Intangible assets   | 204,852            | 304,263            |
| Tangible fixed assets   | 8,937,884          | 9,062,918          |
| Real estate investments   | -                  | -                  |
| Financial assets measured at fair value through other comprehensive income  | 52,081,962         | 42,044,539         |
| Financial assets measured at fair value through profit or loss  | 52,396,353         | 59,659,013         |
| Financial assets at amortized cost  | -                  | -                  |
| Loans and advances granted  | 4,516,322          | 8,588,612          |
| Trade and other receivables   | 2,485,163          | 1,390,340          |
| Other financial assets  | 61,470,357         | 63,751,161         |
| Client bank accounts  | 86,706,785         | 63,316,765         |
| Cash and cash equivalents   | 1,222,055          | 881,285            |
| Assets classified as held for sale  | -                  | -                  |
| <b>Total assets</b>   | <b>270,021,734</b> | <b>248,998,896</b> |
| <b>Liabilities</b>  |                    |                    |
| Bond liabilities  | 24,367,854         | 24,303,570         |
| Financial leasing liabilities   | 467,595            | 515,978            |
| Provisions  | -                  | -                  |
| <b>Total non-current liabilities</b>  | <b>24,835,449</b>  | <b>24,819,548</b>  |
| Interest Bonds  | 241,963            | 221,666            |
| Deferred income tax liabilities   | 978,691            | 978,691            |
| Current income tax liabilities  | -                  | 558,690            |
| Dividends payable   | 6,642,694          | -                  |
| Short-term bank debt  | 13,162,287         | 5,041,915          |
| Current part of financial leasing liabilities   | 146,788            | 161,953            |
| Amounts owed to customers   | 132,758,792        | 115,962,249        |
| Trade and other payables  | 15,666,598         | 10,804,516         |
| Provisions  | 618,275            | 1,022,068          |
| <b>Total current liabilities</b>  | <b>170,216,086</b> | <b>134,751,748</b> |
| <b>Total liabilities</b>  | <b>195,051,535</b> | <b>159,571,296</b> |
| <b>Equity</b>   |                    |                    |
| Share capital   | 50,614,493         | 54,039,987         |
| Share capital adjustments   | 4,071,591          | 4,071,591          |
| Treasury shares   | (2,182,446)        | (24,047)           |
| Benefits granted to employees, directors and managers in the form of equity instruments                               | 800,000            | -                  |
| Share premiums  | 5,355              | 5,355              |
| Reserves from the revaluation of financial assets valued at fair value through other elements of comprehensive income | (855,310)          | (239,980)          |
| Other reserves  | 13,590,649         | 13,608,320         |
| Total reserves  | 12,735,339         | 13,368,340         |
| Current result  | (5,896,053)        | 22,000,682         |
| Retained earnings   | 14,821,920         | (4,034,307)        |
| <b>Total shareholders' equity</b>   | <b>74,970,199</b>  | <b>89,427,600</b>  |
| <b>Total equity and liabilities</b>   | <b>270,021,734</b> | <b>248,998,896</b> |

## The individual situation of comprehensive income as of 30.06.2022

|  | 30.06.2022         | 30.06.2021         |
|--|--------------------|--------------------|
| <b>Core activity</b>   |                    |                    |
| <b>Intermediation activity</b>   | <b>5,423,926</b>   | <b>8,948,138</b>   |
| Commission income from intermediation  | 3,860,173          | 3,655,436          |
| Income from corporate services   | 523,593            | 4,653,657          |
| Other intermediation income  | 1,040,160          | 639,046            |
| <b>Market making activity</b>  | <b>4,827,152</b>   | <b>2,715,836</b>   |
| Net gains from transactions with structured products   | 2,406,922          | 1,876,494          |
| Revenues from market making services provided to issuers   | 2,420,230          | 839,342            |
| Other basic activity income  | 14,301             | 20,602             |
| <b>Total operating expenses</b>  | <b>(9,343,519)</b> | <b>(7,045,006)</b> |
| Salary expenses and employee benefits  | (4,253,730)        | (2,926,303)        |
| Market commissions and intermediary expenses   | (2,086,508)        | (1,696,987)        |
| Expenditures on external services  | (1,333,215)        | (1,109,804)        |
| Expenses with collaborators  | (143,238)          | (242,001)          |
| Other expenses   | (1,025,615)        | (555,271)          |
| Depreciation and amortization  | (501,214)          | (514,640)          |
| <b>Profit / (loss) from core activities</b>  | <b>921,860</b>     | <b>4,639,570</b>   |
| <b>Net gains / (losses) realized from financial instruments</b>  | <b>(1,054,477)</b> | <b>2,654,796</b>   |
| Dividend income  | 733,164            | 392,400            |
| Income from transactions with shares and bonds   | 1,549,145          | 3,190,535          |
| Losses from transactions with shares and bonds   | (3,336,786)        | (928,138)          |
| <b>Net gains / (losses) from the measurement of financial assets measured at fair value through profit or loss</b> | <b>(4,229,782)</b> | <b>6,982,271</b>   |
| Income from the valuation of financial assets measured at fair value through profit or loss                        | 5,281,494          | 11,357,597         |
| Losses from the measurement of financial assets measured at fair value through profit or loss                      | (9,511,276)        | (4,375,327)        |
| <b>Net income / (expenses) provisions for financial assets</b>   | <b>(500,000)</b>   | <b>(200,000)</b>   |
| Revenue cancellation of provisions for fixed financial assets  | -                  | 300,000            |
| Provisions for fixed assets. financial assets  | (500,000)          | (500,000)          |
| <b>Other net income / (expenses) from interest and exchange rate differences</b>                                   | <b>(1,281,872)</b> | <b>943,651</b>     |
| Interest income on loans and bonds   | 149,614            | 198,683            |
| Interest income on margin loans  | 150,567            | 99,914             |
| Other interest income  | 33,742             | 13,659             |
| Interest expenses  | (1,404,342)        | (33,339)           |
| (Expenses) / Income from exchange rate differences   | (211,453)          | 664,735            |
| <b>Net income / (expenses) provisions for risks and expenses</b>   | <b>403,794</b>     | <b>30,513</b>      |
| Expenses with provisions for risks and expenses  | -                  | -                  |
| Provisional cancellation income for risks and expenses   | 403,794            | 7,608              |
| Other net provisions   | -                  | 22,906             |
| <b>Other net income / (expenses)</b>   | <b>(155,575)</b>   | <b>(12,493)</b>    |
| Net gains / (losses) from the sale of assets   | 2,500              | 7,373              |
| Other operating expenses   | (214,940)          | (52,895)           |
| Other operating income   | 56,865             | 33,029             |
| <b>Operating profit</b>  | <b>(5,896,053)</b> | <b>15,038,309</b>  |
| Profit before tax  | (5,896,053)        | 15,038,309         |
| Income tax expense   | -                  | (238,312)          |
| Profit from continuing operations  | (5,896,053)        | 14,799,997         |
| Discontinued operations  | -                  | -                  |
| Loss from discontinued operations (after tax)  | -                  | -                  |
| <b>Profit for the period</b>   | <b>(5,896,053)</b> | <b>14,799,997</b>  |

|   |                    |                   |
|---|--------------------|-------------------|
| <b>Other elements of the overall result</b>   | -                  | -                 |
| Net change in fair value of financial assets measured at fair value through other comprehensive income (FVTOCI) not transferred to profit or loss | (615,329)          | 11,893,062        |
| <b>Positions that can be reclassified to profit and loss</b>  | -                  | -                 |
| Net change in the fair value of available-for-sale financial assets   | -                  | -                 |
| Free shares received classified as available for sale   | -                  | -                 |
| Changes in the value of fixed assets available for sale   | -                  | -                 |
| <b>Positions that cannot be reclassified to profit and loss</b>   | -                  | -                 |
| Changes in the value of fixed assets used   | -                  | -                 |
| Changes in the value of real estate investments   | -                  | -                 |
| Establishment / cancellation of profit reserves for granting free shares to employees   | -                  | -                 |
| The tax related to other elements of the overall result   | -                  | -                 |
| <b>Total other items of comprehensive income for the period</b>   | <b>(615,329)</b>   | <b>11,893,062</b> |
| <b>Total profit and loss account and other comprehensive income for the period</b>  | <b>(6,511,382)</b> | <b>26,693,059</b> |
| <b>Attributable profit:</b>   | <b>(5,896,053)</b> | <b>14,799,997</b> |
| Shareholders of the Company   | (5,896,053)        | 14,799,997        |
| Uncontrolled interests  |                    | -                 |
| <b>Profit of the period</b>   | <b>(5,896,053)</b> | <b>14,799,997</b> |
| <b>Total attributable overall result:</b>   |                    |                   |
| Shareholders of the Company   |                    |                   |
| Uncontrolled interests  |                    |                   |
| <b>Total overall result for the period</b>  | <b>(5,896,053)</b> | <b>14,799,997</b> |
| <b>The result per share</b>   |                    |                   |
| Basic earnings per share (lei)  | (0.0175)           | 0.0438            |
| Diluted earnings per share (lei)  | (0.0175)           | 0.0438            |
| <b>Continuous activities</b>  |                    |                   |
| Basic earnings per share (lei)  | (0.0175)           | 0.0438            |
| Diluted earnings per share (lei)  | (0.0175)           | 0.0438            |
| <b>30.06.2022</b>   |                    |                   |
| Weighted average number of shares in balance:   | 337.429.952        | 337.749.919       |

Chairman of the Board,  
Robert Dănilă

CEO,  
Monica Ivan

Economic Director,  
Sandu Pali



## About BRK

SSIF BRK Financial Group SA was established as a joint stock company on October 26, 1994 under the initial name of SIVM Broker SA, and subsequently SSIF Broker SA, until the end of 2015. Due to the expansion of the activity and other financial segments through strategic acquisitions, but also as a result of internal development, in 2015 it was decided to change the name from SSIF Broker SA to SSIF BRK Financial Group SA

In 2005, BRK Financial Group became the first and, until now, the only financial investment services company listed on the Bucharest Stock Exchange, in the Premium category. Shares of SSIF BRK Financial Group S.A. were admitted to trading on the main market administered by the Bucharest Stock Exchange on February 5, 2005 under the symbol BRK. BRK shares are listed in the premium category of the Bucharest Stock Exchange and are included in the composition of the BETPlus, BET-BK, BET-XT, BET-XT-TR și BET-XT-TRN indexes. Also, in August 2021, BRK issued a first series of bonds, with a nominal value of 25 million lei, due in August 2026, and these bonds are traded on the main segment under the symbol BRK26. The company's headquarters are located in Cluj-Napoca, while the national presence is ensured by agencies in Bucharest, Timisoara, Iasi and Suceava.

BRK Financial Group S.A. he is a founding member of the Bucharest Stock Exchange, the Romanian Commodity Exchange, and of the Investor Compensation Fund. In 2019, BRK Financial Group becomes a founding member of the Central Counterparty (CCP.RO Bucharest SA) and in 2021 it becomes a member of the main institutions of the Austrian Capital Market (Wiener Borse, OeKB and CCP).

The company also offers a range of specialized services to issuers and potential issuers. In the past, BRK has been involved in listing on the Bucharest Stock Exchange 11 of the 12 companies initially listed on BVB. Over time, BRK traded a significant number of companies. Among them, we mention: ONE United Properties, AROBS Transilvania Software, Antibiotice Iași, Azomureș Târgu-Mureș, Terapia Cluj-Napoca, Artrom Slatina, Astra Vagoane Arad and others. Over time, the company has gained extensive experience in corporate operations: consulting services on primary or secondary public offerings, purchase, takeover, delisting offers, consulting on admission to trading on a regulated market, issues and offers public bond sales, mandatory purchase offers, share repurchase operations, company divisions, etc. BRK Financial Group finances its operations mainly on the basis of equity, this source having a share of more than 90% in the total sources of financing of the company.

## Presentation of main activity

The basic activity of BRK Financial Group is structured on two business directions, respectively the intermediation segment and the trading segment. On the management segment of its own portfolio, the company operates transactions on its own account, market-making operations and operations with structured products, and on the intermediation segment, the company operates customer transactions and corporate operations

### Intermediation segment

The financial intermediation activity refers to the totality of the intermediation services of the transactions offered to the individual investors and to the companies. as well as to the specialized services offered to the institutional clients. Intermediation services include the following:

(A) Investor brokerage services for investors:

Intermediation of transactions for sale and purchase of securities traded on the Bucharest Stock Exchange (BVB). For this type of services, clients can choose to be assisted by a broker in performing

transactions, respectively they can choose the option of online trading on their own. Within this segment, BRK also offers clients the possibility to trade in margin (based on a credit line granted by the client company), liquid shares listed on the Bucharest Stock Exchange.

Intermediation of transactions on international markets, the company's customers having access to over 100 foreign markets in Europe, North America and Asia. The range of financial instruments is very varied (stocks, bonds, structured products, ETFs, CFDs, futures, etc.), and the costs involved in trading on international markets through BRK Financial Group are among the most attractive on the market.

Intermediation of transactions with corporate, municipal and government bonds at BVB and OTC, respectively intermediation of transactions with structured products on the dedicated market segment of the Bucharest Stock Exchange.

Intermediation of transactions on the domestic and international market for institutional clients.

(B) Specialized services for issuers and potential issuers:

- Financing on the capital market through public issues of shares and bonds.
- Intermediation of public offers for the purchase or takeover of companies listed on the BSE.
- Listing companies and investment funds on the capital market through initial public offerings or based on trading prospectuses.
- Consulting for financing through issues of shares and bonds or promotion on the capital market

During the first half of 2022, BRK Financial Group brokered transactions in the shares segment worth a total of 1.1 billion lei to BVB (vs. RON 902M in 1H 2021, + 22%). In terms of market positioning, BRK ranks 5th in the top of BVB intermediaries, with a market share of 7.1%.

Trading on international markets was an important source of commission revenue in 1H 2022, given the growing interest of customers in international transactions, as well as the attraction of new customers who have accessed this service.

### Trading segment

Along with the intermediation segment, the management of its own portfolio of financial assets is another important branch of BRK Financial Group's activity, which contributes a significant proportion to the company's results. On the other hand, this is also a risk factor given that BRK Financial Group is required to revalue at the end of each year all positions in private companies, and the value adjustments of the securities affect the result for the year and may change the image. the financial performance of the company. At the end of each month, the company adjusts the value of the companies listed in the portfolio by marking them on the market.

Within our own portfolio we find the following types of investments:

- Marketable portfolio (shares and bonds listed on BVB - usually short or medium term investments, portfolio of financial instruments listed on international markets - usually speculative investments)
- Fund units
- Investments in private companies and loans to subsidiaries
- Capital allocated to the business segment - "Margin loans"
- Capital allocated to the business segment "Issuance of Structured products and market making operations" and "Market making for shares" within the Issuer's Market Making program.

We mention that the operations of issuing structured products as well as the provision of liquidity on our own structured products is carried out in conditions of full coverage through hedging operations on the market of the underlying asset and as such we consider it the nature of the core business. Other self-

employed transactions (including domestic stock and bond market operations where there are no hedging instruments) are not included in what we call "core business", as they are exposed and correlated with market risk, being included in the operating activity and presented as a separate segment.

### **Market making and liquidity**

Starting with 2012, the company carries out market-maker activities (displaying and maintaining firm buy / sell quotes) for various financial instruments. The benefit of this type of transaction is the spread (difference) in buy and sell quotes.

The market-making operations have a continuous character in the basic activity and are specific to the foreign brokerage firms so that it is justified to consider that these operations belong to the operational chain of the BRK Financial Group activity.

In 2019, BRK obtained the quality of market-maker within the regulated spot market within BVB, signing a first contract within the Issuer's Market Maker program, through which an intermediary concludes a contract with an issuer in order to support its liquidity. An important feature of this program is that the market maker assumes much improved values of listing parameters (minimum volume, maximum spread, market presence) compared to the classic market making activity. On 30/06/2022, BRK Financial Group provided market-making services for AAGES, AROBS Transilvania Software, Agroland Business System, Antibiotice Iasi, Holde Agri Invest, Impact Developer & Contractor (both shares and bonds), MedLife, Purcari, Romcarbon, TeraPlast, One United Properties Transport Trade Services, Bursa de Valori București, Aquila Part Prod Com, Sphera Franchise Group.

### **Structured products and liquidity**

Starting with May 2012, the first structured products were launched, in the form of Turbo certificates having as support asset the American Dow Jones Industrial Average index. Over time, BRK has diversified its typology of issued structured products (issuing Structured products with protected capital), as well as the range of instruments that constitute the underlying assets of the issued products (international shares, domestic shares or commodities).

In the first half of 2022, BRK Financial Group recorded a turnover of 433M RON in the Structured products segment, double compared to previous reference periods (H1/2021: 208M RON) maintaining its market leader status among the most active intermediaries from the Structured segment of BVB, with a share of 39.1% (compared to 32.2% in the first 6 months of 2021).

In the first 6 months of 2022, BRK issued 27 new structured products, as follows: 14 Turbo Long and Turbo Short certificates with Mini Sized Dow Jones Industrial Average futures underlying asset, 2 with Gold Futures underlying asset, 10 with underlying asset Light Sweet Crude Oil futures contract and 1 product with Silver Futures asset support. On 30/06/2022, BRK had a total number of 35 series of products admitted to trading, as follows:

- 6 Turbo Long and 9 Turbo Short with underlying asset Mini Sized Dow Jones Industrial Average Futures Contract
- 2 Turbo Long and 2 Turbo Short with Gold Futures backing asset
- 2 Turbo Short with active support Silver Futures
- 1 Turbo Long and 1 Turbo Short with Copper Futures backing asset
- 11 Turbo Long and 1 Turbo Short with underlying Light Sweet Crude Oil futures contract asset

## Activity in 1H 2022 - Important events

On January 25, 2022, BRK initiated a share buyback program, the size of the buyback program being 3,377,499, in accordance with AGEA Decision no. 6/26.05.2022. The redemption program was completed on March 10, 2022.

On April 18, 2022, BRK informed about the signing of a credit agreement with CEC Bank, worth 22 million lei, through which it refinanced its existing credit lines at that time (~5.2 M RON) and increased working capital. The credit facility is guaranteed by mortgages on the headquarters and the offices of the agencies, the movable mortgage on some packages of shares held in the own account and the assignment of the revenues from the market making service contracts.

As part of the AGOA of April 26, 2022, the distribution of dividends (0.0211 lei/share) is approved and the implementation of a "stock option plan" type program from the company's own shares to the administrators, directors and employees of the Company is approved, by allocating maximum 6,000,000 shares, and during the AGEA of April 26, 2022, the buyback of 6,000,000 shares is approved.

On May 15, 2022, the second share buyback program begins, which runs until June 8, 2022, and within it, 6 million shares are bought back.

On 20.06.2022, the Central Depository confirmed the completion of the share capital reduction operation, by canceling a number of 319,967 shares and by reducing the nominal value of a share from 0.16 lei to 0.15 lei.

## Important events after the end of 1H 2022

The Board of Directors approved, in the meeting of 12.07.2022, the convening of the Ordinary General Meeting of Shareholders on 17 / 18 August 2022, for the election of a member of the Board of Directors, considering the expiration of the administrator's mandate of Mr. Constantin Sorin-George on of 29.11.2022.

On July 8, 2022, the dividends granted for the year 2021 were paid pursuant to AGOA Decision no. 4 of April 26, 2022.

## Dynamics and structure of total revenues

### Intermediation activity

Capital market trading services are provided by BRK Financial Group nationally and internationally, both to individuals and legal entities classified as retail, professional or institutional clients. Regarding the structure of customer turnovers in 1H 2022, 67% of them are made by retail customers, and the difference by institutional customers.

|  | 30.06.2022       | 30.06.2021       |
|--|------------------|------------------|
| <b>Intermediation</b>                  | <b>5,423,926</b> | <b>8,948,138</b> |
| Income from intermediation commissions | 3,860,173        | 3,655,436        |
| Income from corporate actions          | 523,593          | 4,653,657        |
| Other intermediation income            | 1,040,160        | 639,046          |

Each of the 3 segments of the intermediation business (domestic market trading, international market trading, services addressed to issuers) generated total revenues of 5.42 million lei, down compared to the similar period of 2021. Analyzing the dynamics of revenues through the sub-segments, we observe

a consolidation of income from intermediation (+5.60%), and a construction of income from intermediation services provided to issuers, against the background of the decrease in the number and especially the value of intermediated corporate operations.

BRK brokered transactions worth a total of 1.12 billion lei at the BVB in the first quarter of 2022, and as a market positioning, BRK ranked 5th among the top intermediaries at the BVB, with a market share of 7.06 %.

### Evolution of results on the intermediation segment

|   | 30.06.2022       | 30.06.2021       |
|---|------------------|------------------|
| <b>Intermediation segment revenues</b>          | <b>5,423,926</b> | <b>8,948,138</b> |
| Employee benefits expense                       | (1,482,015)      | (1,103,346)      |
| Expenses, market commissions and intermediaries | (1,427,033)      | (1,208,758)      |
| Expenditure on external services                | (142,626)        | (103,952)        |
| Expenses with collaborators                     | (143,238)        | (242,001)        |
| Other core business expenses                    | (441,425)        | (106,880)        |
| <b>Segment result</b>                           | <b>1,787,590</b> | <b>6,183,201</b> |

The result of the intermediation segment was 1.78M RON in the first semester of 2022, down compared to the same period of 2021, especially as a result of the decrease in income, namely the low incidence of the income of the corporate segment in the total income from the intermediation activity.

### Market making activity

|  | 30.06.2022       | 30.06.2021       |
|--|------------------|------------------|
| <b>Income from Market Making</b>                         | <b>4,827,152</b> | <b>2,715,836</b> |
| Net gains from transactions with structured products     | 2,406,922        | 1,876,494        |
| Revenues from market making services provided to issuers | 2,420,230        | 839,342          |

The market making activity generated revenues of 4.8 million lei in the first 6 months of 2022 (vs 2.7 million lei in 2021), both components of this sub-segment having remarkable developments. Thus, the activity of issuing structured products and providing liquidity generated revenues of 2.40 million lei in H1/2022 (+28% vs H1/2021), and the market share increased from 32.2%% in H1 /2021 up to 39.1% in H1/2022, and in absolute terms we report a turnover of 433 million lei (vs. 208 million lei in 2021).

The revenues obtained within the partnerships within the Issuer's Market Maker program generated revenues of 2.4 million lei in this first semester of 2022, compared to 839k RON in the similar period last year. The increase is explained by the increase in the client portfolio, namely the fact that after 30.06.2021 a significant number of new clients were added to the portfolio, without losing a single client.

To avoid any doubt, we consider that we must clarify the fact that these revenues refer strictly to the invoiced amount, not to the result of transactions from these types of operations, which was (significantly) negative, in line with the evolution and volatility of the market.

### Own portfolio management activity

|   | 30.06.2022         | 30.06.2021        |
|---|--------------------|-------------------|
| <b>Net gains/(losses) realized from financial instruments</b>   | <b>(1,054,477)</b> | <b>2,654,796</b>  |
| <i>Dividend income</i>  | 733,164            | 392,400           |
| <i>Income from transactions with shares and bonds</i>   | 1,549,145          | 3,190,535         |
| <i>Losses from transactions with shares and bonds realized</i>  | (3,336,786)        | (928,138)         |
| <b>Net gains/(losses) from the valuation of financial assets measured at fair value through profit and loss</b> | <b>(4,229,782)</b> | <b>6,982,271</b>  |
| <i>Income from the valuation of financial assets measured at fair value through profit and loss</i>             | 5,281,494          | 11,357,597        |
| <i>Losses from the valuation of financial assets measured at fair value through profit and loss</i>             | (9,511,276)        | (4,375,327)       |
| <b>Net income/(expenses) provisions for financial assets</b>  | <b>(500,000)</b>   | <b>(200,000)</b>  |
| <b>Other net income/(expenses) from interest and exchange rate differences</b>                                  | <b>(1,281,872)</b> | <b>943,651</b>    |
| <i>Income, interest, loans granted</i>  | 149,614            | 198,683           |
| <i>Income, interest, credit, margin</i>   | 150,567            | 99,914            |
| <i>Income from bank interest</i>  | 33,742             | 13,659            |
| <i>Interest expenses</i>  | (1,404,342)        | (33,339)          |
| <i>(Expenses)/Incomes exchange rate differences</i>   | (211,453)          | 664,735           |
| <b>Total result own portfolio</b>   | <b>(7,066,132)</b> | <b>10,380,718</b> |

The result of all house account administration activities consisted of a loss of 7.06M RON, to which a marked result of -1.05M RON (including the incidence of dividends received in this total) contributes, a relative loss of -4.22M RON and a cumulative negative result of -1.28M RON resulting from interest expenses and expenses with exchange rate differences.

### Evolution of the results from the management of the own portfolio of financial assets

|   | 30.06.2022         | 30.06.2021        |
|---|--------------------|-------------------|
| Revenue segment market making                   | 4,827,152          | 2,715,836         |
| Total result own portfolio                      | (7,066,132)        | 10,380,718        |
| Salary expenses and employee benefits           | (639,740)          | (927,355)         |
| Expenses, market commissions and intermediaries | (569,793)          | (372,501)         |
| Expenditure on external services                | (155,059)          | (376,856)         |
| Other core business expenses                    | (143,436)          | (181,813)         |
| <b>Segment result</b>                           | <b>(3,747,009)</b> | <b>11,238,029</b> |

The result of the "House Operations" segment which includes both sub-segments (market making and portfolio management) as well as the related operating expenses (we do not make a delimitation between these sub-segments, as they are functionally managed within the same department) lead us to a net result of the segment of -3.7 million lei, the negative evolution being mostly influenced by the result of marking to market (revaluation) some positions in the portfolio.

### Company staff

As of 30.06.2022, the actual number of employees of the company was 41.

The company's development strategy involves expanding the business and increasing the number of employees in the future, both in administrative and support roles, as well as in directly productive segments (expanding the sales force), in correlation with business volume. The company constantly encourages and supports the professional development and specialization of the staff employed in the



area of competence specific to each one, by participating in the professional training programs, respectively continuous professional training. There is also a business continuity plan for each of the existing positions in the organization chart.

### **Corporate governance and investor relations**

The company operates according to solid principles of corporate governance. These principles underlie the management framework. BRK Financial Group operates according to internal procedures that determine the effectiveness of control mechanisms, in order to protect and harmonize the interests of all categories of participants in the activity carried out within the company.

At the most recent evaluation carried out by the Association for Investor Relations on the Romanian Stock Exchange (ARIR), through the VEKTOR indicator, BRK Financial Group obtained the maximum score (10 out of 10) on the Vektor indicator, confirming the fulfillment of all 15 criteria included in the methodology. calculation of this indicator. This indicator assesses the quality of communication and transparency with investors, and BRK Financial Group makes every effort to align with best practices in the area of investor relations. The BRK evaluation grid for the review published by ARIR can be accessed here: [Vektor results](#).

BRK Financial Group respects the rights of its shareholders in carrying out the activities undertaken by the company in their interest. The company is constantly concerned with improving communication and relations with its shareholders, aiming to ensure fair treatment. The articles of association of the company regulate the rights of the shareholders regarding the shares held and their exercise through the participation in the General and Extraordinary Meeting of Shareholders. Also, the constitutive act regulates the management body of the company and the manner of its administration. The relationship with the shareholders is ensured at the level of the executive directors and of the Board of Directors. The BRK Financial Group website provides concise information on the organization and conduct of business, products and services offered, financial statements, Ordinary and Extraordinary General Meetings, litigation in which the company is involved and other elements that may be of interest to shareholders, employees or customers. The company's website also includes the CVs of the members of the Board of Directors and the audit reports. All information for shareholders is available in the "Investor Relations" and "About Us" sections, both in Romanian and in English. Regarding the potential questions, opinions or suggestions that shareholders may have, the company provides the e-mail address [actionariat@brk.ro](mailto:actionariat@brk.ro) to facilitate an easy and appropriate communication. Along with the information available on the company's website, shareholders can consult the reports and communiqués submitted by BRK Financial Group. These can be consulted on the website of the Bucharest Stock Exchange (BVB). The company provides annually the financial reporting schedule, the OGMS and EGMS notices, their decisions and current reports.

### **Board of Directors**

BRK Financial Group was managed in 1H 2022 by a three-member Board of Directors. Following the elections held at the OGMS in April 2020, a new Board of Directors was elected, consisting of three members: Mr. Robert Dănilă, Mr. Gabriel Goia and Mr. Sorin Constantin. Mr. Dănilă and Mr. Goia received the ASF approval in October 2020, Mr. Constantin being previously authorized, in November 2018.

During 1H 2022, the Board of Directors of BRK Financial Group SA met 7 times, either by participating in the company's headquarters or by means of distance communication, and its activity complied with legal and statutory provisions. Important topics and projects, relevant to the company's activity, were debated, and decisions were issued regarding the multiple functional aspects of the company. Among the topics that were on the agenda of the Board of Directors, having a special impact on the current

activity, were the approvals of some internal policies and procedures that were updated to correspond to the changes made at the company level.

The Board of Directors operates on the basis of its own operating regulations, which establish the effective working of the Board, the manner of convening and convening it, the company's staff to submit activity reports (executives, CCI representatives, risk manager, internal auditor, Economic Director, House Operations Director).

In order to avoid any potential conflicts of interest, the members of the Board of Directors, through the CV submitted and published, inform both the Board and shareholders and potential investors about any professional commitments, including executive and non-executive positions on the Board of Directors. and / or non-profit institutions, and through the statements provided to the Financial Supervisory Authority, all information regarding direct or indirect participations, individual participations or as a result of the concerted action with third parties is revealed.

The remuneration of the members of the Board of Directors is approved by the General Meeting of Shareholders. The members of the Board of Directors do not carry out related activities that are directly or indirectly influenced by the activity of BRK Financial Group SA.

### **Committees of the Board**

There are four committees on the Board of Directors of BRK Financial Group: the Nomination Committee, the Audit Committee, the Risk Committee and the Remuneration Committee. The committees set up at the level of the Board of Directors function as working groups of the Board, their role being determined and established in accordance with the applicable legal provisions and to meet the needs of the company. The establishment of the composition of the committees within the Council was based on the expertise of its members and the need to make the most of the experience gained by them in various fields of activity.

The three directors are members of all committees, while the audit committee has one extra member, having all required qualifications.

**Risk Committee-**The role of this committee is mainly to monitor the risks that may have an impact on the company and to analyze and evaluate the reports submitted by the designated person with risk management at the company level. The risk committee is periodically informed by the person appointed with risk management through a full activity report, on the company's situation in terms of liquidity indicators and other risk indicators that are calculated in accordance with the regulations of the Financial Supervisory Authority.

**The Audit Committee-**Its role is to analyze and audit the financial statements of the company. The audit committee evaluates the company's periodic financial statements, the correctness of their preparation and the auditors' opinions on the financial statements.

**Remuneration Committee-**Having the task of evaluating the remuneration policies within the company and proposes for approval to the Board of Directors their modification and updating.

The Nomination Committee has the role of evaluating the persons proposed for the management positions and key functions within the company and also of analyzing the proposals for the persons who may represent the company in the Boards of Directors of other entities.

### **Internal auditing**



During the first semester of 2022, the internal audit was ensured by the company Asconcor SRL, which operates independently, in accordance with the recommendations of the corporate governance. The internal audit reports were presented to the company's Board of Directors and the Audit Committee, and the measures proposed in the audit reports were implemented by decisions of the Board of Directors. The internal audit reports aim at verifying the correlation of customer balances with analytical records, verifying capital adequacy reports, survey verification of customer cash availability and other relevant aspects of the company's activity.

### External auditing

According to the legal provisions, the financial-accounting statements and operations of BRK Financial Group are audited by an independent financial auditor, who meets both the criteria established by the Financial Supervisory Authority and those of the Romanian Chamber of Financial Auditors.

In the AGOA of 26.04.2021, the election of the financial auditor JPA Audit&Consultanța SRL for the years 2022 and 2023 was approved.

### Internal control

In accordance with the legal provisions in force, BRK Financial Group has organized an Internal Control and Compliance Department (CCI) composed and coordinated by personnel authorized by the ASF.

The main role of the Internal Control and Compliance Department is to verify compliance with the regulations in force in the field of the capital market and internal procedures, in order to limit the risk to which the company is exposed and to develop honest business practices. CCI representatives aim to prevent any violation of the legal provisions in force or of the internal procedures of BRK Financial Group.

The Department of Internal Control and Compliance reports monthly to the Board of Directors of the company, the executive management and the internal auditor regarding the activity carried out and the reported problems, if applicable. The CCI proposes to the management measures to remedy the reported problems, following which the decision regarding the application of the proposed measures will be taken by the members of the Board of Directors and/or the executive management. The decision will be brought to the attention of those involved by the representatives of the executive management.

The CCI also verifies the transmission to the capital market institutions of the mandatory reports according to the legislation in force, including the current reports deriving from the obligations assumed as an issuer traded on the Bucharest Stock Exchange - Premium category.

During the first semester of 2022, the Internal Control and Compliance Department prepared control reports, which were carried out in accordance with the Annual Control and Compliance Plan or at the request of management. Control reports were reported accordingly. As a result of the proposals formulated in the control reports drawn up in the first semester of 2022, the management of the company took remedial measures by modifying certain procedures, adopting some decisions.

### Risk management

Within BRK Financial Group, in accordance with the legal provisions in force, a risk manager has been appointed, an employee with specific responsibilities for monitoring the risk at company level. The monitoring of the risks specific to the activity carried out is done in accordance with the Policies on risk management - Rules and mechanisms for risk assessment and management, approved by the Board of Directors. In the process of identifying and assessing financial risks, as well as the indicators used in risk management, EU Regulation no. 575/2013 on prudential requirements for credit institutions and

investment companies, as provided by the European legislator, but also the regulations and legislation of the Financial Supervisory Authority.

Regarding the assessment of operational risks generated by IT systems, the aspects provided by Norm no. 4/2018 on the management of operational risks generated by information systems used by regulated entities, authorized / endorsed and / or supervised by the Financial Supervisory Authority.

The risk management system, built according to the regulations presented above, includes a set of appropriate risk management mechanisms and procedures, analyzes, as well as the presentation of the results of the activity of identification and assessment of financial risks, as well as proposals for proper management; of diminishing the effects of the risks related to the investment and general activity of the company.

In this regard, the following categories of potential or existing risks to which SSIF BRK Financial Group SA is exposed were analyzed and assessed:

1. Liquidity risks, with the following sub-categories: risk of not covering the current liquidity requirement, risk of financing long-term assets from non-permanent resources and risk related to liquidity of the financial assets portfolio held by SSIF BRK Financial Group SA;
2. Market risks, with the following sub-categories: position risk, currency risk, commodity risk and long-term interest rate risk;
3. Credit risks, with the following sub-categories: credit risk (related to the dynamics of the financial solvency of the issuers of financial assets held by SSIF BRK Financial Group SA and of participations and debt securities), credit risk of the counterparty arising from the loans granted by the company , as a creditor, to the companies in which it holds qualified participations, the legal risk.
4. Operational risks, analyzed from the perspective of the quantitative approach. Within this category are analyzed all the operational risks generated by the processes, systems and human resources that SSIF BRK Financial Group SA uses in its current activity;
5. Concentration risk, with the following sub-categories: high exposures to a debtor / issuer and high exposures to a sector of economic activity. At the same time, within the concentration risk are analyzed the exposures registered by BRK Financial Group to different categories of financial assets and operations from the perspective of the requirements provided by the legislation in force;
6. Foreign exchange risks, which deal with the positions held by BRK Financial Group in cash and foreign currency deposits, financial instruments denominated in foreign currency, derivative financial instruments with foreign exchange assets;
7. Valuation of positions and inclusion of instruments in the portfolio of BRK Financial Group.

At the level of SSIF BRK Financial Group SA, the financial, investment and operational risks were evaluated / quantified, monitored and treated in order to reduce their impact according to the classification presented above. When establishing this risk classification structure, the magnitude of the impact of that risk was taken into account in the event that it would materialize on the levels of own funds held by SSIF BRK Financial Group SA.

The following principles and aspects have been taken into account when setting the quantitative limits for financial risks:

Principles:

As a general principle, when establishing the current quantitative levels of financial risks, the risk profile of SSIF BRK Financial Group SA was taken into account, the current structure of the portfolio, the

possible dynamics of assets, as well as ensuring prudent levels of liquidity and adequacy. capital so as to include shock absorbers for possible crisis situations established by the European regulator.

Issues considered:

The level of liquidity required has been set so that it is prudent and able to cope at any time with any net cash outflow in the event of a crisis.

The level of liquidity of the assets in the portfolio was set according to the characteristics of the portfolio, as well as ensuring a minimum level of liquidity to meet any need to reorient business policy.

When establishing the levels for market, credit, counterparty, operational risks, it was taken into account that the solvency level determined as a ratio between the capital requirements related to these financial risks and the own funds (financial resources) of SSIF BRK Financial Group SA should be at least three times the minimum required (existence of reserves), as provided for in EU Regulation no. 575/2013.

When setting the current quantitative limits, the level of leverage was taken into account.

### **Transparency and financial reporting**

In order to ensure transparency on the activity carried out and on the financial statements, SSIF BRK Financial Group makes available to all interested parties, through communications sent to BVB and through its website, the annual, half-yearly and quarterly reports prepared in accordance with applicable accounting standards. (IFRS). The annual financial statements are presented both individually and consolidated, both preliminary and audited, along with the explanatory notes. Quarterly and half-yearly results are presented only in individual and unaudited reports. The company also publishes other current reports on all important events that have or could have an impact on the company's image and activity. The company published on its website the articles of incorporation of the company as well as the names of the members of the Board of Directors.

### **Avoidance of conflicts of interest**

In order to avoid conflicts of interest, the company applies clear procedures that establish the necessary methods, operations and controls.

BRK Financial Group has reasonably taken the necessary measures in order to avoid conflicts of interest and through operational segregation. Information flows are managed through the application of information barriers, which have been established procedurally.

### **Social responsibility**

Social responsibility is an integral part of the company's business strategy. Involvement in the community, upholding the common development values of society as a whole, have been a constant concern for BRK Financial Group over time. The aim of the actions taken is to stay connected with society and to get actively involved in protecting the environment, contributing to raising awareness and encouraging social change. We are constantly improving workflows, through which we establish ways to recover and recycle the waste resulting from the current activity.

In the first semester of 2022, BRK concluded a partnership with the City Hall of Cluj-Napoca for the project adopts a green space, significantly reduced the internal use of paper and the use of plastic, sponsored sports and cultural events, participated in planting actions and encouraged the adoption of a healthy lifestyle.

## Financial calendar 2022

|                         |                           |
|-------------------------|---------------------------|
| <b>August 16 2022</b>   | 1H 2022 Financial Results |
| <b>November 11 2022</b> | 3Q 2022 Financial Results |

## BRK share

BRK Financial Group shares are issued in dematerialized, ordinary, indivisible and freely negotiable form from the date of admission to trading on the Bucharest Stock Exchange (BVB). The shares of BRK Financial Group were admitted to trading on the main market administered by the Bucharest Stock Exchange on February 5, 2005 under the symbol BRK. BRK shares are listed on the Premium category of the Bucharest Stock Exchange and are included in the BETPlus index basket.

The company is under the incidence of the capital market legislation, respectively Law no. 297/2004 on the capital market, Law 24/2017 on issuers of financial instruments and market operations as well as the secondary regulations issued by the Financial Supervisory Authority (ASF) and BVB.

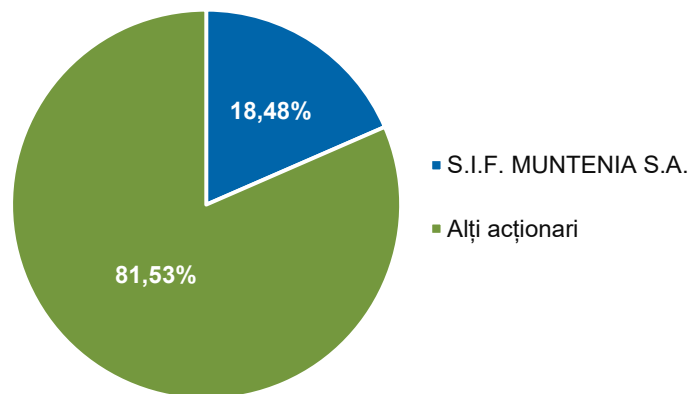
The records of the shares are kept by the Central Depository, an independent registry company, authorized by the Financial Supervisory Authority. The total number of shares issued by BRK is 337.429.952, and the nominal value of one share is RON 0.15.

The BRK share price fell by 32.7% in the first half of 2022, from 0.283 (03/01/2022) to 0.191 on June 30, 2022, amid declines in international markets and macroeconomic conditions. At the same time, a gross dividend per share amounting to RON 0.0211 was distributed, the reference date being June 16 2022.



## Shareholders

On 30.06.2022, the shareholding structure of BRK Financial Group is as follows:



### Stock market context

The first half of 2022 was marked by global uncertainties regarding energy and food resources, due to the armed conflict between Ukraine and Russia. Thus, the annualized inflation reached the level of 15%, and the National Bank of Romania decided to raise interest rates to combat the increase in inflation.

Regarding the evolution of the market indices of the Bucharest Stock Exchange, in the first half of 2022 we can note a slightly downward evolution of them. At the European level, the indices recorded decreases of over 10% in S1 2022. No relevant index in Europe recorded decreases in this half year, the most pronounced decrease being 23.5% on the WIG20 index, and the lightest decrease being registered in the FTSE100 index. The S&P500 index fell 19.9%, while the NASDAQ declined 28.6% and the Dow Jones Industrial Average fell 14.6% in H1 2022.

| Regiune  | Indice                      | Simbol       | Ultimul Pret<br>(29 iunie 2022) | 1 Zi Variatie<br>(pret) | Variatie de la<br>inceputul<br>anului (%) |
|----------|-----------------------------|--------------|---------------------------------|-------------------------|---|
| CEE & EU | Bucuresti (BET)             | BET Index    | 12,517                          | -53.8                   | -4.2                                      |
|          | Prague (PX)                 | PX Index     | 1,283                           | -10.3                   | -10.0                                     |
|          | Budapest (BUX)              | BUX Index    | 39,900                          | -581.2                  | -21.3                                     |
|          | Warsaw (WIG20)              | WIG Index    | 1,733                           | -5.9                    | -23.5                                     |
|          | Deutsche Boerse (DAX)       | DAX Index    | 13,003                          | -228.5                  | -18.1                                     |
|          | Euronext Paris (CAC)        | CAC Index    | 6,031                           | -54.5                   | -15.7                                     |
|          | FTSE 100 (UKX)              | UKX Index    | 7,312                           | -11.1                   | -1.0                                      |
|          | EURO STOXX 50               | SX5E Index   | 3,514                           | -35.0                   | -18.2                                     |
| USA      | Dow Jones Industrial (INDU) | INDU Index   | 31,029                          | 82.3                    | -14.6                                     |
|          | S&P 500 (SPX)               | SPX Index    | 3,819                           | -2.7                    | -19.9                                     |
|          | NASDAQ (CCMP)               | CCMP Index   | 11,178                          | -3.7                    | -28.6                                     |
| Asia     | Hong Kong Hang Seng (HIS)   | HIS Index    | 21,944                          | -52.7                   | -6.2                                      |
|          | Shanghai (SHCOMP)           | SHCOMP Index | 3,411                           | 49.1                    | -6.3                                      |
|          | Shenzhen (SZCOMP)           | SZCOMP Index | 2,231                           | 36.8                    | -11.8                                     |
|          | Korea (KOSPI)               | KOSPI Index  | 2,342                           | -36.0                   | -21.3                                     |
|          | Taiwan (TWSE)               | TWSE Index   | 14,826                          | -414.4                  | -18.6                                     |
|          | Japann Nikkei 225 (NKY)     | NKY Index    | 26,358                          | -446.3                  | -8.5                                      |
|          | Singapore (STI)             | STI Index    | 3,122                           | -12.8                   | -0.1                                      |

The capital market in Romania registered slight decreases in the first half of 2022, compared to the previous year, when the evolution of market indices was positive. The most important increase was registered by the BET-TR index, by 1%. The BET-TR index is built on the structure of the market

reference index, BET, and reflects both the price evolution of the component companies and the dividends offered by them. The BET index depreciated in H1 2022 by 6%, after a 33% increase in 2021.

The stock market capitalization of issuers traded on the main segment reached the value of 193.2 billion RON at the end of June 2022, increasing by 1.4% compared to the same period last year and decreasing by 15.6% since the beginning of the year. This trend was also similar on the Multilateral Trading Segment of BVB, where the issuers' stock market capitalization decreased in H1 2022 by 25.6%.

| Index     | 2021 (%) | 1H 2022 (%) |
|-----------|----------|-------------|
| BET       | 33%      | -6%         |
| BET-BK    | 35%      | -10%        |
| BET-FI    | 21%      | -3%         |
| BET-NG    | 29%      | 4%          |
| BET-TR    | 40%      | 1%          |
| BET-XT    | 31%      | -6%         |
| BET-XT-TR | 37%      | 0%          |
| BETPlus   | 33%      | -6%         |
| ROTX      | 36%      | -2%         |

## Consolidated performance

BRK Financial Group's direct participations in the group's subsidiaries refer to the participation in the companies presented in the table below.

| Company within the group      | Main field of activity                            | Number of shares held | Nominal value of the shares | Stake 30.06.2022 (%) |
|-------------------------------|---|-----------------------|-----------------------------|----------------------|
| <b>SAI BROKER SA</b>          | Fund management activities                        | 220,581               | 10                          | 99.98%               |
| <b>Firebyte Games SA</b>      | Custom software development activities            | 16,613,955            | 0.1                         | 37.73%               |
| <b>Gocab Software SA</b>      | Custom software development activities            | 42,130,000            | 0.1                         | 49.71%               |
| <b>Romlogic Technology SA</b> | Manufacture of computers and peripheral equipment | 1,061,484             | 10                          | 90.75%               |
| <b>BRK POWER ENERGY</b>       | Electricity production                            | 2,500,000             | 0.1                         | 50.00%               |

In accordance with legal requirements, reporting entities must consolidate their financial statements with those of the entities in which they have invested and which they control.

## Consolidated situation

### Consolidated statement of financial position as of 30.06.2022

| <i>In lei</i>   | <b>30.06.2022</b>  | <b>31.12.2021</b>  |
|---|--------------------|--------------------|
| <b>Asstes</b>   |                    |                    |
| Intangible assets   | 8.967.178          | 9.294.515          |
| Tangible fixed assets   | 9.446.454          | 9.767.438          |
| Real estate investments   | -                  | -                  |
| Financial assets measured at fair value through profit or loss  | 61.186.191         | 65.716.284         |
| Financial assets measured at fair value through other comprehensive income                                  | 15.565.068         | 9.536.911          |
| Goodwill  | 11.928.432         | 11.928.432         |
| Loans and advances granted  | 3.263.473          | 7.917.268          |
| Trade and other receivables   | 11.370.901         | 10.003.138         |
| Other financial assets  | 54.221.654         | 59.137.366         |
| Bank account for customers  | 86.706.785         | 63.316.765         |
| Cash and cash equivalents   | 7.567.581          | 8.010.900          |
| Assets classified as held for sale  | -                  | -                  |
| Premiums for bond repayments  | 632.146            | -                  |
| Inventories   | 9.375.575          | 5.016.065          |
| <b>Total Asstes</b>   | <b>280.231.438</b> | <b>259.645.082</b> |
| <b>Liabilities</b>  |                    |                    |
| <b>Long-term debt</b>   |                    |                    |
| Financial leasing liabilities   | 633.042            | 648.179            |
| Provisions  | -                  | -                  |
| Bond loans  | 28.000.000         | 28.000.000         |
| <b>Total Long-term debt</b>   | <b>28.633.042</b>  | <b>28.648.179</b>  |
| <b>Short term debt</b>  |                    |                    |
| Trade and other payables  | 10.684.400         | 13.183.940         |
| Deferred tax liabilities  | 1.031.876          | 6.728              |
| Amounts owed to customers (customer availability)   | 147.261.685        | 116.083.554        |
| Current part of financial leasing liabilities   | 348.397            | 184.103            |
| Short-term bank debt  | 13.162.287         | 4.567.151          |
| Provisions  | 860.662            | 822.755            |
| <b>Total short-term debt</b>  | <b>173.349.307</b> | <b>134.848.231</b> |
| <b>Total liabilities</b>  | <b>201.982.349</b> | <b>163.496.410</b> |
| <b>Equity</b>   |                    |                    |
| Social capital  | 50.614.493         | 54.039.987         |
| Share capital adjustment  | 4.871.591          | 4.071.591          |
| Share premiums  | 13.682.722         | 13.682.722         |
| Own shares  | (2.288.813)        | (130.414)          |
| Earnings from equity instruments  | -                  | -                  |
| Reserves from the revaluation of financial assets measured at fair value through other comprehensive income | 3.042.039          | (2.514.578)        |
| Other reserves  | 19.246.539         | 17.643.276         |
| Retained earnings   | (11.656.075)       | (11.237.397)       |
| The current result  | (6.241.009)        | 15.911.956         |
| <b>Total equity attributable to the Company's shareholders</b>  | <b>71.271.487</b>  | <b>91.467.143</b>  |
| Non-controlling interests   | <b>6.977.602</b>   | <b>4.681.529</b>   |
| <b>Total equity</b>   | <b>78.249.089</b>  | <b>96.148.672</b>  |
| <b>Total Equity and Liabilities</b>   | <b>280.231.438</b> | <b>259.645.082</b> |



## Consolidated statement of comprehensive income as of 30.06.2022

| <i>In RON</i>  | <b>30.06.2022</b>         | <b>30.06.2021</b>        |
|--|---------------------------|--------------------------|
| <b>Income from continuing operations</b>   |                           |                          |
| <b>Intermediation activity</b>   | <b><u>7.012.888</u></b>   | <b><u>10.305.533</u></b> |
| Intermediation commission income   | 5.449.135                 | 3.500.524                |
| Income from asset management   |                           | 1.512.306                |
| Corporate income   | 523.593                   | 4.653.657                |
| Other intermediate income  | 1.040.160                 | 639.046                  |
| <b>Market making activity</b>  | <b><u>4.827.152</u></b>   | <b><u>2.715.836</u></b>  |
| Net earnings from transactions   | 2.406.922                 | 1.876.494                |
| Market making services revenues provided to issuers  | 2.420.230                 | 839.342                  |
| <b>Other core activity income</b>  | <b><u>5.648.456</u></b>   | <b><u>2.191.866</u></b>  |
| Revenue from services rendered   | 5.197.857                 | 884.459                  |
| Revenues from the sale of finished products and goods  | -                         | 1.930.662                |
| Income from inventory change   | -                         | (643.857)                |
| Other income from core activity  | 450.598                   | 20.602                   |
| Salary expenses and employee benefits  | (7.315.322)               | (5.151.435)              |
| Market commission and intermediary expenses  | (2.092.703)               | (1.542.075)              |
| Expenditure on external services   | (4.183.157)               | (1.842.703)              |
| Expenses with collaborators  | (331.905)                 | (425.689)                |
| Expenditures on raw materials and materials  |                           | (607.764)                |
| Other basic activity expenses  | (2.973.347)               | (2.980.144)              |
| Value adjustments of intangible and tangible assets  | (1.197.536)               | (918.165)                |
| <b>Profit / (loss) from base activity</b>  | <b><u>(605.475)</u></b>   | <b><u>1.745.260</u></b>  |
| <b>Net gains / (losses) on financial instruments</b>   | <b><u>(648.654)</u></b>   | <b><u>2.654.797</u></b>  |
| Dividend income  | 733.164                   | 392.400                  |
| Income from transactions with shares and obligations performed   | 2.610.063                 | 3.190.535                |
| Losses from transactions with shares and obligations realized  | (3.991.881)               | (928.138)                |
| <b>Net gains / (losses) from the measurement of financial assets measured at fair value through profit or loss</b> | <b><u>(4.229.782)</u></b> | <b><u>6.982.270</u></b>  |
| Revenue from the measurement of financial assets measured at fair value through profit or loss                     | 5.281.494                 | 11.357.597               |
| Losses from the measurement of financial assets measured at fair value through profit or loss                      | (9.511.276)               | (4.375.327)              |
| <b>Net income / (expenses) net provisions for fixed financial assets</b>   | <b><u>-</u></b>           | <b><u>(573.353)</u></b>  |
| Revenue from the provision of fixed assets and financial assets  | -                         | 300.000                  |
| Provisions for fixed assets and financial assets   | -                         | (873.353)                |
| <b>Other net income / (expenses) from interest and exchange rate differences</b>                                   | <b><u>(1.474.995)</u></b> | <b><u>426.968</u></b>    |
| Interest income on loans and bonds   | 149.614                   | 51.547                   |
| Interest income margin loans   | 150.567                   | 99.914                   |
| Other interest income  | 99.204                    | 13.659                   |
| Interest expenses  | (1.649.016)               | (204.203)                |
| (Expenses) / House income exchange rate different income   | (225.363)                 | 466.051                  |
| <b>Net income / (expenses) provisions for risks and expenses</b>   | <b><u>1.056.339</u></b>   | <b><u>30.514</u></b>     |
| Expenses with provisions for risks and expenses  | -                         | -                        |
| Provisional cancellation income for risks and expenses   | 652.546                   | 7.608                    |
| Other net provisions   | 403.794                   | 22.906                   |
| <b>Other net income / (expenses)</b>   | <b><u>(81.756)</u></b>    | <b><u>(101.099)</u></b>  |
| Net gains / (losses) from the sale of assets   | 2.500                     | (64.725)                 |
| Other operating expenses   | (321.491)                 | (72.115)                 |
| Other operating income   | 237.235                   | 35.741                   |
| <b>The result of operating activities</b>  | <b><u>(5.984.323)</u></b> | <b><u>11.165.357</u></b> |
| Profit before tax  | (5.984.323)               | 11.165.357               |
| Income tax expense   | (256.682)                 | (277.128)                |
| Profit from continuous activities  | (6.241.005)               | 10.888.229               |
| Interrupted activities   | -                         | -                        |
| Loss of discontinued operations (after tax)  | -                         | -                        |
| <b>Profit of the period</b>  | <b><u>(6.241.005)</u></b> | <b><u>10.888.229</u></b> |

Chairman of the Board,  
Robert Dănilă

CEO,  
Monica Ivan

Economic Director,  
Sandu Pali



## Declaration of responsible persons

The undersigned, Robert Dănila, Chairman of the Board, Monica Ivan, General Manager, Pali Sandu Mircea, Economic Director, declare on our own responsibility that, to our knowledge, the individual and consolidated financial statements as at 30.06.2022, prepared in accordance with applicable accounting standards, provides a fair and consistent picture of the assets, liabilities, financial position, profit and loss account of SSIF BRK Financial Group SA and the Report of the Board of Directors is prepared in accordance with the provisions of the FSA and includes a proper analysis of the Company's performance as well as a description of the main risks and uncertainties specific to the activity carried out. SSIF BRK Financial Group SA carries out its activity in conditions of continuity.

**Chairman of the Board**  
**Robert Dănila**

**CEO**  
**Monica Ivan**

**Economic Director**  
**Sandu Pali**

## Declaration of corporate governance

|    | Provisions of the Corporate Governance Code  | Complies | Does not comply | Partially complies | Reason for not complying |
|----|--|----------|-----------------|--------------------|--------------------------|
| A1 | The company must have internal rules of the Board that include terms of reference / responsibilities of the Board and key management functions of the company, and that apply, inter alia, the General Principles of Section A.  | X        |                 |                    |                          |
| A2 | Provisions for the management of conflicts of interest should be included in the Council Regulation. Members of the Council shall notify the Council of any conflicts of interest which have arisen or may arise and shall refrain from participating in discussions (including by non-attendance, unless non-attendance would prevent the formation of a quorum) and from voting on the adoption of a quorum. a judgment on the matter giving rise to the conflict of interests in question.  | X        |                 |                    |                          |
| A3 | The Board of Directors or the Supervisory Board must be composed of at least 5 members.  |          | X               |                    |                          |
| A4 | The majority of the members of the Board of Directors must not hold executive office. At least one member of the Board of Directors or the Supervisory Board must be independent in the case of Standard Class companies. In the case of Premium Companies, no less than two non-executive members of the Board of Directors or the Supervisory Board must be independent. Each independent member of the Board of Directors or the Supervisory Board, as the case may be, must submit a statement at the time of his nomination for election or re-election, as well as when any change in his status occurs, indicating the elements on the basis of which it is independent in terms of its character and judgment. | X        |                 |                    |                          |
| A5 | Other relatively permanent professional commitments and obligations of a member of the Board, including executive and non-executive positions on the Board of non-profit corporations and institutions, must be disclosed to potential shareholders and investors before the nomination and during his term of office.   | X        |                 |                    |                          |
| A6 | Any member of the Board of Directors must submit to him information on any relationship with a shareholder who directly or indirectly holds shares representing more than 5% of all voting rights. This obligation refers to any report that may affect the member's position on matters decided by the Board.   | X        |                 |                    |                          |

|     |  |   |  |  |  |
|-----|--|---|--|--|--|
| A7  | The company must appoint a secretary of the Board responsible for supporting the work of the Board.  | X |  |  |  |
| A8  | The corporate governance statement will state whether an evaluation of the Board under the chairmanship of the Chair or the nomination committee has taken place and, if so, will summarize the key measures and changes resulting from it. The company must have a policy / guidance on the evaluation of the Committee including the purpose, criteria and frequency of the evaluation process.  | X |  |  |  |
| A9  | The corporate governance statement must contain information on the number of meetings of the Board and the committees during the last year, the participation of the directors (in person and in absentia) and a report of the Board and the committees on their activities.   | X |  |  |  |
| A10 | The corporate governance statement should include information on the exact number of independent members of the Board of Directors or the Supervisory Board.   | X |  |  |  |
| A11 | The Board of Premium Companies must set up a nomination committee of non-executive members, which will lead the procedure for nominating new members to the Board and make recommendations to the Board. The majority of the members of the nomination committee must be independent.  | X |  |  |  |
| B1  | The Board must set up an audit committee in which at least one member must be an independent non-executive director. A majority of the members, including the chair, must have demonstrated that they are adequately qualified for the functions and responsibilities of the committee. At least one member of the audit committee must have proven and appropriate audit or accounting experience. In the case of Premium Companies, the audit committee must be composed of at least three members and a majority of the members of the audit committee must be independent. | X |  |  |  |
| B2  | The chair of the audit committee must be an independent non-executive member   | X |  |  |  |
| B3  | Within its responsibilities, the audit committee must carry out an annual evaluation of the internal control system.   | X |  |  |  |
| B4  | The evaluation must take into account the effectiveness and comprehensiveness of the internal audit function, the adequacy of the risk management and internal control reports submitted to the Board's audit committee, the promptness and effectiveness with which executive management addresses deficiencies or weaknesses identified as a result of control. and the submission of relevant reports to the Council.   | X |  |  |  |
| B5  | The audit committee must assess conflicts of interest in relation to the transactions of the company and its subsidiaries with related parties.  | X |  |  |  |
| B6  | The audit committee must evaluate the effectiveness of the internal control system and the risk management system.   | X |  |  |  |

|     |   |   |  |  |  |
|-----|---|---|--|--|--|
| B7  | The Audit Committee should monitor the application of generally accepted legal and internal auditing standards. The audit committee must receive and evaluate the reports of the internal audit team.   | X |  |  |  |
| B8  | Whenever the Code mentions reports or analyzes initiated by the Audit Committee, they must be followed by periodic (at least annually) or ad-hoc reports to be submitted subsequently to the Board.   | X |  |  |  |
| B9  | No shareholder may be granted preferential treatment over other shareholders in connection with transactions and agreements entered into by the company with shareholders and their affiliates.   | X |  |  |  |
| B10 | The Board must adopt a policy to ensure that any transaction of the company with any of the companies with which it has close relations whose value is equal to or greater than 5% of the company's net assets (according to the latest financial report) is approved. by the Council following a binding opinion of the Board's audit committee and correctly disclosed to shareholders and potential investors, insofar as these transactions fall into the category of events that are subject to reporting requirements.  | X |  |  |  |
| B11 | Internal audits must be performed by a structurally separate division (internal audit department) within the company or by hiring an independent third-party entity.  | X |  |  |  |
| B12 | In order to ensure the performance of the main functions of the internal audit department, it must report functionally to the Board through the audit committee. For administrative purposes and as part of the management's obligations to monitor and reduce risks, he must report directly to the general manager.   | X |  |  |  |
| C1  | The company must publish the remuneration policy on its website and include in the annual report a statement on the implementation of the remuneration policy during the annual period under review.  | X |  |  |  |
| C1  | The remuneration policy must be formulated in such a way as to enable shareholders to understand the principles and arguments underlying the remuneration of the members of the Board and the Chief Executive Officer, as well as the members of the Management Board in the dual system. It should describe how to conduct the process and make remuneration decisions, detail the components of executive management remuneration (such as salaries, annual bonuses, long-term incentives related to the value of shares, benefits in kind, pensions and others) and describe the purpose, principles and assumptions underlying each component (including the general performance criteria for any form of variable remuneration). In addition, the remuneration policy must specify the duration of the contract of the Executive Director and the period of notice provided for in the contract, as well as any compensation for dismissal without just cause. | X |  |  |  |
| C1  | The remuneration report must present the implementation of the remuneration policy for the persons identified in the remuneration policy during the annual period under review.   | X |  |  |  |

|      |  |   |   |  |                               |
|------|--|---|---|--|-------------------------------|
| C1   | Orice schimbare esențială intervenită în politica de remunerare trebuie publicată în timp util pe pagina de internet a societății  | X |   |  |                               |
| D1   | The company must organize an Investor Relations service - made known to the general public through the responsible person / persons or as an organizational unit. In addition to the information required by law, the company must include on its website a section dedicated to Investor Relations, in Romanian and English, with all relevant information of interest to investors, including:                         | X |   |  |                               |
| D1.1 | The main corporate regulations: the articles of incorporation, the procedures regarding the general meetings of shareholders;  | X |   |  |                               |
| D1.2 | Professional CVs of the members of the company's management bodies, other professional commitments of the members of the Board, including executive and non-executive positions on the boards of directors of companies or non-profit institutions;  | X |   |  |                               |
| D1.3 | Current and periodic reports (quarterly, half-yearly and annual) - at least those provided for in point D.8 - including current reports with detailed information on non-compliance with this Code;  | X |   |  |                               |
| D1.4 | Information on general meetings of shareholders: agenda and information materials; the procedure for electing the members of the Council; the arguments in support of the candidates' proposals for election to the Council, together with their professional CVs; shareholders' questions on the company's agenda items and answers, including decisions taken;   | X |   |  |                               |
| D1.5 | Information about corporate events, such as the payment of dividends and other distributions to shareholders, or other events that lead to the acquisition or limitation of a shareholder's rights, including deadlines and principles applied to these transactions. That information will be applied within a timeframe that will allow investors to make investment decisions.  | X |   |  |                               |
| D1.6 | Name and contact details of a person who will be able to provide, upon request, relevant information;  | X |   |  |                               |
| D1.7 | Company presentations (eg, investor presentations, quarterly earnings presentations, etc.), financial statements (quarterly, half-yearly, annual), audit reports and annual reports.   | X |   |  |                               |
| D2   | The company will have a policy on the annual distribution of dividends or other benefits to shareholders, proposed by the General Manager or the Management Board and adopted by the Board, in the form of a set of guidelines that the company intends to follow regarding the distribution of net profit. The principles of the annual distribution policy to shareholders will be published on the company's website. | X |   |  |                               |
| D3   | The company will adopt a policy regarding the forecasts, whether they are made public or not. The forecasts refer to quantified conclusions of studies aimed at establishing the global impact   |   | X |  | The criterion does not apply. |

|     |  |   |   |  |  |
|-----|--|---|---|--|--|
|     | of a number of factors for a future period (so-called assumptions): by its nature, this projection has a high level of uncertainty, the actual results may differ significantly from the forecasts originally presented. The forecast policy will establish the frequency, the period considered and the content of the forecasts. If published, forecasts can only be included in annual, half-yearly or quarterly reports. The forecast policy will be published on the company's website. |   |   |  |  |
| D4  | The rules of general meetings of shareholders must not limit the participation of shareholders in general meetings and the exercise of their rights. The changes to the rules will take effect at the earliest, starting with the next shareholders' meeting.  | X |   |  |  |
| D5  | External auditors will be present at the general meeting of shareholders when their reports are presented at these meetings.   |   | X |  |  |
| D6  | The Board will present to the annual general meeting of shareholders a brief assessment of the internal control and significant risk management systems, as well as opinions on issues subject to the decision of the general meeting.   | X |   |  |  |
| D7  | Any specialist, consultant, expert or financial analyst may attend the shareholders' meeting at the prior invitation of the Board. Accredited journalists may also attend the general meeting of shareholders, unless the Chairman of the Board decides otherwise.   | X |   |  |  |
| D8  | The quarterly and half-yearly financial reports will include information in both Romanian and English on key factors influencing changes in sales, operating profit, net profit and other relevant financial indicators, both quarterly and from one year to another.  | X |   |  |  |
| D9  | A company will hold at least two meetings / teleconferences with analysts and investors each year. The information presented on these occasions will be published in the investor relations section of the company's website at the date of the meetings / teleconferences.  | X |   |  |  |
| D10 | If a company supports various forms of artistic and cultural expression, sports, educational or scientific activities and considers that their impact on the innovative nature and competitiveness of society are part of its mission and development strategy, it will publish the policy on the activity in this area.   | X |   |  |  |



## **SSIF BRK FINANCIAL GROUP S.A.**

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# Simplified Individual Financial Statements

SSIF BRK FINANCIAL GROUP S.A. in  
accordance with the International Financial  
Reporting Standards (IFRS) adopted by the  
European Union ("IFRS")



**OUTLINE****PAGE****Individual financial statements**

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**Individual statement of financial position as of 30.06.2022**

| <i>RON</i>   |             | <b>30.06.2022</b>  | <b>31.12.2021</b>  |
|--|-------------|--------------------|--------------------|
| <b>Assets</b>  |             |                    |                    |
| Intangible assets  | <b>8</b>    | 204.852            | 304.263            |
| Tangible fixed assets  | <b>9</b>    | 8.937.884          | 9.062.918          |
| Real estate investments  | <b>10</b>   | -                  | -                  |
| Financial assets measured at fair value through other comprehensive income   |             | 52.081.962         | 42.044.539         |
| Financial assets measured at fair value through profit or loss   | <b>11</b>   | 52.396.353         | 59.659.013         |
| Financial assets at amortized cost   | <b>11</b>   | -                  | -                  |
| Loans and advances granted   | <b>15</b>   | 4.516.322          | 8.588.612          |
| Trade and other receivables  | <b>15</b>   | 2.485.163          | 1.390.340          |
| Other financial assets   |             | 61.470.357         | 63.751.161         |
| Client bank accounts   | <b>17</b>   | 86.706.785         | 63.316.765         |
| Cash and cash equivalents  | <b>17</b>   | 1.222.055          | 881.285            |
| Assets classified as held for sale   | <b>14</b>   | -                  | -                  |
| <b>Total assets</b>  |             | <b>270.021.734</b> | <b>248.998.896</b> |
| <b>Equity</b>  |             |                    |                    |
| Share capital  | <b>18</b>   | 50.614.493         | 54.039.987         |
| Share capital adjustment   | <b>18</b>   | 4.071.591          | 4.071.591          |
| Own shares   | <b>18</b>   | (2.182.446)        | (24.047)           |
| Benefits granted to employees, directors and administrators in the form of equity instruments                      | <b>18b)</b> | 800.000            | -                  |
| Share premiums   | <b>18</b>   | 5.355              | 5.355              |
| Reserves from the revaluation of financial assets valued at fair value through other elements of the global result | <b>18c)</b> | (855.310)          | (239.980)          |
| Other reserves   | <b>19</b>   | 13.590.649         | 13.608.320         |
| Total reserves   | <b>19</b>   | 12.735.339         | 13.368.340         |
| Current result   | <b>20</b>   | (5.896.053)        | 22.000.682         |
| Retained earnings  | <b>20</b>   | 14.821.920         | (4.034.307)        |
| <b>Total shareholders' equity</b>  |             | <b>74.970.199</b>  | <b>89.427.600</b>  |
| <b>Liabilities</b>   |             |                    |                    |
| Bond liabilities   | <b>26</b>   | 24.367.854         | 24.303.570         |
| Financial leasing liabilities  | <b>26</b>   | 467.595            | 515.978            |
| Provisions   |             | -                  | -                  |
| <b>Total long-term liabilities</b>   |             | <b>24.835.449</b>  | <b>24.819.548</b>  |
| Dobanzi Obligatuni   | <b>26</b>   | 241.963            | 221.666            |
| Deferred income tax liabilities  | <b>18</b>   | 978.691            | 978.691            |
| Current income tax liabilities   | <b>18</b>   | -                  | 558.690            |
| Dividends payable  | <b>22</b>   | 6.642.694          | -                  |
| Short-term bank debt   | <b>21</b>   | 13.162.287         | 5.041.915          |
| Current part of financial leasing liabilities  | <b>26</b>   | 146.788            | 161.953            |
| Amounts owed to customers  | <b>19</b>   | 132.758.792        | 115.962.249        |
| Trade and other payables   | <b>19</b>   | 15.666.598         | 10.804.516         |
| Provisions   | <b>20</b>   | 618.275            | 1.022.068          |
| <b>Total current liabilities</b>   |             | <b>170.216.086</b> | <b>134.751.748</b> |
| <b>Total liabilities</b>   |             | <b>195.051.535</b> | <b>159.571.296</b> |
| <b>Total equity and liabilities</b>  |             | <b>270.021.734</b> | <b>248.998.896</b> |

These financial statements have been approved today, 16.08.2022.

**Chairman of the BoD**  
**Robert Danila**

**Economic Director**  
**Sandu Pali**

**CEO**  
**Monica Ivan**

**Individual statement of comprehensive income**

**Reported on 30.06.2022**

RON

**30 iunie 2022**

**30 iunie 2021**

**Core activity**

**Intermediation activity**

|                                       |           |                         |                         |
|---------------------------------------|-----------|-------------------------|-------------------------|
|                                       |           | <b><u>5.423.926</u></b> | <b><u>8.755.542</u></b> |
| Commission income from intermediation | <b>25</b> | 3.860.173               | 3.793.641               |
| Income from corporate services        | <b>25</b> | 523.593                 | 4.515.451               |
| Other intermediation income           | <b>25</b> | 1.040.160               | 446.449                 |

**Market making activity**

|  |           |                         |                         |
|--|-----------|-------------------------|-------------------------|
|  |           | <b><u>4.827.152</u></b> | <b><u>2.715.836</u></b> |
| Net gains from transactions with structured products     | <b>26</b> | 2.406.922               | 1.876.494               |
| Revenues from market making services provided to issuers | <b>26</b> | 2.420.230               | 839.342                 |

**Other operating income**

**14.301**

**20.602**

**Total operating expenses**

**(9.343.519)**

**(7.045.006)**

|  |           |             |             |
|--|-----------|-------------|-------------|
| Salary expenses and employee benefits        | <b>27</b> | (4.253.730) | (2.926.303) |
| Market commissions and intermediary expenses | <b>28</b> | (2.086.508) | (1.696.987) |
| Expenditures on external services            | <b>29</b> | (1.333.215) | (1.109.804) |
| Expenses with collaborators                  | <b>30</b> | (143.238)   | (242.001)   |
| Other expenses                               | <b>30</b> | (1.025.615) | (555.271)   |
| Depreciation and amortization                | <b>30</b> | (501.214)   | (514.640)   |

**Profit / (loss) from core activities**

**921.860**

**4.446.974**

**Net gains / (losses) realized from financial instruments**

**(1.054.477)**

**2.654.796**

|  |            |             |           |
|--|------------|-------------|-----------|
| Dividend income                                | <b>31</b>  | 733.164     | 392.400   |
| Income from transactions with shares and bonds | <b>31a</b> | 1.549.145   | 3.190.535 |
| Losses from transactions with shares and bonds | <b>31</b>  | (3.336.786) | (928.138) |

**Net gains / (losses) from the measurement of financial assets measured at fair value through profit or loss**

**(4.229.782)**

**6.982.271**

|   |           |             |             |
|---|-----------|-------------|-------------|
| Income from the valuation of financial assets measured at fair value through profit or loss   | <b>31</b> | 5.281.494   | 11.357.597  |
| Losses from the measurement of financial assets measured at fair value through profit or loss | <b>31</b> | (9.511.276) | (4.375.327) |

**Net income / (expenses) provisions for financial assets**

**(500.000)**

**(200.000)**

|   |           |           |           |
|---|-----------|-----------|-----------|
| Revenue cancellation of provisions for fixed financial assets | <b>31</b> | -         | 300.000   |
| Provisions for fixed assets. financial assets                 | <b>31</b> | (500.000) | (500.000) |

**Other net income / (expenses) from interest and exchange rate differences**

**(1.281.872)**

**1.136.248**

|  |           |             |          |
|--|-----------|-------------|----------|
| Interest income on loans and bonds                 | <b>31</b> | 150.567     | 99.914   |
| Interest income on margin loans                    | <b>31</b> | 33.742      | 13.659   |
| Other interest income                              | <b>31</b> | (1.404.342) | (33.339) |
| Interest expenses                                  | <b>31</b> | (211.453)   | 857.331  |
| (Expenses) / Income from exchange rate differences | <b>31</b> | 150.567     | 99.914   |

**403.794**

**30.513**

**Net income / (expenses) provisions for risks and expenses**

|  |           |         |        |
|--|-----------|---------|--------|
| Expenses with provisions for risks and expenses        | <b>31</b> | -       | -      |
| Provisional cancellation income for risks and expenses | <b>31</b> | 403.794 | 7.608  |
| Other net provisions                                   | <b>31</b> | -       | 22.906 |

**Other net income / (expenses)**

|  |           |                  |                 |
|--|-----------|------------------|-----------------|
|  |           | <b>(155.575)</b> | <b>(12.493)</b> |
| Net gains / (losses) from the sale of assets | <b>31</b> | 2.500            | 7.373           |
| Other operating expenses                     | <b>31</b> | (214.940)        | (52.895)        |
| Other operating income                       | <b>31</b> | 56.865           | 33.029          |

**Operating profit** **(5.896.053)** **15.038.309**

|   |             |            |
|---|-------------|------------|
| Profit before tax                             | (5.896.053) | 15.038.309 |
| Income tax expense                            |             |            |
| Profit from continuing operations             | -           | (238.312)  |
| Discontinued operations                       |             |            |
| Loss from discontinued operations (after tax) | -           | -          |

**Profit for the period** **(5.896.053)** **14.799.997**

**Other elements of comprehensive income** **(615.329)** **11.893.062**

|  |           |            |
|--|-----------|------------|
| The net change in the fair value of financial assets valued at fair value through other comprehensive income elements (FVTOCI) transferred to the profit or loss account | (615.329) | 11.893.062 |
|--|-----------|------------|

**Positions that can be reclassified to profit and loss**

|   |   |   |
|---|---|---|
| The net change in the fair value of financial assets available for sale | - | - |
| Free shares received classified as available for sale                   | - | - |
| Changes in the value of fixed assets available for sale                 | - | - |
|   | - | - |

**Positions that cannot be reclassified to profit and loss**

|   |   |   |
|---|---|---|
| Changes in the value of fixed assets used   | - | - |
| Changes in the value of real estate investments                                       | - | - |
| Establishment / cancellation of profit reserves for granting free shares to employees | - | - |
| Changes in the value of fixed assets used   | - | - |

**Total other elements of comprehensive income for the period** **(615.329)** **11.893.062**

**Total profit and loss account and other elements of comprehensive income for the period** **(6.511.382)** **26.693.059**

**Total comprehensive income attributable to:** **(5.896.053)** **14.799.997**

|                             |             |            |
|-----------------------------|-------------|------------|
| Shareholders of the Company | (5.896.053) | 14.799.997 |
| Non-controlling interests   |             |            |

**The individual statement of comprehensive income  
(continued)**

|  |                    |                   |
|--|--------------------|-------------------|
| <b>Profit for the period</b>                       | <b>(5.896.053)</b> | <b>14.799.997</b> |
| <b>Total comprehensive income attributable to:</b> |                    |                   |
| Shareholders of the Company                        | -                  | -                 |
| Non-controlling interests                          |                    |                   |
| <b>Total comprehensive income for the period</b>   | <b>-</b>           | <b>-</b>          |
| <b>Earnings per share</b>                          |                    |                   |
| Basic earnings per share (RON)                     | (0,0175)           | 0,0438            |
| Diluted earnings per share (RON)                   | -                  | -                 |
| <b>Continuing operations</b>                       |                    |                   |
| Basic earnings per share (RON)                     | (0,0175)           | 0,0438            |
| Diluted earnings per share (RON)                   | -                  | -                 |

**30.06.2022**

|   |             |             |
|---|-------------|-------------|
| Weighted average number of shares in the balance: | 337.429.952 | 337.749.919 |
|---|-------------|-------------|

These financial statements have been approved today, 16.08.2022.

**Chairman of the BoD**  
**Robert Danila**

**Economic Director**  
**Sandu Pali**

**CEO**  
**Monica Ivan**

**The individual statement of changes in equity on 30.06.2022**

| <i>In lei</i>   | Capital social     | Ajustari ale capitalu-lui | Actiuni proprii    | Prime de capital | Diferente din reevaluare | Rezerve legale si statutare | Alte rezerve       | Rezultatul reportat | Total capitaluri proprii | Capital social     |
|---|--------------------|---------------------------|--------------------|------------------|--------------------------|-----------------------------|--------------------|---------------------|--------------------------|--------------------|
| <b>Balance Jan 1 2022</b>                                       | <b>54.039.986</b>  | <b>4.071.590</b>          | <b>(24.048)</b>    | <b>5.742.690</b> | <b>6.095.560</b>         | <b>2.748.759</b>            | <b>14.754.318</b>  | <b>88.208.929</b>   | <b>(1.218.671)</b>       | <b>89.427.600</b>  |
| <b>Profit for the period</b>                                    | -                  | -                         | -                  | -                | -                        | -                           | (5.896.053)        | <b>(5.896.053)</b>  | -                        | <b>(5.896.053)</b> |
| Other elements of comprehensive income                          | -                  | -                         | -                  | -                | -                        | -                           | -                  | -                   | -                        | -                  |
| Gains from profit and loss                                      | -                  | -                         | -                  | -                | -                        | -                           | -                  | -                   | -                        | -                  |
| Changes in the value of fixed assets available for sale         | -                  | -                         | -                  | -                | -                        | -                           | -                  | -                   | -                        | -                  |
| Changes in the value of fixed assets used                       | -                  | -                         | -                  | (44.818)         | -                        | -                           | 403.151            | <b>358.333</b>      | -                        | <b>358.333</b>     |
| Changes in the value of real estate investments                 | -                  | -                         | -                  | -                | -                        | -                           | -                  | -                   | -                        | -                  |
| Other capital changes   | -                  | -                         | -                  | -                | -                        | -                           | -                  | -                   | 800.000                  | <b>800.000</b>     |
| <b>Deferred income tax related to fixed assets</b>              | -                  | -                         | -                  | -                | -                        | -                           | -                  | -                   | -                        | -                  |
| Changes in the comprehensive profit and loss account            | -                  | -                         | -                  | -                | -                        | -                           | -                  | -                   | (615.329)                | <b>(615.329)</b>   |
| Decreases of share capital                                      | (3.425.493)        | -                         | -                  | -                | -                        | -                           | 3.374.300          | <b>(51.193)</b>     | -                        | <b>(51.193)</b>    |
| Transfer of revaluation differences for assets sold at reserves | -                  | -                         | -                  | -                | -                        | -                           | -                  | -                   | -                        | -                  |
| <b>Transfers in the reported result</b>                         | -                  | -                         | -                  | -                | -                        | -                           | -                  | -                   | -                        | -                  |
| <b>Total other elements of comprehensive income</b>             | <b>(3.425.493)</b> | -                         | -                  | <b>(44.818)</b>  | -                        | -                           | <b>(2.118.602)</b> | <b>(5.588.913)</b>  | <b>184.671</b>           | <b>(5.404.242)</b> |
| <b>Total comprehensive income for the period</b>                | -                  | -                         | -                  | -                | -                        | -                           | -                  | -                   | -                        | -                  |
| Trading with own shares   | -                  | -                         | 24.047             | -                | -                        | 27.148                      | -                  | <b>51.195</b>       | -                        | 51.195             |
| Own share buybacks  | -                  | -                         | (2.182.446)        | -                | -                        | -                           | -                  | <b>(2.182.446)</b>  | -                        | (2.182.446)        |
| <b>Total trading with own shares</b>                            | -                  | -                         | -                  | -                | -                        | -                           | (6.921.908)        | <b>(6.921.908)</b>  | -                        | (6.921.908)        |
| <b>Balance 30.06.2022</b>                                       | <b>-</b>           | <b>-</b>                  | <b>(2.158.399)</b> | <b>-</b>         | <b>-</b>                 | <b>27.148</b>               | <b>(6.921.908)</b> | <b>(9.053.159)</b>  | <b>-</b>                 | <b>(9.053.159)</b> |

These financial statements have been approved today, 16.08.2022.

**Chairman of the BoD**  
**Robert Danila**

**Economic Director**  
**Sandu Pali**

**CEO**  
**Monica Ivan**

The notes attached are part of the financial statements

| <i>In lei</i>   | Share capital     | Share capital adjustments | Own shares      | Share premiums   | Revaluation reserves | Legal reserves   | Retained earnings  | Shareholders equity | Non-controlling interests | Total equity      |
|---|-------------------|---------------------------|-----------------|------------------|----------------------|------------------|--------------------|---------------------|---------------------------|-------------------|
| <b>Balance Jan 1 2021</b>                                       | <b>54.039.986</b> | <b>4.071.590</b>          | <b>(24.048)</b> | <b>5.877.144</b> | <b>4.995.526</b>     | <b>2.748.759</b> | <b>(6.146.330)</b> | <b>64.887.441</b>   | <b>-</b>                  | <b>68.645.589</b> |
| <b>Profit for the period</b>                                    | -                 | -                         | -               | -                | -                    | -                | 22.000.682         | <b>22.000.682</b>   | -                         | <b>22.000.682</b> |
| Other elements of comprehensive income                          | -                 | -                         | -               | -                | -                    | -                | -                  | -                   | (239.980)                 | (239.980)         |
| Gains from profit and loss                                      | -                 | -                         | -               | -                | 1.100.034            | -                | (1.100.034)        | -                   | -                         | -                 |
| Changes in the value of fixed assets available for sale         | -                 | -                         | -               | -                | -                    | -                | -                  | -                   | -                         | -                 |
| Changes in the value of fixed assets used                       | -                 | -                         | -               | -                | -                    | -                | -                  | -                   | -                         | -                 |
| Changes in the value of real estate investments                 | -                 | -                         | -               | -                | -                    | -                | -                  | -                   | -                         | -                 |
| Other capital changes   | -                 | -                         | -               | -                | -                    | -                | -                  | -                   | -                         | -                 |
| <b>Deferred income tax related to fixed assets</b>              | -                 | -                         | -               | -                | -                    | -                | -                  | -                   | (978.691)                 | (978.691)         |
| Changes in the comprehensive profit and loss account            | -                 | -                         | -               | -                | -                    | -                | -                  | -                   | -                         | -                 |
| Decreases of share capital                                      | -                 | -                         | -               | -                | -                    | -                | -                  | -                   | -                         | -                 |
| Transfer of revaluation differences for assets sold at reserves | -                 | -                         | -               | -                | -                    | -                | -                  | -                   | -                         | -                 |
| <b>Transfers in the reported result</b>                         | -                 | -                         | -               | -                | 1.100.034            | -                | 20.900.648         | -                   | -                         | -                 |
| <b>Total other elements of comprehensive income</b>             | -                 | -                         | -               | -                | -                    | -                | -                  | -                   | -                         | -                 |
| <b>Total comprehensive income for the period</b>                | -                 | -                         | -               | -                | <b>1.100.034</b>     | -                | <b>20.900.648</b>  | <b>22.000.682</b>   | <b>(1.218.671)</b>        | <b>20.782.011</b> |
| Trading with own shares   | -                 | -                         | -               | -                | -                    | -                | -                  | -                   | -                         | -                 |
| Own share buybacks  | -                 | -                         | -               | -                | -                    | -                | -                  | -                   | -                         | -                 |
| <b>Total trading with own shares</b>                            | -                 | -                         | -               | -                | -                    | -                | -                  | -                   | -                         | -                 |
| <b>Balance Dec 31 2021</b>                                      | <b>54.039.986</b> | <b>4.071.590</b>          | <b>(24.048)</b> | <b>5.877.144</b> | <b>6.095.560</b>     | <b>2.748.759</b> | <b>14.754.318</b>  | <b>86.888.123</b>   | <b>(1.218.671)</b>        | <b>89.427.600</b> |

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**Robert Danila**

**Economic Director**  
**Sandu Pali**

**CEO**  
**Monica Ivan**

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|  | <b>30.06.2022</b><br><b>RON</b> | <b>31.12.2021</b><br><b>RON</b> |
|--|---------------------------------|---------------------------------|
| <b>Operating activities:</b>   |                                 |                                 |
| Profit before tax  | <b>(5.896.053)</b>              | <b>23.483.803</b>               |
| <b>Adjustments to reconcile net income with net cash used in operating activities:</b> |                                 |                                 |
| Adjusting the value of tangible and intangible assets                                  | 501.214                         | 1.140.403                       |
| Income from redemption own shares  | 27.148                          | -                               |
| Gains (-) / (+) unrealized losses from the valuation of financial assets               | 4.229.782                       | (11.718.981)                    |
| Adjusting the value of short-term investments  | -                               | -                               |
| Tax  | -                               | 1.483.121                       |
| Provisions for current and fixed assets  | -                               | (13.668)                        |
| Provisions for risks and expenses  | -                               | -                               |
| Interest expenses  | 1.072.356                       | 919.267                         |
| Interest income  | (903.593)                       | (1.968.971)                     |
| Dividend income  | (735.187)                       | (876.582)                       |
| Turbo and IG certified relative earnings   | (1.789.266)                     | (4.156.899)                     |
| Gain / (loss) on the sale of property, plant and equipment                             | (2.500)                         | (169.405)                       |
| Exchange rate income. afferent IB. IG  | -                               | 64.575                          |
| <b>Increase / (decrease) in operating cash before changes in working capital</b>       | <b>(3.496.100)</b>              | <b>8.186.665</b>                |
| Changes in working capital:  |                                 |                                 |
| (Increase) / Decrease in the balances of other receivables                             | 1.094.823                       | 475.485                         |
| Increase / (Decrease) in trade and other debt balances                                 | 4.458.288                       | (3.273.266)                     |
| Increase / (Decrease) in available-for-sale asset balances                             | -                               | -                               |
| <b>Net cash flow generated by operating activities</b>                                 | <b>2.057.012</b>                | <b>5.388.884</b>                |
| <b>Cash flows from operating activities:</b>   |                                 |                                 |
| Paid income taxes  | -                               | (1.483.121)                     |
| Interest receipts  | 903.593                         | 288.343                         |
| Paid interest  | (1.145.289)                     | (653.117)                       |
| <b>Net cash flows generated by operating activities</b>                                | <b>1.815.317</b>                | <b>3.540.988</b>                |



**Cash flows from investment activities:**

|   |             |              |
|---|-------------|--------------|
| Payment in cash for the purchase of tangible and intangible assets and real estate investments                            | (587.144)   | (1.294.209)  |
| Payment in cash for the purchase of financial instruments   | 3.739.663   | (31.632.421) |
| Cash receipts from the sale of land and buildings. Facilities and equipment. intangible assets and other long-term assets | 2.500       | 182.892      |
| Dividends received  | 233.264     | 876.582      |
| (Imprumuturi acordate)/rambursate afiliati si marja clienti   | (1.000.000) | (1.933.375)  |
| Net position from sales of turbo certificate sales and IG payments  | 10.767.523  | 10.626.607   |
| Interest receipts   | 1.089.496   | 1.130.946    |

The effect of exchange rate fluctuations on loans and liabilities

(450.201) (64.575)

**Net cash flow from investment activities**

**13.795.102 (22.107.554)**

**Cash flows from financing activities:**

|  |                  |                  |
|--|------------------|------------------|
| Payment for purchase through leasing                   | -                | 24.250.000       |
| Receipts / payments for short-term bank loans          | -                | (184.525)        |
| <b>Net cash flow generated by financing activities</b> | <b>8.120.372</b> | <b>2.598.215</b> |

**Cash flows from financing activities:**

**8.120.372 26.663.690**

**Cash flows - total**

**23.730.790 8.097.125**

**Changes in cash and cash equivalents**

Cash and cash equivalents at the beginning of the period

**64.198.050 56.677.722**

Increase / (decrease) in cash and cash equivalents

23.730.790 8.097.125

The effect of changes in the exchange rate on the opening balance of cash and cash equivalents

**Cash and cash equivalents at the end of the period**

**87.928.840 64.198.050**

Of which :

|                                    |            |            |
|------------------------------------|------------|------------|
| Cash held on behalf of clients     | 86.706.785 | 63.316.765 |
| Cash held on behalf of the company | 1.222.055  | 881.285    |

These financial statements have been approved today, 16.08.2022.

**Chairman of the BoD**  
**Robert Danila**

**Economic Director**  
**Sandu Pali**

**CEO**  
**Monica Ivan**

SSIF BRK FINANCIAL GROUP SA (the "Company") is a financial investment services company based in Romania. The address of the registered office is Cluj-Napoca, str Motilor nr 119. The main activity of SSIF BRK FINANCIAL GROUP SA is the intermediation of financial investment services.

The financial statements of SSIF BRK FINANCIAL GROUP SA represent the individual statements ("financial statements") of the company and have been prepared according to Norm no. 39/2015 for the approval of the Accounting Regulations compliant with the International Financial Reporting Standards adopted by the European Union ("IFRS"), applied by authorized entities, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector and are the responsibility of the Company's management.

The individual half-yearly financial statements related to the financial year 2022 and 2021 have been prepared based on the regulations, accounting standards and policies included in these financial statements.

SSIF BRK FINANCIAL GROUP SA issues for the financial statements 30.06.2022 also consolidated financial statements in accordance with the International Financial Reporting Standards adopted by the European Union ("IFRS").

## **2. BASIS OF PREPARATION**

### **a) Statement of compliance**

The consolidated financial statements are prepared by the Company in accordance with the International Financial Reporting Standards adopted by the European Union ("IFRS"). The Company has prepared these half-yearly financial statements in accordance with IAS 34 Interim Financial Reporting, and with the requirements of Norm 39/2015, updated, for the approval of the Accounting Regulations compliant with International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority, from the Financial Instruments and Investments Sector (FSA).

For the purposes of Norm 39/2015, the International Financial Reporting Standards, hereinafter referred to as IFRS, represent the standards adopted according to the procedure provided in Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards, as subsequently amended and supplemented.

### **b) Basis of evaluation**

The financial statements have been prepared based on historical cost, except for the following significant elements of the statement of financial position:

- Financial assets held at fair value through profit or loss are measured at fair value;
- derivative financial instruments are measured at fair value;
- real estate investments are valued according to the model based on revaluation, in accordance with the provisions of IAS 40;
- fixed assets representing buildings and related land are valued at revalued value, in accordance with the provisions of IAS 16;
- fixed assets available for sale are measured at fair value, according to IFRS 5 regulations;
- In accordance with IAS 29, the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy must be presented in the current unit of measurement at the balance sheet date (non-monetary items are restated using a general price index from the date of acquisition or contribution ).

## **2. BASIS OF PREPARATION (continued)**

According to IAS 29, an economy is considered to be hyperinflationary if, among other factors, the cumulative inflation rate over a three-year period exceeds 100%.

The continuous decrease of the inflation rate and other factors related to the characteristics of the Romanian economic environment indicate that the economy whose functional currency was adopted by the Company has ceased to be hyperinflationary, with effect on the financial periods starting with January 1, 2004. IAS 29 was adopted in the preparation of the individual financial statements as of December 31, 2003.

Thus, the values expressed in the current unit of measurement at December 31, 2003 are treated as the basis for the carrying amounts reported in the individual financial statements and do not represent measured values, replacement costs, or any other measurement of the current value of assets or prices. would take place at this time.

- For the purpose of preparing the individual financial statements, the Company adjusts the share capital to be expressed in the current unit of measurement on December 31, 2003.

### *Continuity of activity*

Based on the management's own evaluations, the Company will continue to operate in the foreseeable future. The Company's management estimates the continuity of the activity for a period longer than 12 months from the date of preparation of the present financial statements.

### *Determining fair values*

Certain accounting policies of the entity and disclosure requirements require the determination of fair value for both financial and non-financial assets and liabilities. Fair values were determined for the purpose of evaluating and / or presenting the information based on the methods described below. Where applicable, additional information is provided on the assumptions used in determining fair values in the specific notes of the respective asset or liability.

- i. Equity and bond investments

Other fair value forms that do not rely on the last trading price are as follows

1. Trading price: For investments quoted on the stock exchange, The Company looks for an active and liquid market, and uses the closing price of the last trading period at the end of the financial year as fair value.
2. Fair value determined through Dividend Discount Model (DDM): In case the company has a consistent history regarding the distribution of dividends, and the dividend policy is predictable, the valuation price is considered to be the intrinsic value resulting from the DDM model.
3. Fair value determined through Discounted Cash Flows (DCF): If the company does not distribute dividends and the valuation is made from the perspective of a significant shareholder, the price is considered to be the intrinsic value resulting from the DCF model.
4. Fair value determined by the asset method: If the company has valuable redundant assets and the operating activity is small, the evaluation price is considered to be the intrinsic value resulting from the application of the adjusted net asset value.
5. Fair value determined through relative valuation: If there were significant transactions (>10% of the capital) involving the shares of companies operating in the same field of activity as the company under scrutiny, the valuation price is considered to be the intrinsic value determined by applying the relative valuation (using the valuation multiples such as: P/E, P/B, P/S as reference at which the respective transactions were made compared to the results published by the companies in the previous financial year).

## **2. BASIS OF PREPARATION (continued)**

### **ii. Trade and other receivables**

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the effective interest rate. This fair value is determined for disclosure purposes.

### **iii. Derivatives**

The fair value of derivative products at the end of the period is calculated as the minimum of the number of short and long positions multiplied by the difference between the average sale price and the purchase price and further multiplied by the number of contracts. The resulting value affects the results account.

The fair value of derivative products open at the end of the period is calculated if, at the end of the period, there are more sale contracts than purchase contracts as follows: the number of open positions calculated as number of short positions less long positions, multiplied by the difference of the average sale price and the quotation price at the end of the period. The calculation is the same when there are more purchase contracts than sale contracts at the end of the period. The resulting value adjusts the initial value of the security generated by the set margin.

### **iv. Financial liabilities**

Fair value is determined for disclosure purposes and calculated based on the present value of future cash flows representing principal and interest, discounted using the market interest rate at the reporting date.

### **v. Loans granted**

Loans granted to related parties are registered at fair value. Loan impairments are calculated according to the stage they are classified in accordance to the criteria described in Note 3.

## **c) Used currency**

These financial statements are presented in lei (RON), which is also the functional currency of the Company. All financial information is presented in lei (RON), rounded to the nearest unit, unless otherwise specified.

## **d) Moneda straină**

Operations denominated in foreign currencies are recorded in RON at the official exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into RON at the exchange rate of that date. Foreign exchange differences are recognized directly to other comprehensive income.

The exchange rates of the main foreign currencies, published by the National Bank of Romania on June 30, 2022 are the following: 4.9454 Lei/EUR ; 4.7424 Lei/USD si 5.7525 Lei/GBP (31 Decembrie 2021 sunt urmatoarele : 4.9481 Lei/EUR ; 4.3707 Lei/USD si 5.8994 Lei/GBP

## **e) Use of estimates and professional judgement**

The preparation of financial statements in accordance to IFRS requires the management to make estimates and assumptions that affect the application of accounting policies and the reported values of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and assumptions underlying them are reviewed periodically. Revisions to accounting estimates are recognized in the period in which the estimate has been revised and in future periods affected.

## **2. BASIS OF PREPARATION (continued)**

Information on critical professional judgments of accounting policies that materially affect the amounts recognized in the financial statements is included in the following notes:

- Note 11 Note on Financial Instruments - classification of financial instruments;
- Note 26 on Financial income and expenses - losses from permanent depreciation of available-for-sale securities, which are reclassified from capital to financial expenses;
- Note 16 - Deferred tax assets and liabilities;
- Note 24 - Contingent liabilities and assets
- Note 33 - Fair value hierarchy

## **3. SIGNIFICANT ACCOUNTING POLICIES**

The calculation methods and accounting policies used in these simplified consolidated financial statements are the same used in the most recent annual financial statements, prepared for the financial year ended 31 December 2021, Profit tax for the interim periods is calculated using the tax rate and calculation methodology which is expected to be used for the entire (entire) annual profit (loss).

## **4. GESTIONAREA RISCULUI FINANCIAR**

Due to the complex activity it carries out and the use of financial instruments, BRK Financial Group is exposed to risks from the following categories:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk
- Exchange rate risk
- Currency risk

The explanations provide information on the exposure of the company to each risk category, the objectives, policies, processes and procedures used for risk and capital assessment and management.

### **General risk management framework**

The Board of Directors of BRK Financial Group is responsible for establishing, monitoring and supervising the risk management framework at the company level.

The complex activity of the company involves an active management of risks, and to ensure their management, the company has established a risk management system by developing risk management policies and internal procedures, in accordance with regulations and legislation in force. The principles of risk management include the identification and awareness of risks, their assumption, management and monitoring, the fulfillment of prudential requirements regarding risk management, the periodic review of risk policies and internal procedures, the control and management of risks.

At the same time, the company's internal procedures define the risk management policies; establish the appropriate limits and controls, the ways of monitoring the risks and the observance of the established limits. Regularly, missions are performed to verify and monitor compliance with the provisions of internal procedures and regulations in force and reports are prepared to the Executive Management of the company and to the Board of Directors.

In this way, an orderly and constructive control environment is developed, so that, through the pro-active risks management activity (fundamental activity within the company); all the risks faced by BRK Financial Group are quantified.

The company's risk profile takes into account all the risks to which it is exposed depending on the risk appetite assumed by the management structure in the decision-making process and the business strategy. In terms of risk appetite, it represents the level of risk expressed for each risk category, up to which the company is willing to take risks or accept them, in accordance with the established risk strategy and policies, but with the control of the risks within the risk profile assumed for each significant risk category.

## SSIF BRK FINANCIAL GROUP SA

### Notes to the individual IFRS financial statements

The risk profile, respectively the risk appetite of the company is established by the Executive Management of the company and the Board of Directors, taking into account the business profile of BRK Financial Group SA, the current portfolio structure, investment policy, and business strategy agreed at the level of the company.

The Board of Directors of BRK Financial Group approved. at the beginning of 2022. modification of the company's risk profile, compliance with the levels thus assumed being monitored throughout the year by the specialized Department. At the time of drawing up the financial statements, the risk profile is summarized in the table below.

| Limite de toleranță/<br>Categorii de riscuri |                       | F scăzut              | Scăzut                 | Mediu                  | Ridicat                  | F ridicat                      |
|--|-----------------------|-----------------------|------------------------|------------------------|--------------------------|--------------------------------|
| Culoare aferenta<br>nivelului maxim propus   |                       |                       |                        |                        |                          |                                |
|  |                       | (0 - 5%)              | (5% - 10%)             | (10 % - 25%)           | (25% - 40%)              | > 40% din fp                   |
| Riscul de<br>piață                           | Titluri de<br>capital |                       |                        |                        |                          | Foarte ridicat                 |
|  | Titluri de<br>creanță |                       | Scăzut                 |                        |                          |                                |
|  | OPCVM                 |                       |                        | Mediu                  |                          |                                |
| Risc valutar                                 |                       | F scăzut<br>(0 - 5%)  | Scăzut<br>(5% - 10%)   | Mediu<br>(10% - 12%)   | Ridicat<br>(12% - 15%)   | F ridicat<br>> 15% din fp      |
| Riscul de credit                             |                       | F scăzut<br>(0 - 50%) | Scăzut<br>(50% - 100%) | Mediu<br>(100% - 150%) | Ridicat<br>(150% - 200%) | F ridicat<br>> 200% din fp     |
| Riscul de contrapartidă                      |                       | F scăzut<br>(0 - 4%)  | Scăzut<br>(4% - 8%)    | Mediu<br>(8% - 12%)    | Ridicat<br>(12% - 15%)   | F ridicat<br>>15%              |
| Riscul de<br>concentrare                     |                       | F scăzut              | Scăzut                 | Mediu                  | Ridicat                  | F ridicat                      |
|  | Sector                | < 5%                  | (5% - 10%)             | (10% - 15%)            | (15% - 20%)              | >20%                           |
|  | Entitate              | < 5%                  | (5% - 15%)             | (15% - 20%)            | (20% - 25%)              | >25%                           |
| Riscul operațional                           |                       | F scăzut<br>(0 - 15%) | Scăzut<br>(15% - 30%)  | Mediu<br>(30% - 40%)   | Ridicat<br>(40% - 50%)   | F ridicat<br>> 50% din fp      |
| LCR (indicator de<br>lichiditate)            |                       | F scăzut<br>> 5       | Scăzut<br>(3.5 - 5)    | Mediu<br>(2 - 3.5)     | Ridicat<br>(1 - 2)       | F ridicat<br>< 1               |
| Lichiditate portofoliu                       |                       | F scăzut              | Scăzut                 | Mediu                  | Ridicat                  | F ridicat                      |
|  |                       | > 50%                 | (40% - 50%)            | (30% - 40%)            | (20% - 30%)              | < 20 % din total<br>portofoliu |
| Levier                                       |                       | F scăzut              | Scăzut                 | Mediu                  | Ridicat                  | F ridicat                      |
|  |                       | > 50%                 | (40% - 50 %)           | (30% - 40%)            | (20% - 30%)              | < 20%                          |
| RAC (rata de acoperire a<br>capitalului)     |                       | F scăzut              | Scăzut                 | Mediu                  | Ridicat                  | F ridicat                      |
|  |                       | > 50%                 | (35% - 50%)            | (25% - 35%)            | (18% - 25%)              | < 18%                          |

Market risk refers to the risk that the company will incur losses due to fluctuations in market prices (equity securities, debt securities, UCITS, etc.).

Currency risk is given by the probability that the company will record losses from international trade contracts or other economic relationships, as a result of the change in the exchange rate in the period between the conclusion of a contract and its maturity.

Credit risk generally represents that risk of financial loss caused by the counterparty's total or partial non-fulfillment of its obligations. Credit risk starts from the concept of a credit event, which describes any sudden and negatively impacting change in the credit quality of a debtor that calls into question its ability to pay the debt.

Counterparty risk is the risk that a counterparty in a transaction will breach its contractual obligations before the final settlement of the cash flows related to the transaction.

Concentration risk is the risk arising from exposure to counterparties, groups of related counterparties or counterparties in the same economic sector, geographical region, activity or application of credit risk mitigation techniques and includes in particular the associated risks with large indirect exposures to credit risk.

Operational risk can be defined as the risk of loss caused either by the use of inadequate or inadequate processes, systems and human resources, or by external events and actions.

Liquidity risk is the current or future risk that may adversely affect profit and capital, which is determined by the company's inability to meet its obligations at maturity.

Leverage is the relative size of an institution's assets, off-balance sheet liabilities and contingent liabilities to pay, provide a benefit or provide collateral, including obligations arising from financing received, commitments entered into, derivative financial instruments or repurchase agreements. , except for obligations that can be performed only during the liquidation of an institution, in relation to the company's own funds.

The capital adequacy ratio is the ratio between the company's own funds and its own capital requirements.

## **Risk categories**

### **Credit risk**

Credit risk is the risk of financial loss or unrealized profit for the Company if a customer or counterparty of a financial instrument fails to meet its contractual obligations, and this risk arises mainly from customers' incapacity to meet their payment obligations regarding risk assets, either from balance sheet or off-balance sheet.

For securities intermediation activity, at the balance sheet date there is no credit risk because, according to the internal procedures approved by the Board of Administration, clients can record debts to BRK Financial Group only on the basis of analyses and approvals and only on the short term.

### **Credit risk exposure**

Assets exposed to credit risk are the following categories of holdings: positions on financial instruments that do not belong to the tradable portfolio, exposures from commissions, interest, dividends, margins for futures, options, warrants, receivables on financial and non-financial entities, off-balance sheet items related to other assets than those included in the tradable portfolio, tangible assets, cash, term deposits, loans granted to affiliated entities, and any assets not deducted from the eligible capital of BRK Financial Group.

The risk of incurring losses due to default by the debtor may have two causes:

a) bankruptcy of the debtor / issuer - also called bankruptcy risk of the debtor (long-term credit risk). This risk concerns the long-term financial assets, which are implicitly affected by the solvency dynamics of the issuer of those securities.

b) the bad faith of the debtor (the counterparty with which the company carries out certain types of financial transactions) also called counterparty credit risk (short-term credit risk).

#### **4. FINANCIAL RISK MANAGEMENT (continued)**

The financial operations to which this type of risk relates are the following:

1. Derivatives traded on OTC and credit derivatives;
2. Repurchase agreements reverse repurchase agreements, securities/commodities lending or borrowing based on securities or commodities included in the trading portfolio;
3. Margin lending transactions in relation to securities or commodities; and
4. Long-term settlement transactions.

The types of exposures are as follows:

##### **Exposures to current accounts and bank deposits**

| <i>RON</i>                                      | <b>June-22</b>    | <b>December-21</b> |
|---|-------------------|--------------------|
| Banca Transilvania                              | 31.169.898        | 7.371.107          |
| BRD - Group Societe Generale                    | 2.007.638         | 192.298            |
| UniCredit Bank                                  | 7.634             | 7.377              |
| First Bank                                      | 142.733           | 4.178.098          |
| Idea Bank                                       | -                 | 9.500.779          |
| Banca Romaneasca                                | 14.476.894        | 5.500.000          |
| Intesa San Paolo Bank                           | 8.276.159         | 8.215.444          |
| TECHVENTURES BANK                               | 31.827.537        | 29.000.005         |
| CEC Bank  | 368               | -                  |
| Alte bănci comerciale                           | 140.187           | 231.613            |
| Total depozite la bănci                         | -                 | -                  |
| Numerar   | -                 | 1.329              |
| <b>Total current accounts and bank deposits</b> | <b>88.049.047</b> | <b>64.198.050</b>  |

##### **Exposures from bonds at fair value**

| <i>În lei</i>           | <b>June-22</b> | <b>December-21</b> |
|-------------------------|----------------|--------------------|
| Cellini Corporate Bonds | -              | -                  |
| IMP26E Corporate Bonds  | 277.607        | 24.802             |
| LIH corporate bonds     | 134.400        | 167.400            |
| <b>Total bonds</b>      | <b>412.007</b> | <b>192.202</b>     |

##### **Exposures from loans granted to related parties at fair value**

| <i>În lei</i>              | <b>June-22</b>   | <b>December-21</b> |
|----------------------------|------------------|--------------------|
| Romlogic Technology SA     | 2.844.492        | 1.771.345          |
| Firebyte Games SA          | -                | -                  |
| Gocab Software             | -                | -                  |
| <b>Total Loans granted</b> | <b>2.844.492</b> | <b>1.771.345</b>   |



#### **4. FINANCIAL RISK MANAGEMENT (continued)**

##### **Liquidity risk**

Liquidity risk is the risk that the entity has difficulty in meeting the obligations associated with financial liabilities that are settled in cash or by transferring another financial asset. At the date of this report, BRK Financial Group has outstanding loans.

In terms of brokerage activity, liquidity in customer relationships is ensured by the fact that investment firms have the obligation to keep their clients' deposits in separate accounts without using them in any way.

Regarding the overall liquidity, the current sources of availability are represented by the results of the investment activity, commissions received from clients, and as extraordinary sources the capital increases.

The risk of liquidity takes two forms:

**Liquidity risk of the portfolio of financial instruments** - losses that can be recorded by BRK Financial Group due to the impossibility of finding a counterparty in financial transactions, thus making it difficult to close the positions on the financial instruments that record unfavorable price variations.

**Risk of liquidity coverage** - losses that can be recorded by BRK Financial Group due to the impossibility to finance net outflows (current liabilities) recorded over a 30-day horizon.

##### **Determination:**

Liquidity risk of the portfolio of financial instruments - The rate of high liquidity assets in the total portfolio - is calculated as the ratio between the value of high liquidity assets and the value of the total asset.

Liquidity coverage ratio (LCR) - is calculated as a ratio between the value of high liquidity assets (liquidity reserves) and the value of current liabilities (maturity band of up to 30 days)

The risk of long-term assets financing from non-permanent resources - is calculated as a ratio between the value of temporary resources (e.g. dividends not received, loans, issued bonds, etc.) and the value of the total asset.

The following holdings were classified as high liquidity:

- bank accounts (cash and deposits);
- shares' adjusted value;
- OPC adjusted value.

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**4. FINANCIAL RISK MANAGEMENT (continued)**

The values factored in in the calculation of the liquidity risk of SSIF BRK Financial Group as at 30.06.2022 were the following:

|  |                    | <b>Book value</b>     |                       |                         |                    |
|--|--------------------|-----------------------|-----------------------|-------------------------|--------------------|
|  |                    | <b>Below 3 months</b> | <b>3 to 12 months</b> | <b>More than 1 year</b> | <b>No maturity</b> |
| <b>June 30 2022</b>  |                    |                       |                       |                         |                    |
| <b>Financial assets</b>  |                    |                       |                       |                         |                    |
| Cash and equivalents   | 88.049.148         | -                     | -                     | -                       | 88.049.148         |
| Deposits   | -                  | -                     | -                     | -                       | -                  |
| Fair value assets through profit or loss                       | 52.396.353         |                       |                       |                         | 52.396.353         |
| Fair value financial assets through other comprehensive income | 52.081.962         | -                     | -                     | -                       | 52.081.962         |
| Bonds at fair value through profit or loss                     | 4.516.322          | -                     | 4.516.322             | -                       | -                  |
| Loans granted  | 412.007            | -                     | -                     | -                       | 412.007            |
| Other financial assets   | 61.470.357         | -                     | -                     | -                       | 61.470.357         |
| <b>Total financial assets</b>                                  | <b>258.926.148</b> | <b>-</b>              | <b>4.516.322</b>      | <b>-</b>                | <b>254.409.826</b> |
| Financial liabilities  | 13.590.649         | -                     | 13.590.649            | -                       | -                  |
| Dividends payable  | 6.642.694          | -                     | -                     | -                       | 6.642.694          |
| Liabilities at amortized cost                                  | -                  | -                     | -                     | -                       | -                  |
| <b>Total financial liabilities</b>                             | <b>20.233.343</b>  | <b>-</b>              | <b>13.590.649</b>     | <b>-</b>                | <b>6.642.694</b>   |
|  |                    |                       |                       |                         |                    |
|  |                    | <b>Below 3 months</b> | <b>3 to 12 months</b> | <b>More than 1 year</b> | <b>No maturity</b> |
| <b>31 December 2021</b>  |                    |                       |                       |                         |                    |
| <b>Financial assets</b>  |                    |                       |                       |                         |                    |
| Cash and equivalents   | 61.645.641         | -                     | -                     | -                       | 61.645.641         |
| Deposits   | -                  | -                     | -                     | -                       | -                  |
| Fair value assets through profit or loss                       | 39.190.412         |                       |                       |                         |                    |
| Fair value financial assets through other comprehensive income | 42.044.539         | -                     | -                     | -                       | 47.814.957         |
| Bonds at fair value through profit or loss                     | 8.588.612          | 315.000               | 8.073.612             | 200.000                 | -                  |
| Loans granted  | 192.202            | -                     | -                     | 946.302                 | -                  |
| Other financial assets   | 63.751.161         | -                     | -                     | -                       | 72.450.030         |
| <b>Total financial assets</b>                                  | <b>215.412.568</b> | <b>315.000</b>        | <b>8.073.612</b>      | <b>1.146.302</b>        | <b>181.910.628</b> |
| Financial liabilities  | 2.443.700          | -                     | 2.443.700             | -                       | -                  |
| Dividends payable  | -                  | -                     | -                     | -                       | -                  |
| Liabilities at amortized cost                                  | -                  | -                     | -                     | -                       | -                  |
| <b>Total financial liabilities</b>                             | <b>2.443.700</b>   | <b>-</b>              | <b>2.443.700</b>      | <b>-</b>                | <b>-</b>           |

#### **4. FINANCIAL RISK MANAGEMENT (continued)**

##### **Market risk**

Market risk is the risk that the variation in market prices, such as the price of equity instruments, the exchange rate and the interest rate, will affect the company's income or the value of the financial instruments held. The objective of market risk management is to monitor and control market risk exposures within acceptable parameters and, at the same time, to optimize return on investments.

Investment opportunities are selected through:

- Technical analysis;
- Fundamental analysis – the capacity of the issuer to generate profit;
- Relative valuation – determining the relative values of an issuer in relation to the market or other similar companies;
- Statistical analysis – determining trends and correlations using the history of prices and volumes traded.

The Company is exposed to the following market risk categories:

##### **i) Price risk**

a) The Company owns shares in companies that operate in the following industries:

| <b>Total</b>                           | <b>Value – Jun<br/>22 (RON)</b> | <b>%</b> | <b>Value Dec<br/>21 (RON)</b> | <b>%</b> |
|--|---------------------------------|----------|-------------------------------|----------|
| Agriculture forestry and fishing       | 2.480.753                       | 2,37%    | 424.893                       | 0,42%    |
| Wholesale and retail trade             | 6.384.682                       | 6,11%    | 5.317.322                     | 5,23%    |
| Construction                           | 565.000                         | 0,54%    | -                             | 0,00%    |
| Extractive industry                    | -                               | 0,00%    | -                             | 0,00%    |
| Health                                 | 845.797                         | 0,81%    | 7.983                         | 0,01%    |
| Manufacturing                          | 8.784.423                       | 8,41%    | 8.872.518                     | 8,73%    |
| Information and communication          | 43.185.786                      | 41,33%   | 40.872.264                    | 40,20%   |
| Financial intermediation and insurance | 22.484.149                      | 21,52%   | 23.358.761                    | 22,97%   |
| Real estate transactions               | 17.719.131                      | 16,96%   | 21.549.409                    | 21,19%   |
| Transport and storage                  | 2.028.595                       | 1,94%    | 1.277.315                     | 1,26%    |
| <b>Total</b>                           | <b>104.478.315</b>              |          | <b>101.680.465</b>            |          |

As can be seen from the table above, on June 30, 2022 the Company mainly held shares in companies active in the field of Information and telecommunications, with a weight of 41.33% of the total portfolio, on December 31, 2021 the main weight in the portfolio own was allocated to companies active in the field of information and communications with a weight of 40.20%.

#### **4. FINANCIAL RISK MANAGEMENT (continued)**

##### **Operational risk**

Operational risk is the risk of direct or indirect losses resulting from a wide range of factors associated with the company's processes, personnel, technology and infrastructure, as well as external factors other than credit, market and liquidity risk, such as coming from legal, regulatory and generally accepted standards of organizational behavior.

The objective of the Company is to identify measure, monitor, manage and mitigate operational risk so as to strike a balance between avoiding direct or indirect financial losses that may occur as a result of procedural, human or systemic errors, or due to external events, which may jeopardize the reputation of the entity. At the same time, the operational risk at the company level is very low also due to the requirements imposed by the Financial Supervisory Authority (FSA) regarding the organization, the required reports and the internal control carried out.

The main responsibility for the development and implementation of operational risk controls lies with the management of each organizational unit. This responsibility is supported by the development of general corporate standards for operational risk management in the following areas:

- Requirements for appropriate segregation of tasks and responsibilities
- Requirements for reconciliation, monitoring and authorization of transactions;
- Compliance with regulations and legislation;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risks and the adequacy of controls and procedures for identified risks;
- Training and professional development;
- Ethical and business standards;
- Risk mitigation.

Compliance with company standards is ensured through a program of periodic reviews of internal procedures. The results of these reviews are discussed with management.

##### **Interest rate risk**

On June 30, 2022, SSIF BRK FINANCIAL GROUP SA contracted a credit line, granted for a period of 1 year, in order to support the company's current activity. The interest related to the credit line is composed of the 3-month ROBOR reference index and a fixed margin. The value of the credit line is 22,000,000 lei.

##### **Interest rates at fair value**

For the determination of fair value or for impairment testing of financial instruments, no interest rates were used to discount cash flows as it was not the case for trade receivables or other financial instruments whose collection is significantly delayed over time.

For doubtful receivables (receivables whose recovery is uncertain), at the end of the reporting period, the Company registered impairments for the entire amount.

The company faces interest rate risk due to exposure to unfavorable fluctuations in interest rate. The change in market interest rate directly influences the income and expense of floating-rate financial assets and liabilities as well as the market value of fixed-rate assets and liabilities.

#### 4. FINANCIAL RISK MANAGEMENT (continued)

The following tables represent The Company's exposure to the interest rate risk.

| In lei   |                    | Book value     |                   |                  |                    |
|--|--------------------|----------------|-------------------|------------------|--------------------|
|  |                    | Below 3 months | 3 to 12 months    | More than 1 year | No maturity        |
| <b>June 30 2022</b>  |                    |                |                   |                  |                    |
| <b>Financial assets</b>  |                    |                |                   |                  |                    |
| Cash and equivalents   | 88.049.148         | -              | -                 | -                | 88.049.148         |
| Deposits   | -                  | -              | -                 | -                | -                  |
| Fair value assets through profit or loss                       | 52.396.353         |                |                   |                  | 52.396.353         |
| Fair value financial assets through other comprehensive income | 52.081.962         | -              | -                 | -                | 52.081.962         |
| Bonds at fair value through profit or loss                     | 4.516.322          | -              | 4.516.322         | -                | -                  |
| Loans granted  | 412.007            | -              | -                 | -                | 412.007            |
| Other financial assets   | 61.470.357         | -              | -                 | -                | 61.470.357         |
| <b>Total financial assets</b>                                  | <b>258.926.148</b> | <b>-</b>       | <b>4.516.322</b>  | <b>-</b>         | <b>254.409.826</b> |
| Financial liabilities  | 13.590.649         | -              | 13.590.649        | -                | -                  |
| Dividends payable  | 6.642.694          | -              | -                 | -                | 6.642.694          |
| Liabilities at amortized cost                                  | -                  | -              | -                 | -                | -                  |
| <b>Total financial liabilities</b>                             | <b>20.233.343</b>  | <b>-</b>       | <b>13.590.649</b> | <b>-</b>         | <b>6.642.694</b>   |
| <b>31 December 2021</b>  |                    |                |                   |                  |                    |
| <b>Financial assets</b>  |                    |                |                   |                  |                    |
| Cash and equivalents   | 61.645.641         | -              | -                 | -                | 61.645.641         |
| Deposits   | -                  | -              | -                 | -                | -                  |
| Fair value assets through profit or loss                       | 39.190.412         |                |                   |                  |                    |
| Fair value financial assets through other comprehensive income | 42.044.539         | -              | -                 | -                | 47.814.957         |
| Bonds at fair value through profit or loss                     | 8.588.612          | 315.000        | 8.073.612         | 200.000          | -                  |
| Loans granted  | 192.202            | -              | -                 | 946.302          | -                  |
| Other financial assets   | 63.751.161         | -              | -                 | -                | 72.450.030         |
| <b>Total financial assets</b>                                  | <b>215.412.568</b> | <b>315.000</b> | <b>8.073.612</b>  | <b>1.146.302</b> | <b>181.910.628</b> |
| Financial liabilities  | 2.443.700          | -              | 2.443.700         | -                | -                  |
| Dividends payable  | -                  | -              | -                 | -                | -                  |
| Liabilities at amortized cost                                  | -                  | -              | -                 | -                | -                  |
| <b>Total financial liabilities</b>                             | <b>2.443.700</b>   | <b>-</b>       | <b>2.443.700</b>  | <b>-</b>         | <b>-</b>           |

#### Currency risk

BRK Financial Group is a financial institution regulated and authorized by the Financial Supervisory Authority and is subject to the European regulations and the CRD - CRR legislative package to the relevant Technical Standards.

The capital requirement with respect to the currency risk is determined in compliance to EU regulation no. 575/2013 with respect to capital adequacy.

#### 4. FINANCIAL RISK MANAGEMENT (continued)

The limits within which exposures to this risk must be located are calculated as the ratio between the value of the exposure of the assets exposed to foreign exchange risk and the value of BRK Financial Group's own funds.

BRK Financial Group calculates the capital requirement for foreign exchange risk if exposures to this risk exceed 2% of total own funds.

Expunerile la riscul valutar sunt compuse din urmatoarele elemente :

- derivatives (CFD, futures, options, warrants);
- cash in accounts with external intermediaries;
- bank deposits in foreign currency;
- leases;
- guarantees at market institutions;
- bonds in foreign currency.

The methodology for determining the capital risk exposure is as follows:

*În lei*

| <b>June 30 2022 Financial assets</b>                              | <b>RON</b>         | <b>EUR</b>        | <b>USD</b>        | <b>Other</b> |
|---|--------------------|-------------------|-------------------|--------------|
| Cash and equivalents  | 85.033.771         | 3.005.104         | 7.938             | 2.334        |
| Deposits  | -                  | -                 | -                 | -            |
| Fair value assets through profit or loss                          | 49.938.542         | -                 | 2.457.811         | -            |
| Financial assets at fair value through other comprehensive income | 48.081.714         | -                 | 4.000.248         | -            |
| Fair value bonds through profit or loss                           | -                  | 412.007           | -                 | -            |
| Loans and advances granted  | 4.516.322          | -                 | -                 | -            |
| Other financial assets  | 2.455.561          | 44.805.488        | 14.209.308        | -            |
| <b>Total financial assets</b>                                     | <b>190.025.911</b> | <b>48.222.600</b> | <b>20.675.304</b> | <b>2.334</b> |
| Financial liabilities   | 13.162.287         | -                 | -                 | -            |
| Debt loan bonds   | 25.000.000         | -                 | -                 | -            |
| Dividend payments   | -                  | -                 | -                 | -            |
| Financial debts at amortized cost                                 | -                  | -                 | -                 | -            |
| <b>Total financial debt</b>                                       | <b>38.162.287</b>  | <b>-</b>          | <b>-</b>          | <b>-</b>     |

*În lei*

| <b>31 December 2021 Financial assets</b>                          | <b>RON</b>         | <b>EUR</b>        | <b>USD</b>        | <b>Other</b> |
|---|--------------------|-------------------|-------------------|--------------|
| Cash and equivalents  | 61.645.641         | 2.489.954         | 50.199            | 2.032        |
| Deposits  | -                  | -                 | -                 | -            |
| Fair value assets through profit or loss                          | 39.190.412         | -                 | 2.457.811         | -            |
| Financial assets at fair value through other comprehensive income | 42.044.539         | -                 | -                 | -            |
| Fair value bonds through profit or loss                           | 167.400            | 24.802            | -                 | -            |
| Loans and advances granted  | 8.588.612          | -                 | -                 | -            |
| Other financial assets  | 3.671.092          | 47.719.128        | 12.360.942        | -            |
| <b>Total financial assets</b>                                     | <b>155.307.696</b> | <b>50.233.884</b> | <b>14.868.951</b> | <b>2.032</b> |
| Financial liabilities   | 5.041.915          | -                 | -                 | -            |
| Debt loan bonds   | 25.000.000         | -                 | -                 | -            |
| Dividend payments   | -                  | -                 | -                 | -            |
| Financial debts at amortized cost                                 | -                  | -                 | -                 | -            |
| <b>Total financial debt</b>                                       | <b>30.041.915</b>  | <b>-</b>          | <b>-</b>          | <b>-</b>     |

## **5. CAPITAL MANAGEMENT**

The policy of the Board of Directors of BRK FINANCIAL GROUP SA is to maintain a solid capital base necessary to maintain investor confidence, creditors and the market and supporting the future development of society. The Board of Directors monitors the profitability of all agencies, in which trading activity is carried out on a monthly basis, and the results of the analysis are discussed during the monthly meetings of the Board of Directors.

Also during the monthly meetings of the Board of Directors, the report on the investment activity prepared by the analysis department is discussed. This monitors global results, to maintain the highest possible return on capital.

BRK FINANCIAL GROUP SA is subject to the prudential regulations regarding the minimum capital requirements and the minimum level of own funds, so as to ensure the coverage of risks:

- in order to cover the credit risk and the risk of diminishing the value of receivables, the risk-weighted exposures are considered depending on the class of exposures of which they are part;
- in order to cover the position risk and the settlement / delivery risk, capitals are required at the level of 16% of the exposure level;
- in order to cover the operational risk, capitals are required at the level of 15% of the average of the last three years of the operational result.

## **5. CAPITAL MANAGEMENT (continued)**

It should be noted that the capital adequacy requirements do not require own funds for liquidity risk.

According to the regulations in force, large exposures are reported to the Financial Supervision Authority (FSA), which are defined as those gross exposures that exceed 10% of the eligible capital (equity). In the case of institutions, large exposures may not exceed a maximum of 25% of the eligible capital (own funds).

Also, qualified participations are pursued, representing the direct or indirect participation of at least 10% of the voting rights or of the capital of an entity, in a percentage higher than 15% of the company's own funds.

## **6. OPERATIONAL SEGMENTS**

### **Intermediation segment**

The financial intermediation activity refers to the totality of the intermediation services of the transactions offered to the individual investors and to the companies, as well as to the specialized services offered to the institutional clients. Intermediation services include the following:

(A) Investor brokerage services for investors:

Intermediation of transactions for sale and purchase of securities traded on the Bucharest Stock Exchange (BVB). For this type of services, clients can choose to be assisted by a broker in performing transactions, respectively they can choose the option of online trading on their own. Within this segment, BRK also offers clients the possibility to trade in margin (based on a credit line granted by the client company), liquid shares listed on the Bucharest Stock Exchange.

Intermediation of transactions on international markets, the company's customers having access to over 100 foreign markets in Europe, North America and Asia. The range of financial instruments is very varied (stocks, bonds, structured products, ETFs, CFDs, futures, etc.), and the costs involved in trading on international markets through BRK Financial Group are among the most attractive on the market.

Intermediation of transactions with corporate, municipal and government bonds at BVB and OTC, respectively intermediation of transactions with structured products on the dedicated market segment of the Bucharest Stock Exchange.

Intermediation of transactions on the domestic and international market for institutional clients.

(B) Specialized services for issuers and potential issuers:

- Financing on the capital market through public issues of shares and bonds.
- Intermediation of public offers for the purchase or takeover of companies listed on the BSE.
- Listing companies and investment funds on the capital market through initial public offerings or based on trading prospectuses.
- Consulting for financing through issues of shares and bonds or promotion on the capital market

During the first half of 2022, BRK Financial Group brokered transactions in the shares segment worth a total of 1.1 billion lei to BVB (vs. RON 902M in 1H 2021, + 22%). In terms of market positioning, BRK ranks 5th in the top of BVB intermediaries, with a market share of 7.1%.

Trading on international markets was an important source of commission revenue in 1H 2022, given the growing interest of customers in international transactions, as well as the attraction of new customers who have accessed this service.

### **Trading segment**

Along with the intermediation segment, the management of its own portfolio of financial assets is another important branch of BRK Financial Group's activity, which contributes a significant proportion to the company's results. On the other hand, this is also a risk factor given that BRK Financial Group is required to revalue at the end of each year all positions in private companies, and the value adjustments of the securities affect the result for the year and may change the image of the financial performance of the company. At the end of each month, the company adjusts the value of the companies listed in the portfolio by marking them on the market.



Within our own portfolio we find the following types of investments:

- Marketable portfolio (shares and bonds listed on BVB - usually short or medium term investments, portfolio of financial instruments listed on international markets - usually speculative investments)
- Fund units
- Investments in private companies and loans to subsidiaries
- Capital allocated to the business segment - "Margin loans"
- Capital allocated to the business segment "Issuance of Structured products and market making operations" and "Market making for shares" within the Issuer's Market Making program.

We mention that the operations of issuing structured products as well as the provision of liquidity on our own structured products is carried out in conditions of full coverage through hedging operations on the market of the underlying asset and as such we consider it the nature of the core business. Other self-employed transactions (including domestic stock and bond market operations where there are no hedging instruments) are not included in what we call "core business", as they are exposed and correlated with market risk, being included in the operating activity and presented as a separate segment.

### **Market making and liquidity**

Starting with 2012, the company carries out market-maker activities (displaying and maintaining firm buy / sell quotes) for various financial instruments. The benefit of this type of transaction is the spread (difference) in buy and sell quotes.

The market-making operations have a continuous character in the basic activity and are specific to the foreign brokerage firms so that it is justified to consider that these operations belong to the operational chain of the BRK Financial Group activity.

In 2019, BRK obtained the quality of market-maker within the regulated spot market within BVB, signing a first contract within the Issuer's Market Maker program, through which an intermediary concludes a contract with an issuer in order to support its liquidity. An important feature of this program is that the market maker assumes much improved values of listing parameters (minimum volume, maximum spread, market presence) compared to the classic market making activity. On 30.06.2022, BRK Financial Group provided market-making services for AAGES, AROBS Transilvania Software, Agroland Business System, Antibiotice Iasi, Holde Agri Invest, Impact Developer & Contractor (both shares and bonds), MedLife, Purcari, Romcarbon, TeraPlast, One United Properties Transport Trade Services, Bursa de Valori București, Aquila Part Prod Com, Sphera Franchise Group.

**Informatiile referitoare la segmentele raportabile se prezinta astfel:**

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**6. OPERATIONAL SEGMENTS (continued)**

**Information regarding the reporting segments**

|  | Iunie- 2022        |                    |                    |                    | Iunie- 2021        |                    |                    |                    | iunie-2022             | iunie-2021         |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------------------|--------------------|
|  | Total of which:    | Intermediation     | Trading            | Unallocated        | Total of which:    | Intermediation     | Trading            | Unallocated        | All reporting segments | Total of which:    |
| Intermediation activity  | 5.423.926          | 5.423.926          | -                  | -                  | 8.755.542          | 8.948.138          | -                  | -                  | 5.423.926              | 8.755.542          |
| Market Making activity   | 4.827.152          | -                  | 4.827.152          | -                  | 2.715.836          | -                  | 2.715.836          | -                  | 4.827.152              | 2.715.836          |
| Other income from continuing operations  | 14.301             | -                  | -                  | 14.301             | 20.602             | -                  | -                  | 20.602             | 14.301                 | 20.602             |
| Net Income / (Losses) realized from financial instruments  | (1.054.477)        | -                  | (1.054.477)        | -                  | 2.654.796          | -                  | 2.654.796          | -                  | (1.054.477)            | 2.654.796          |
| Net Income / (losses) from the measurement of financial assets measured at fair value through profit or loss | (4.229.782)        | -                  | (4.229.782)        | -                  | 6.982.271          | -                  | 6.982.271          | -                  | (4.229.782)            | 6.982.271          |
| Net income / (expenses) provisions for fixed financial assets  | (500.000)          | -                  | (500.000)          | -                  | (200.000)          | -                  | (200.000)          | -                  | (500.000)              | (200.000)          |
| Other net income / (expenses) from interest and exchange rate differences                                    | (1.281.872)        | -                  | (1.281.872)        | -                  | 292.446            | 843.802            | -                  | -                  | (1.281.872)            | 1.136.248          |
| Net income / (expenses) provisions for risks and expenses  | 403.794            | -                  | -                  | 403.794            | 30.513             | -                  | -                  | 30.513             | 403.794                | 30.513             |
| Other net income / (expenses)  | (155.575)          | -                  | -                  | (155.575)          | (12.493)           | -                  | -                  | (12.493)           | (155.575)              | (12.493)           |
| Salary expenses and employee benefits  | (4.253.730)        | (1.482.015)        | (639.740)          | (2.034.036)        | (2.926.303)        | (1,103,346)        | (927.355)          | (1.233.416)        | (4.253.730)            | (2.926.303)        |
| Market commission and intermediary expenses  | (2.086.508)        | (372.969)          | (50.566)           | (273.068)          | (1.696.987)        | (1,208,758)        | (372.501)          | (377.372)          | (2.086.508)            | (1.696.987)        |
| Expenditures on external services  | (1.333.215)        | (1.366.936)        | (523.392)          | (87.789)           | (1.109.804)        | (103,952)          | (376.856)          | (475.179)          | (1.333.215)            | (1.109.804)        |
| Expenses with collaborators  | (143.238)          | -                  | -                  | -                  | (242.001)          | (242,001)          | -                  | (50.643)           | (143.238)              | (242.001)          |
| Other expenses   | (1.025.615)        | (414.416)          | (294.331)          | (1.303.047)        | (555.271)          | (106,880)          | (181.813)          | (239.306)          | (1.025.615)            | (555.271)          |
| Adjustments of value tangible and intangible assets  | (501.214)          | -                  | -                  | (501.214)          | (514.640)          | -                  | -                  | (514.640)          | (501.214)              | (514.640)          |
| <b>Total:</b>  | <b>(5.896.053)</b> | <b>1.787.590</b>   | <b>(3.747.009)</b> | <b>(3.936.634)</b> | <b>15.038.309</b>  | <b>6,475,647</b>   | <b>11.138.181</b>  | <b>(2.851.934)</b> | <b>(5.896.053)</b>     | <b>15.038.309</b>  |
| <b>Profit of the segment before taxes</b>  | <b>(5.896.053)</b> | <b>1.787.590</b>   | <b>(3.747.009)</b> | <b>(3.936.634)</b> | <b>15.038.309</b>  | <b>6,475,647</b>   | <b>11.138.181</b>  | <b>(2.851.934)</b> | <b>(5.896.053)</b>     | <b>15.038.309</b>  |
| Income tax   | -                  | -                  | -                  | -                  | (238.312)          | -                  | -                  | -                  | -                      | -                  |
| <b>Activele segmentului raportabil. din care:</b>  | <b>270.021.734</b> | <b>143.292.694</b> | <b>117.586.303</b> | <b>-</b>           | <b>248.998.896</b> | <b>123.322.508</b> | <b>116.309.207</b> | <b>-</b>           | <b>270.021.734</b>     | <b>248.998.896</b> |
| - Intangible assets  | 204.852            | -                  | -                  | 204.852            | 304.263            | -                  | -                  | 304.263            | 204.852                | 304.263            |
| - Tangible assets  | 8.937.884          | -                  | -                  | 8.937.884          | 9.062.918          | -                  | -                  | 9.062.918          | 8.937.884              | 9.062.918          |
| - Real estate investments  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                      | -                  |
| - Financial investments  | 104.478.315        | -                  | 104.478.315        | -                  | 101.703.552        | -                  | 101.703.552        | -                  | 104.478.315            | 101.703.552        |
| - Loans and advances granted   | 4.516.322          | -                  | 4.516.322          | -                  | 8.588.612          | -                  | 8.588.612          | -                  | 4.516.322              | 8.588.612          |
| - Receivables  | 63.955.520         | 56.585.909         | 7.369.611          | -                  | 65.141.500         | 60.005.743         | 5.135.757          | -                  | 63.955.520             | 65.141.500         |
| - Available amounts  | 87.928.840         | 86.706.785         | 1.222.055          | -                  | 64.198.050         | 63.316.765         | 881.285            | -                  | 87.928.840             | 64.198.050         |
| Liabilities, of which:   | 195.051.535        | 132.758.792        | 62.292.743         | -                  | 147.229.399        | 115.962.249        | 31.267.150         | -                  | 195.051.535            | 147.229.399        |
| - client amounts   | 132.758.792        | 132.758.792        | -                  | -                  | 115.962.249        | 115.962.249        | -                  | -                  | 132.758.792            | 115.962.249        |

## 8. INTANGIBLE ASSETS

| <i>In RON</i>                                    | <b>Licenses and software</b> | <b>Prepayments</b> | <b>Total</b>     |
|--|------------------------------|--------------------|------------------|
| <b>Cost</b>                                      |                              |                    |                  |
| Balance January 1 2021                           | 4.840.759                    | 27.820             | 4.868.578        |
| Purchases  | 281.892                      | -                  | 281.892          |
| By transfers                                     | -                            | -                  | -                |
| Outflows   | -                            | -                  | -                |
| By transfers                                     | -                            | -                  | -                |
| <b>Balance December 31 2021</b>                  | <b>5.122.651</b>             | <b>27.820</b>      | <b>5.150.470</b> |
| Balance January 1 <sup>st</sup> 2022             | 5.122.651                    | 27.820             | 5.150.470        |
| Purchases  | 15.882                       | -                  | 15.882           |
| By transfers                                     | -                            | -                  | -                |
| Outflows   | -                            | -                  | -                |
| By transfers                                     | -                            | -                  | -                |
| <b>Balance June 30 2022</b>                      | <b>5.138.533</b>             | <b>27.820</b>      | <b>5.166.353</b> |
| <b>Losses from depreciation and amortization</b> |                              |                    |                  |
| Balance January 1 2021                           | 4.268.224                    | -                  | 4.268.224        |
| Amortization during the year                     | 577.983                      | -                  | 577.983          |
| Losses from depreciation recognized on expenses  | -                            | -                  | -                |
| Amortization of outflows                         | -                            | -                  | -                |
| <b>Sold la 31 Decembrie 2021</b>                 | <b>4.846.207</b>             | <b>-</b>           | <b>4.846.207</b> |
| Balance January 1 <sup>st</sup> 2022             | 4.846.207                    | -                  | 4.846.207        |
| Amortization during the year                     | 115.293                      | -                  | 115.293          |
| Losses from depreciation recognized on expenses  | -                            | -                  | -                |
| Amortization of outflows                         | -                            | -                  | -                |
| <b>Balance 30 June 2022</b>                      | <b>4.961.500</b>             | <b>-</b>           | <b>4.961.500</b> |
| <b>Carrying amounts</b>                          |                              |                    |                  |
| Balance Jan 1 2021                               | 572.535                      | 27.820             | 600.354          |
| Balance Dec 31 2021                              | 276.444                      | 27.820             | 304.263          |
| Balance Jan 1 2022                               | 276.444                      | 27.820             | 304.263          |
| Balance Jun 30 2022                              | 177.033                      | 27.820             | 204.852          |

## **8. INTANGIBLE ASSETS (continued)**

The component of the balance of intangible assets is made up of software and software licenses. The significant value in the total of the intangible assets is represented by the Tradis back office system.

The useful lives used for the calculation of intangible assets are on average 3 years, amortized on a straight-line basis.

Expenses with the amortization of intangible assets during the year are included in the statement of comprehensive income in the Impairment of tangible and intangible assets line.

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**9. TANGIBLE ASSETS**

*In RON*

|  | <b>Land and<br/>buildings</b> | <b>Plant and<br/>equipment</b> | <b>Office<br/>equipment</b> | <b>Non-current<br/>assets in usage</b> | <b>Total</b>      |
|--|-------------------------------|--------------------------------|-----------------------------|--|-------------------|
| <b>Balance 01.01.2021</b>              | <b>7.786.659</b>              | <b>1.598.307</b>               | <b>321.416</b>              | <b>22.343</b>                          | <b>9.728.724</b>  |
| Purchases and upgrades                 | -                             | 1.555.247                      | 71.014                      | -                                      | 1.626.262         |
| Ongoing transfers                      | -                             | -                              | -                           | -                                      | -                 |
| Inflows as a result of guarantees      | -                             | -                              | -                           | -                                      | -                 |
| Re-evaluation:                         | -                             | -                              | -                           | -                                      | -                 |
| Compensation for depreciation          | -                             | -                              | -                           | -                                      | -                 |
| Value increases                        | -                             | -                              | -                           | -                                      | -                 |
| Transfers to assets held for sale      | -                             | -                              | -                           | -                                      | -                 |
| Transfers from real estate investments | -                             | -                              | -                           | -                                      | -                 |
| " Outflows of tangible assets:         |                               |                                |                             |  |                   |
| - Through sale                         | -                             | (452.882)                      | -                           | -                                      | (452.882)         |
| - Through scrap                        | -                             | -                              | (19.237)                    | -                                      | (19.237)          |
| <b>Balance 31.12.2021</b>              | <b>7.786.659</b>              | <b>2.700.671</b>               | <b>373.194</b>              | <b>22.343</b>                          | <b>10.882.866</b> |
| <b>Balance 01.01.2022</b>              | <b>7.786.659</b>              | <b>2.700.671</b>               | <b>373.194</b>              | <b>22.343</b>                          | <b>10.882.866</b> |
| Purchases and upgrades                 | -                             | 243.366                        | 17.522                      | -                                      | 260.888           |
| Ongoing transfers                      | -                             | -                              | -                           | -                                      | -                 |
| Inflows as a result of guarantees      | -                             | -                              | -                           | -                                      | -                 |
| Re-evaluation:                         | -                             | -                              | -                           | -                                      | -                 |
| Compensation for depreciation          | -                             | -                              | -                           | -                                      | -                 |
| Value increases                        | -                             | -                              | -                           | -                                      | -                 |
| Transfers to assets held for sale      | -                             | -                              | -                           | -                                      | -                 |
| Transfers from real estate investments | -                             | -                              | -                           | -                                      | -                 |
| " Outflows of tangible assets:         |                               |                                |                             |  |                   |
| - Through sale                         | -                             | (22.985)                       | -                           | -                                      | (22.985)          |
| - Through scrap                        | -                             | -                              | -                           | -                                      | -                 |
| <b>Balance 30.06.2022</b>              | <b>7.786.659</b>              | <b>2.921.053</b>               | <b>390.715</b>              | <b>22.343</b>                          | <b>11.120.769</b> |

**9. TANGIBLE ASSETS (continued)**

|  | <b>Land and<br/>buildings</b> | <b>Plant and<br/>equipment</b> | <b>Office<br/>equipment</b> | <b>Non-current<br/>assets in<br/>usage</b> | <b>Total</b>     |
|--|-------------------------------|--------------------------------|-----------------------------|--|------------------|
| <b>In RON</b>                                      |                               |                                |                             |  |                  |
| <b>Losses from Depreciation and Amortization</b>   |                               |                                |                             |  |                  |
| <b>Balance 01.01.2021</b>                          | -                             | <b>1.412.076</b>               | <b>296.712</b>              | -  | <b>1.708.788</b> |
| Amortization during the year                       | 289.923                       | 168.921                        | 103.576                     | -  | 562.420          |
| Losses from depreciation, of which:                | -                             | -                              | -                           | -  | -                |
| - Expensed   | -                             | -                              | -                           | -  | -                |
| - Deducted from the comprehensive income           | -                             | -                              | -                           | -  | -                |
| Depreciation related to fixed assets outflows      | -                             | (432.022)                      | (19.237)                    | -  | (451.259)        |
| Amortization of disposed non-current assets        | -                             | -                              | -                           | -  | -                |
| Compensation of depreciation against re-evaluation | -                             | -                              | -                           | -  | -                |
| <b>Balance 31.12.2021</b>                          | <b>289.923</b>                | <b>1.148.975</b>               | <b>381.050</b>              | -  | <b>1.819.948</b> |
| <b>Balance 01.01.2022</b>                          | <b>289.923</b>                | <b>1.148.975</b>               | <b>381.050</b>              | -  | <b>1.819.948</b> |
| Amortization during the year                       | 144.961                       | 171.369                        | 69.591                      | -  | 385.921          |
| Losses from depreciation, of which:                | -                             | -                              | -                           | -  | -                |
| - Expense  | -                             | -                              | -                           | -  | -                |
| - Deducted from the comprehensive income           | -                             | -                              | -                           | -  | -                |
| Non-current assets outflows                        | -                             | (22.985)                       | -                           | -  | (22.985)         |
| Amortization of disposed non-current assets        | -                             | -                              | -                           | -  | -                |
| Compensation of depreciation against re-evaluation | -                             | -                              | -                           | -  | -                |
| <b>Balance 30.06.2022</b>                          | <b>434.884</b>                | <b>1.297.359</b>               | <b>450.641</b>              | -  | <b>2.182.885</b> |
| <b>Valori contabile:</b>                           |                               |                                |                             |  |                  |
| Balance Jan 1 2021                                 | 7.786.659                     | 186.231                        | 24.705                      | 22.343                                     | 8.019.937        |
| Balance Dec 31 2021                                | 7.496.736                     | 1.551.696                      | (7.856)                     | 22.343                                     | 9.062.918        |
| Balance Jan 1 2022                                 | 7.496.736                     | 1.551.696                      | (7.856)                     | 22.343                                     | 9.062.918        |
| Balance Jun 30 2022                                | 7.351.775                     | 1.623.694                      | (59.926)                    | 22.343                                     | 8.937.884        |

## **9. TANGIBLE ASSETS (continued)**

On 30.06.2022 the company uses its registered office in Cluj-Napoca, Str. Motilor nr. 119, as well as the real estate owned in Bucharest, Suceava and Iasi, where the brokerage agencies operate.

On 30.06.2022, the Company did not own land, and the ones related to the buildings used are included in the value of the building.

Expenses with depreciation for the year are included in comprehensive income under the Impairment of tangible and intangible assets line.

### **Mortgaged or pledged property, plant and equipment**

Also, on 18.04.2022, a credit agreement was signed with CEC Bank for obtaining a credit line in the amount of 22,000,000 lei, for a period of 12 months from the date of signing the financing agreement, with the possibility of its extension. The loan is guaranteed with a real estate and movable mortgage. The credit facility obtained will be used by the company to refinance the credit line held by the company at Libra Bank in the amount of 723,000, refinancing the credit line held by the company at TECHVENTURES BANK in the amount of 4,500,000, financing the current activity in the amount of 16,777,000 lei.

### **Re-evaluation presentations**

Fixed assets representing buildings were revalued on 31.12.2021. The evaluation was performed by an expert evaluator, the company Neoconsult Valuation SRL In accordance with the International Evaluation Standards and the working methodology recommended by ANEVAR.

## 11. FINANCIAL INVESTMENTS

*In RON*

### Financial assets at fair value through profit or loss

Financial assets measured at fair value through other comprehensive income  
**Total financial assets designated at fair value through other comprehensive income**

### Financial assets designated at fair value through profit or loss

#### Financial assets at fair value through profit or loss

### Total financial assets designated at fair value through profit or loss

### Total financial investments

|                             | Iunie-22           | Decembrie-21       |
|-----------------------------|--------------------|--------------------|
| Shares                      | 26.147.863         | 42.044.539         |
|                             | 25.934.099         | -                  |
| listed shares               | <b>52.081.962</b>  | <b>42.044.539</b>  |
|                             | 40.520.076         | 39.190.412         |
| listed fund units           |                    |                    |
| unlisted fund units         | -                  | -                  |
| listed bonds                | 8.213.066          | 8.473.394          |
| unlisted bonds              | 412.007            | 24.802             |
| unlisted shares             | -                  | 167.400            |
| other financial instruments | 3.227.972          | 11.779.917         |
| Shares                      | 23.232             | 23.088             |
|                             | <b>52.396.353</b>  | <b>59.659.013</b>  |
|                             | <b>104.478.314</b> | <b>101.703.552</b> |



## **11. FINANCIAL INVESTMENTS (continued)**

Listed securities: shares, bonds and fund units are evaluated at the exchange rate of June 30st 2022, published by the Bucharest Stock Exchange.

The listed units of held funds are valued at the value of the net unitary asset, and the unlisted bonds at amortized cost.

The structured products held are valued at the quotation from 30.06.2022.

Financial instruments traded on international markets are futures, options and contracts for difference (CFDs) and are used for speculative and hedging purposes for market maker operations. They are evaluated at the exchange rate of 30.06.2022.

## **12. LOANS AND ADVANCES GRANTED**

| <i>In lei</i>                                  | <b>June-22</b>   | <b>December-21</b> |
|--|------------------|--------------------|
| Gross margin loans                             | 1.933.027        | 6.639.626          |
| Loans to affiliated parties                    | 2.600.000        | 1.600.000          |
| Interest on loans granted                      | 349.920          | 215.612            |
| Other loans granted                            | 1.233.375        | 1.233.375          |
| Depreciation of loans granted                  | (1.600.000)      | (1.100.000)        |
| <b>Net value of loans and advances granted</b> | <b>4.516.322</b> | <b>8.588.612</b>   |

In the first semester of 2022, the company Brk Financial Group SA granted loans to affiliated companies as follows: to the company Romlogic Technology SA - 1,000,000 lei. In order to determine the fair value, the management of the Company took into account the future net cash flows related to these Loans, these loans having a maturity of more than 1 year on June 30, 2022. For each loan, 3 scenarios were defined regarding the recoverability of the amounts granted in the interval of time until the maturity of the loan contract.

The loans granted to affiliated companies are included in stage 2 according to the policy described in Note 3 of these financial statements.

The loans granted to the company's clients in the form of margin loans are classified at stage 1 according to the policy described in Note 3.

For the loans granted to Romlogic Technology SA, the management of BRk Financial Group, based on the accounting policy described in the present financial statements in Note 3, considers that these loans are in stage 2 of default, so that a 100% impairment of the total value of the loan in the absolute amount of 1,600,000 lei for determining the fair value.

The company maintained the service offered to clients to carry out margin transactions. The creditor balance in the margin granted to clients on 30.06.2022 was 1,933,027 lei.

For the loans in the margin, the clients bring the securities purchased with these loans as guarantees. Therefore, there are no indications of impairment and this represents the fair value on June 30, 2022.

### 13. INVESTMENTS IN ASSOCIATES

The affiliates and associates (where there is significant influence) are mentioned below.

The percentage of ownership and the amount of the RON holding in the associates are as follows:

| <b>Company</b>         | <b>Stake %-<br/>June 2022</b> | <b>Value of stake<br/>June 2022</b> | <b>Stake %<br/>December<br/>2021</b> | <b>Value of stake -<br/>December 2021</b> |
|------------------------|-------------------------------|-------------------------------------|--------------------------------------|---|
| SAI Broker             | 99,98%                        | 9.340.502                           | 99,98%                               | 9.340.502                                 |
| REIT CAPITAL SA        | 0,00%                         | -                                   | 77,14%                               | 427.765                                   |
| Firebyte Games SA      | 37,74%                        | 8.087.609                           | 37,94%                               | 7.831.978                                 |
| Gocab Software         | 49,71%                        | 5.662.272                           | 32,53%                               | 5.733.663                                 |
| Romlogic Technology SA | 90,75%                        | 6.283.985                           | 90,75%                               | 6.283.985                                 |
| <b>Total</b>           |                               | <b>29.374.369</b>                   |                                      | <b>29.617.894</b>                         |

SSIF BRK FINANCIAL GROUP SA owns SAI Broker SA (99,98%), and has a significant stake in Romlogic Technology SA (90,75%).

In the first semester of 2022, dividends were recorded to be collected from associated companies in the amount of 499,900 lei.

**SSIF BRK FINANCIAL GROUP SA**  
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In primul semestru al anului 2022, tranzactiile cu partile afiliate se prezinta in felul urmator:

| Company                | The nature of affiliation | The nature of activity                    | Volume and weight of the activity                          |
|------------------------|---------------------------|---|--|
| SAI Broker             | Ownership<br>99.98%       | Asset management                          | -Fee income 342 Lei  |
|                        |                           |   | -Intermediation income 1.469 lei                           |
|                        |                           |   | - Rental income 17.100 lei                                 |
|                        |                           |   |  |
| Romlogic Technology SA | Ownership<br>90.75%       | Manufacturing of hardware and peripherals | -Interest income 73.146 lei<br>-Loan granted 1.000.000 lei |
|                        |                           |   |  |
| Gocab Software         | Ownership<br>49,71%       | Software development                      | Not applicable   |
|                        |                           |   |  |
| Firebyte Games SA      | Ownership<br>37,74%       | Game development                          | -Rental income 8.033 lei                                   |

Transactions with related parties were made at market value.

### 13. INVESTMENT IN ASSOCIATES (continued)

On 30.06.2022 and 31.12.2021 the balances of the company's receivables from the relations with the affiliated parties were the following:

| <i>In RON</i>          | <b>June-22</b>   | <b>December-21</b> |
|------------------------|------------------|--------------------|
| SAI Broker             | 1469             | 1.510              |
| REIT CAPITAL SA        | -                | -                  |
| Firebyte Games SA      | 4.058            | -                  |
| Romlogic Technology SA | 2.844.492        | 1.771.345          |
| <b>Total</b>           | <b>2.850.019</b> | <b>1.772.855</b>   |

### 14. NON-CURRENT ASSETS HELD FOR SALE

| <i>In RON</i>                                 | <b>June-22</b> | <b>December-21</b> |
|---|----------------|--------------------|
| <b>Balance January 1<sup>st</sup></b>         | <b>-</b>       | <b>303.389</b>     |
| Transfers of property during the year         | -              | -                  |
| Inflows of guarantees                         | -              | -                  |
| Inflows during the year (exchanges of assets) | -              | -                  |
| Disposals                                     | -              | (303.389)          |
| Plus re-evaluation                            | -              | -                  |
| Minus re-evaluation                           | -              | -                  |
| <b>Balance June 30 2022</b>                   | <b>-</b>       | <b>-</b>           |

### 15. TRADE RECEIVABLES

| <i>In RON</i>                 | <b>June-22</b>   | <b>December-21</b> |
|-------------------------------|------------------|--------------------|
| Receivables                   | 933.539          | 725.655            |
| Receivables (state budget)    | -                | -                  |
| Net debtor receivables        | 196.306          | 79.997             |
| Employees engaged in payables | 150.173          | 28.698             |
| Debtors (previous employees)  | 46.133           | 51.298             |
| Others                        | 1.355.318        | 584.688            |
| <b>Total receivables</b>      | <b>2.485.163</b> | <b>1.390.340</b>   |

## 15. TRADE RECEIVABLES (continued)

Debtors from the trading of the company's financial instruments come from transactions concluded in June 2022, which have the first two days of July 2022 as the settlement date.

Similarly, debtors from financial instruments settled by customers come from transactions concluded in June 2022, which have as the settlement date the first two days of July 2022.

|   | <b>June-22</b>    | <b>December-21</b> |
|---|-------------------|--------------------|
| Debtors from the trading of the Company's financial instruments | 8.574.858         | 6.012.981          |
| Debtors from financial instruments traded by clients            | 52.895.499        | 57.738.180         |
| <b>Other financial assets</b>                                   | <b>61.470.357</b> | <b>63.751.161</b>  |

The entity's exposure to credit risk and foreign exchange risk, as well as impairment losses related to trade receivables are presented in note number 4.

The gross balances and the depreciations of the debtors are the following:

| <i>In RON</i>                               | <b>June-22</b> | <b>December-21</b> |
|---|----------------|--------------------|
| Borrowers (ex-employees) – Stage 3          | 1.929.773      | 1.934.938          |
| Depreciation                                | (1.773.455)    | (1.773.455)        |
| <b>Net value – borrowers (ex-employees)</b> | <b>156.318</b> | <b>161.483</b>     |

Changes in the fair values for receivable depreciation against borrowers was the following:

| <i>In RON</i>                            | <b>June-22</b>   | <b>December-21</b> |
|--|------------------|--------------------|
| <b>Balance January 1<sup>st</sup></b>    | <b>1.773.455</b> | <b>1.783.747</b>   |
| Additional provisions                    | -                | -                  |
| Cancelling of provisions                 | -                | (10.292)           |
| <b>Balance June 30<sup>th</sup> 2022</b> | <b>1.773.455</b> | <b>1.773.455</b>   |

In the first semester of 2022, adjustments related to debt recoveries were not resumed.

## 16. DEFERRED TAXES

### Deferred income tax not recognized

| <i>In lei</i>   | <b>June-22</b>   | <b>December-21</b> |
|---|------------------|--------------------|
| Differences from revaluation of fixed assets  | 3.488.688        | 3.488.688          |
| Differences from revaluation of financial assets evaluated by other elements of the Global result | 2.628.133        | 2.628.133          |
|   | <b>6.116.816</b> | <b>6.116.816</b>   |
| Tax rate  | 16%              | 16%                |
| <b>Unrecognized deferred tax receivables</b>  | <b>978.690</b>   | <b>978.690</b>     |

## 17. CASH AND EQUIVALENTS

| <i>In RON</i>                            | <b>June-22</b>    | <b>December-21</b> |
|--|-------------------|--------------------|
| Client accounts                          | 86.706.785        | 63.316.765         |
| Cash and equivalents                     | 1.222.055         | 881.285            |
| <b>Balance June 30<sup>th</sup> 2022</b> | <b>87.928.840</b> | <b>64.198.050</b>  |

The cash and cash equivalents position also includes short-term deposits.

Client balances in bank accounts are highlighted and managed separately from those of the company and can be used on the basis of clients' trading orders.

The Company performed an analysis of the impairment of cash and cash equivalents as per IFRS 9 and considers that the resulting impact is immaterial for the financial statements considered overall. This impact was not reflected in these financial statements.

The exposure of the entity to interest rate risk and a sensitivity analysis of financial assets and liabilities are disclosed in Note 4.

## 18. EQUITY AND RESERVES

The share capital and reserves are as follows:

| <i>In lei</i> | <b>Share capital value</b> | <b>Nominal value/share</b> | <b>Number of ordinary shares</b> |
|---------------|----------------------------|----------------------------|----------------------------------|
| Jan 1 2021    | 54.039.987                 | 0,16                       | 337.749.919                      |
| Dec 31 2021   | 54.039.987                 | 0,16                       | 337.749.919                      |
| Jan 1 2022    | 54.039.987                 | 0,16                       | 337.749.919                      |
| June 30 2022  | 50.614.493                 | 0,15                       | 337.429.952                      |

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| <i>In lei</i>  | <b>June-22</b>   | <b>December-21</b> |
|--|------------------|--------------------|
| Re-evaluation differences of property, plant and equipment | 5.697.872        | 5.742.690          |
| Deferred taxes   | (978.691)        | (978.691)          |
| Legal reserves   | 6.095.560        | 6.095.560          |
| Fair value reserves  | (855,310)        | (239,980)          |
| Other reserves   | 2.748.760        | 2.748.760          |
| Legal reserves from own shares                             | -                | -                  |
| <b>Total reserves and re-evaluation differences</b>        | <b>9.055.265</b> | <b>13.368.339</b>  |

**18. EQUITY AND RESERVES (continued)**

In the first semester of 2022, there were changes in the share capital and the number of issued shares. The share capital was reduced by the amount of 3,425,494.24 lei by canceling a number of 319,967 own shares at the nominal value of 0.16 lei/share and covering some reporting losses in the amount of 3,374,299.52 lei.

Own shares held by the company on June 30, 2022 are 7,088,692 shares.

| <b>Own shares</b>   | <b>Balance Jan 1<br/>2022</b> | <b>Acquisitions<br/>during the<br/>period</b> | <b>Balance<br/>30.06.2022</b> |
|---|-------------------------------|---|-------------------------------|
| The redemption program approved by AGEA on April 26, 2022 | -                             | 6.000.000                                     | 6.000.000                     |
| The redemption program approved by AGEA on April 26, 2021 | -                             | 3.377.499                                     | 3.377.499                     |
| <b>Total number of shares repurchased</b>                 | -                             | 9.377.499                                     | 9.377.499                     |
| <b>Total value of redeemed shares (RON)</b>               | -                             | <b>2.182.446</b>                              | <b>2.182.446</b>              |

| <b>Actiuni Proprii</b>                                    | <b>Balance Jan 1<br/>2021</b> | <b>Acquisitions<br/>during the<br/>period</b> | <b>Balance<br/>30.06.2021</b> |
|---|-------------------------------|---|-------------------------------|
| The redemption program approved by AGEA on April 26, 2022 | -                             | -   | -                             |
| The redemption program approved by AGEA on April 26, 2021 | -                             | -   | -                             |
| <b>Total number of shares repurchased</b>                 | -                             | -   | -                             |
| <b>Total value of redeemed shares (RON)</b>               | -                             | -   | -                             |

| <i>In RON</i>               | <b>June-22</b>    | <b>December-21</b> |
|-----------------------------|-------------------|--------------------|
| Share capital               | 50.614.492,80     | 54.039.987,04      |
| Adjustment of share capital | 4.071.590,97      | 4.071.591          |
| Own shares                  | (2.182.445,63)    | (24.047)           |
| Premiums                    | 5.354,52          | 5.355              |
| <b>Total</b>                | <b>52.508.993</b> | <b>58.092.886</b>  |

## **19. RESERVES AND RE-EVALUATION DIFFERENCES**

### **Legal reserves**

The legal reserves represent the sums constituted annually from the gross profit in the rate of 5%. until reaching the level of 20% of the social capital and are recognized as a deduction when calculating the profit tax.

### **Fair value reserves**

The fair value reserve includes the net cumulative change in the fair value of financial assets available for sale until the investments are derecognized or depreciated.

### **Other reserves**

"Other reserves" include adjustments to the historical cost of share capital in accordance with IAS 29 "Financial reporting in hyperinflationary economies".

### **Dividende si alte distribuiiri catre actionari**

In 2022, gross dividends were granted to shareholders in the amount of 0.0211 RON/share lei according to the AGEA decision of 04/26/2022.



## 20. Retained earnings

*In RON*

|   | <b>June-22</b>   | <b>December-21</b> |
|---|------------------|--------------------|
| Profit carried forward as a result of IFRS transition             | 2.713.367        | 2.713.367          |
| Retained earnings as a result of IFRS9 application                | 3.392.306        | 3.392.306          |
| Retained earnings according to IAS 29                             | (6.880.234)      | (6.880.234)        |
| Retained earnings from recycling current results of prior periods | 15.596.481       | (2.159.712)        |
| Retained earnings   | (5.896.053)      | 22.000.682         |
| Current result  | -                | (1.100.034)        |
| Reported profit   | 800.000          | -                  |
| <b>Total Retained earnings</b>                                    | <b>9.725.867</b> | <b>17.966.375</b>  |

### Retained earnings by transitioning to IFRS

The reported result from the transition to IFRS dates back to 2008.  
The reported result from the application of IFRS 9 dates back to 2018.

### Retained earnings IAS 29

The financial statements and corresponding amounts of prior periods have been restated to reflect the change in the overall purchasing power of the functional currency and are therefore expressed in relation to the measuring unit existing at the end of the reporting period. This position of capital includes the influence of the share capital restatement on inflation for the period 1994 - 2002.

| <b>Year</b>    | <b>2003</b> | <b>2002</b> | <b>2001</b> | <b>2000</b> | <b>1999</b> | <b>1998</b> | <b>1997</b> | <b>1996</b> | <b>1995</b> |
|----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Discount index | 1.00        | 1.15        | 1.41        | 1.90        | 2.77        | 4.04        | 6.42        | 16.36       | 22.71       |

Following the application of this discount index, the company registered as follows:

| <b>Account</b>                             | <b>Debit</b>     | <b>Credit</b>    |
|--|------------------|------------------|
| Share capital adjustments                  | -                | 4.071.591        |
| Re-evaluation differences*                 | -                | 59.884           |
| Other reserves**                           | -                | 2.748.760        |
| Reported result from first adopting IAS 29 | 6.880.234        | -                |
| <b>Total</b>                               | <b>6.880.234</b> | <b>6.880.234</b> |

\* Incorporated re-evaluation reserves from 2011.

\*\*Incorporated in 2007 upon merger with Investco.

## 21. TRADE AND OTHER PAYABLES

*In lei*

|  | <b>June-22</b>    | <b>December-21</b> |
|--|-------------------|--------------------|
| Payables   | 693.928           | 748.371            |
| Liabilities to employees   | 84.922            | 147.912            |
| Liabilities with state budget  | 506.239           | 331.156            |
| Sundry creditors from house transactions                               | 2.627.607         | 2.548.603          |
| Sundry creditors from clients' transactions                            | 6.863.155         | 4.924.163          |
| Various creditors result from financial instruments on foreign markets | 4.890.747         | 2.104.311          |
| <b>Total trade debts and other debts</b>                               | <b>15.666.598</b> | <b>10.804.516</b>  |

## **21. TRADE AND OTHER PAYABLES (continued)**

The entity's exposure to foreign currency risk and liquidity risk related to trade and other payables is presented in note 4.

Sundry creditors represent settlements with the Bucharest Stock Exchange, which are in progress, performed from the time of the transactions carried out on behalf of the entity and / or the clients. Also, sundry creditors include sundry creditors from trading and refer to the debt for products with protected capital and Turbo certificates issued by the Company and listed on the Bucharest Stock Exchange.

Starting with 2016, for customers who have opened accounts with external intermediaries, only their funds held by the intermediary mentioned above are reflected in the bookkeeping. The accounts held by these clients are Margin type, and RegTMargin type, meaning that they can use the margin call, case in which the external intermediary offers clients the possibility to contract margin loans. Clients also bring as collateral financial instruments from their own trading portfolio.

## **22. BORROWINGS**

The loans contracted by The Company are as follows:

*In RON*

| <b>Long-term debt</b>       | <b>June-22</b>    | <b>December-21</b> |
|-----------------------------|-------------------|--------------------|
| Bond borrowings             | 24.367.854        | 24.303.570         |
| Financial lease liabilities | 467.595           | 515.978            |
| <b>Total long-term debt</b> | <b>24.835.449</b> | <b>24.819.548</b>  |

The shareholders of BRK Financial Group approved through the Decision of the Extraordinary General Meeting of Shareholders of 26.04.2021. making a corporate bond issue with a maturity of 5 years and empowered the CA to issue any decision and perform all the necessary legal acts and deeds. useful and/or opportune for the implementation of the decisions to be adopted by the Company's AGM in relation to the issue of non-convertible bonds by the Company. The management of the BRK Financial Group Company has decided. by the Decision of the Board of Administration no. 1/23/07/2021. to carry out between 02.08.2021 - 13.08.2021 the Private Placement regarding the issue of bonds for a number of **250,000 bonds**. worth **25,000,000 lei**.

By the same decision. the management of the BRK Financial Group company was appointed to carry out the steps necessary for the Private Placement and the admission to trading of the Bonds issued on the regulated market of BVB.

Between 02.08.2021 and 05.08.2021, the Private Placement took place and subscriptions were collected from a number of 59 natural and legal persons. it closing early by the Issuer's decision. according to the decisions of the Board of Directors dated 23.07.2021 regarding oversubscription. registering a degree of oversubscription of 106,283%. The sale price of the Notes was 100% of principal. and for subscriptions made between 02.08.2021 - 06.08.2021. 97% of the principal. according to the decisions of the Board of Directors dated 23.07.2021. therefore the settlement of all transactions is carried out at a price of 97% of the principal.

On 05.08.2021, the private placement of BRK Financial Group SA bonds was concluded. the bond issue amounting to **25,000,000 RON**.

The transaction date related to the Bonds issued was 06.08.2021. and the Settlement Date through the Central Depository was 10.08.2021.

In the placement, orders were collected that reflected a subscription of 106,283%. the allocation rate will be 94.08%. The purpose of the obtained funds is to ensure the working capital for the expansion of the market-making activity and the diversification of the portfolio of structured products. other investment activities.

**Characteristics of bonds subject to admission to trading:**

- **Bond type:** corporative. negarantate. neconvertibile
- **Currency:** RON
- **Value of emission:** 25.000.000 RON
- **Number of bonds issued:** max 250.000
- **Nominal value of 1 bond:** 100 RON
- **Emission date:** 10.08.2021
- **Maturity:** 5 ani
- **Coupon:** 7.6% pe an
- **Coupon payment:** trimestrial
- **Principal payment:** la maturitate
- **Destination of funds:** asigurarea capitalului de lucru pentru extinderea activității de market-making și diversificarea portofoliului de produse structurate. alte activități de investiții.
- **ISIN code:** ROSYZVBBKKI6
- **CFI:** DBFUFR
- **FISN:** BRK FG/7.6 BD 20260813 UNSEC

*In RON*  
*In lei*

| <b>Datorii pe termen scurt</b>                | <b>June-22</b>    | <b>December-21</b> |
|---|-------------------|--------------------|
| Guaranteed credit lines                       | 13.162.287        | 5.041.915          |
| Current part of financial leasing liabilities | 146.788           | 161.953            |
| <b>Current liabilities</b>                    | <b>13.309.074</b> | <b>5.203.868</b>   |

In the first semester of 2021, a credit facility was contracted to finance the current activity - credit line - with a maximum ceiling of 22,000,000 lei. The credit facility will be used to refinance the existing facilities (Techventures Bank and Libra Bank, approx. 5.2M RON) and increase the working capital (16.8M RON). Real estate guarantees (headquarters and agency offices), mortgage on some share packages owned in own account, assignment of income from market making contracts.

## **22. BORROWINGS (continued)**

The amounts owed to clients are in fact amounts paid in advance by them in the bank accounts on the domestic market or in the accounts held with external brokers, which are available either for trading, or for withdrawal, depending on client's future options. They originate in:

| <i>In RON</i>                            | <b>June-22</b>     | <b>December-21</b> |
|--|--------------------|--------------------|
| <b>Payable to clients</b>                |                    |                    |
| Creditors (domestic market)              | 81.885.761         | 64.210.882         |
| Creditors (international markets)        | 50.873.031         | 51.751.367         |
| Corporate creditors                      | -                  | -                  |
| <b>Balance June 30<sup>th</sup> 2022</b> | <b>132.758.792</b> | <b>115.962.249</b> |

## **23. PROVISIONS**

| <i>In RON</i>                    | <b>June-22</b>   | <b>December-21</b> |
|----------------------------------|------------------|--------------------|
| <b>Provisions</b>                |                  |                    |
| <b>Balance January 1st</b>       | <b>1.022.068</b> | <b>246.033</b>     |
| Cancelled during the period      | (403.794)        | (155.486)          |
| Established during the period    | -                | 931.521            |
| <b>June 30<sup>th</sup> 2022</b> | <b>618.275</b>   | <b>1.022.068</b>   |

During the year 2022, 403,794 lei were added to income from provisions.

## 25. INTERMEDIATION INCOME

| <i>In RON</i>  | Ongoing<br>activities | Ongoing<br>activities | Halted activities |              | Total            |                  |
|--|-----------------------|-----------------------|-------------------|--------------|------------------|------------------|
|  | June 2022             | June 2021             | June<br>2022      | June<br>2021 | June<br>2022     | June<br>2021     |
| Revenues from commissions on the domestic market and administration Investment funds | 3.043.022             | 2.136.599             | -                 | -            | 3.043.022        | 2.136.599        |
| Revenues from commissions on the foreign market                                      | 485.370               | 1.310.951             | -                 | -            | 485.370          | 1.310.951        |
| Income from related activities   | 331.782               | 207.886               | -                 | -            | 331.782          | 207.886          |
| <b>Subtotal income from intermediation commissions and related activities</b>        | <b>3.860.173</b>      | <b>3.655.436</b>      | -                 | -            | <b>3.860.173</b> | <b>3.655.436</b> |
| Income from corporate operations   | 523.593               | 4.653.656             | -                 | -            | 523.593          | 4.653.656        |
| Other intermediate income  | 1.040.160             | 639.046               | -                 | -            | 1.040.160        | 639.046          |
| <b>Total income</b>  | <b>5.423.926</b>      | <b>8.948.138</b>      | -                 | -            | <b>5.423.926</b> | <b>8.948.138</b> |

The Company's revenue recognition policy is to reflect such revenues at gross value. Gross revenues include market costs, commissions charged by the Stock Exchange, and ASF respectively.

In order to diversify revenues from commissions, the Company sought to permanently extend the product range and the markets where the transactions are carried out. The level of commissions earned for the operations carried out by the Company also comprised commissions related to operations on foreign markets, as presented above.

Customers are generally allocated to a broker, with the possibility to perform operations both traditionally, and on online.

Revenues from commissions also include transactions for other non-banking financial institutions, called contracts with custodians, for which SSIF BRK FINANCIAL GROUP SA collects transaction fees, but the funds related to sales and purchases do not pass through the accounts of the company, but are settled through the custodian's accounts.

## 26. INCOME FROM MARKET MAKING

| <i>In RON</i>                        | <b>June-22</b>   | <b>June-21</b>   |
|--------------------------------------|------------------|------------------|
| Net gains from spot market           | 11.462.957       | (3.267.005)      |
| Net gains from international markets | (9.056.035)      | 5.143.499        |
| Other revenue MM                     | 2.420.230        | 839.342          |
| <b>Market Making Result</b>          | <b>4.827.152</b> | <b>2.715.836</b> |

## 27. PERSONNEL EXPENSES

| <i>In RON</i>  | <b>June-22</b>     | <b>June-21</b>     |
|--|--------------------|--------------------|
| Staff  | (2.685.541)        | (1.889.899)        |
| Social contributions   | (1.462.525)        | (929.733)          |
| Employee profit sharing                                      | -                  | -                  |
| BoA remunerations  | (105.664)          | (106.671)          |
| BoA profit sharing   | -                  | -                  |
| <b>Total personnel expenses through comprehensive income</b> | <b>(4.253.730)</b> | <b>(2.926.303)</b> |

The remuneration of the general managers is established by the Decision of the Board of Directors of the Company, and other benefits granted are in accordance with the collective labor contract at unit level, During 2022, the management of the company was ensured by General Director Monica-Adriana Ivan and by Deputy General Director Razvan Rat,

During the first semester of 2022, the allowances granted to members of the Board of Directors amounted to 105,664 lei.

## 28. COMMISSION AND INTERMEDIATE EXPENSES

Fee expenses include expenses with commissions and fees charged by capital market institutions:

| <i>In RON</i>                            | <b>June-22</b>     | <b>June-21</b>     |
|--|--------------------|--------------------|
| Internal Market commission expenses      | (1.866.370)        | (1.191.236)        |
| International Market commission expenses | (220.138)          | (505.751)          |
| <b>Total</b>                             | <b>(2.086.508)</b> | <b>(1.696.987)</b> |

## 29. EXPENDITURE ON SERVICES

| <i>In RON</i>  | <b>June-22</b>     | <b>June-21</b>     |
|--|--------------------|--------------------|
| Expenses regarding audit fees, lawyers               | (148.411)          | (173.982)          |
| Expenses with computer maintenance software services | (601.724)          | (400.111)          |
| Expenses with consulting and training services       | (30.815)           | (12.910)           |
| Other expenses                                       | (552.264)          | (522.800)          |
| <b>Total</b>   | <b>(1.333.215)</b> | <b>(1.109.804)</b> |

### 30. ALTE CHELTUIELI ALE ACTIVITATII DE BAZA

Expenses with collaborators refer to expenses with delegate agencies in the amount of 143,238 lei (June 2021: 242,001 lei).

Other expenses with the basic activity refer mainly to:

| In RON                             | June-22            | June-21          |
|------------------------------------|--------------------|------------------|
| Raw materials expenses             | (117.164)          | (128.576)        |
| Expenses with other taxes and fees | (28.468)           | (29.001)         |
| Expenses with utilities            | (134.764)          | (73.180)         |
| Expenses with financial services   | (93.393)           | (89.363)         |
| Expenses with publicity            | (427.955)          | (68.102)         |
| Telecommunication expenses         | (23.700)           | (34.983)         |
| Insurance expenses                 | (57.908)           | (34.191)         |
| Maintenance and repair expenses    | (8.048)            | (12.688)         |
| Transport expenses                 | (61.998)           | (43.467)         |
| Rent expenses                      | (43.984)           | (24.607)         |
| Other expenses                     | (28.232)           | (17.113)         |
| <b>Total</b>                       | <b>(1.025.615)</b> | <b>(555.271)</b> |

Value adjustments of intangible and tangible assets include depreciation expenses in the amount of 501,214 lei (2021: 514,640 lei).

### 31. TRADING ACTIVITY INCOME/(LOSSES)

| in lei  | June-22            | June-21           |
|---|--------------------|-------------------|
| <b>Net Gains/(Losses) from financial instruments, of which:</b>                                       | <b>(1.054.477)</b> | <b>2.654.796</b>  |
| Dividend income   | 733.164            | 392.400           |
| Income from transactions with shares and bonds performed  | 1.549.145          | 3.190.535         |
| Losses from transactions with shares and bonds performed  | (3.336.786)        | (928.138)         |
|   | <b>4.827.152</b>   | <b>2.715.836</b>  |
| <b>Net Gains/(Losses) from market making activity:</b>  |                    |                   |
| Net earnings from transactions with Structured Products   | 2.406.922          | 1.876.494         |
| Revenues from market making services provided to issuers  | 2.420.230          | 839.342           |
| <b>Net Gains/(Losses) Related to financial assets at fair value through profit or loss, of which:</b> | <b>(4.229.782)</b> | <b>6.982.271</b>  |
| Gains related to financial assets at fair value through profit or loss                                | 5.281.494          | 11.357.597        |
| Losses related to financial assets at fair value through profit or loss                               | (9.511.276)        | (4.375.327)       |
| <b>Net income/(expenses) net fixed financial assets provisions, of which:</b>                         | <b>(500.000)</b>   | <b>(200.000)</b>  |
| Revenue cancellation of provisions for fixed financial assets   | -                  | 300.000           |
| Provisions for fixed assets, financial assets   | (500.000)          | (500.000)         |
| <b>Other net income / (expenses) from interest and exchange rate differences, of which:</b>           | <b>(1.281.872)</b> | <b>1.136.248</b>  |
| Interest income on loans and bonds  | 149.614            | 198.683           |
| Revenues from interest on margin contracts  | 150.567            | 99.914            |
| Other interest income   | 33.742             | 13.659            |
| Interest expenses   | (1.404.342)        | (33.339)          |
| (Expenses)/Income different exchange rate house   | (211.453)          | 857.331           |
| <b>Net financial result through profit or loss</b>  | <b>(2.238.980)</b> | <b>13.289.151</b> |
| <b>Recognized to other comprehensive income</b>   |                    |                   |
| <i>In RON</i>   |                    |                   |

Detailed on the following page

**Recognized to other comprehensive income**  
in lei

Net changes in the fair value of available-for-sale financial  
assets transferred to profit or loss  
related to outstanding securities at the end of the period  
**Financial revenues recognized in other comprehensive**  
**income, after tax**

|   |   |
|---|---|
| - | - |
| - | - |
| - | - |
| - | - |



### **30. TRADING ACTIVITY INCOME/(LOSSES) (continued)**

The unrealized net gains/(Losses) from the valuation of participations at fair value through the profit or loss account for the first half of 2022 were mainly generated by the net change in the fair value of the financial instruments that are part of the trading portfolio for which the Company has analyzed sales opportunities.

The net gains/(losses) from the trading of financial assets recorded at fair value through the profit or loss account represent the income from the sale of securities reduced by the value of the costs for those securities, for transactions for which this difference is positive,

**31a. Dividend income** is recorded in the profit or loss account at net value.

| <i><b>In RON</b></i> | <b>June-22</b> | <b>June-21</b> |
|----------------------|----------------|----------------|
|                      |                |                |
| <b>TOTAL</b>         | <b>733.164</b> | <b>392.400</b> |

### **31. EARNINGS PER SHARE**

#### **Basic earnings per share**

The calculation of the basic result per share on June 30, 2022 is based on the profit attributable to shareholders (totally ordinary shareholders) and the average number of ordinary shares in circulation of 337,429,952 shares. On December 31, 2021, the average number of ordinary shares in circulation was the same, 337,749,919 shares.

#### **Profitul atribuibil actionarilor ordinari**

|  | <b>June-22</b>     | <b>June-21</b>    |
|--|--------------------|-------------------|
| <b>Profit attributable to:</b>                     |                    |                   |
| Company shareholders                               | (5.896.053)        | 14.799.997        |
| Non-controlling interests                          | -                  | -                 |
| <b>Profit for the period</b>                       | <b>(5.896.053)</b> | <b>14.799.997</b> |
| <b>Total comprehensive income attributable to:</b> |                    |                   |
| Company shareholders                               | (5.896.053)        | 14.799.997        |
| Non-controlling interests                          | -                  | -                 |
| <b>Total comprehensive income for the period</b>   | <b>(5.896.053)</b> | <b>14.799.997</b> |
| <b>Earnings per share</b>                          | <b>(0.0175)</b>    | <b>0.0438</b>     |

### 32. EARNINGS PER SHARE (continued)

The result presented follows the calculation of income tax

|  | June-22            | June-21           |
|--|--------------------|-------------------|
| <b>Profit attributable to:</b>                       |                    |                   |
| Shareholders   | (5.896.053)        | 14.799.997        |
| Non-controlling interests                            | -                  | -                 |
| <b>Profit for the period</b>                         | <b>(5.896.053)</b> | <b>14.799.997</b> |
| <b>Total comprehensive income for the period to:</b> |                    |                   |
| Shareholders   | (5.896.053)        | 14.799.997        |
| Non-controlling interests                            | -                  | -                 |
| <b>Total comprehensive income for the period</b>     | <b>(5.896.053)</b> | <b>14.799.997</b> |
| <b>Earnings per share</b>                            |                    |                   |
| Basic earnings per share (lei)                       | (0,0175)           | 0,0438            |
| Diluted earnings per share (lei)                     | (0,0175)           | 0,0438            |
| Continuing activities                                |                    |                   |
| Basic earnings per share (lei)                       | (0,0175)           | 0,0438            |
| Diluted earnings per share (lei)                     | (0,0175)           | 0,0438            |

### Weighted average number of ordinary shares

During the year 2022, 319,967 shares with a nominal value of 0.16 lei were cancelled, and since then there have been no changes in the number of shares issued.

| Anul             | Iunie-2021  | 2020        | 2019        | 2018        | 2017        |
|------------------|-------------|-------------|-------------|-------------|-------------|
| Number of shares | 337.429.952 | 337.749.919 | 337.749.919 | 337.749.919 | 338.681.867 |

### 33. IERARHIA VALORILOR JUSTE

The table below presents the financial instruments carried at fair value depending on the measurement method. The fair value levels have been defined as follows:

- **Level 1:** quoted prices (not adjusted) on active markets. For securities at fair value through profit or loss, the price is the one at the end of the period, on the last trading day
- **Level 2 :** inputs other than the quoted prices included in Level 1. This includes quoted securities for which valuation methods have been applied that contain observable values for assets or liabilities. If the asset or liability has a specific contractual term, the inputs related to Level 2 must have observable values for the entire asset or liability period. Examples: quoted prices for similar assets or liabilities on active markets, quoted prices for identical or similar products on markets that are not active, observable prices other than quoted prices such as interest rates, volatility, and other corroborated input data on the market.
- **Level 3:** inputs other than the quoted prices included in Level 1 and Level 2. This includes unquoted securities for which valuation methods have been applied that contain observable values for assets or liabilities, either directly (e.g., prices) or indirectly (e.g., derived from prices). The fair value of these securities was determined either by applying the Dividend Discount Model (DDM), by applying the Discounted Cash Flow (DCF) method or the asset-based method as presented in the Company's accounting.

**SSIF BRK FINANCIAL GROUP SA**  
**Notes to the individual IFRS financial statements**

**33. FAIR VALUE HIERARCHY (continued)**

*In RON*

**June 30<sup>th</sup> 2022**

|   | Level 1           | Level 2           | Level 3           | Total              |
|---|-------------------|-------------------|-------------------|--------------------|
| <b>Fair value assets through profit or loss of which:</b>                           | <b>40.955.171</b> | <b>10.638.132</b> | <b>4.986.201</b>  | <b>40.955.171</b>  |
| Quoted shares   | 40.520.076        | -                 | -                 | <b>40.520.076</b>  |
| Quoted fund units   | -                 | -                 | -                 | -                  |
| Unquoted fund units   | -                 | 8.213.066         | -                 | -                  |
| Quoted bonds  | 412.007           | -                 | -                 | <b>412.007</b>     |
| Unquoted bonds  | -                 | -                 | -                 | -                  |
| Unquoted shares   | -                 | 2.425.066         | 802.906           | -                  |
| Loans granted   | -                 | -                 | 4.183.295         | -                  |
| Other financial instruments   | 23.088            | -                 | -                 | <b>23.088</b>      |
| <b>Financial assets at fair value through other comprehensive income, of which:</b> | <b>13.565.641</b> | <b>4.496.550</b>  | <b>25.934.099</b> | <b>43.996.290</b>  |
| Quoted shares   | 13.565.641        | 4.496.550         | -                 | 18.062.191         |
| Unquoted shares   | -                 | -                 | 25.934.099        | 25.934.099         |
| <b>TOTAL</b>  | <b>54.520.812</b> | <b>15.134.682</b> | <b>30.920.300</b> | <b>100.575.794</b> |

*In RON*

**31 December 2021**

|   | Level 1           | Level 2           | Level 3           | Total             |
|---|-------------------|-------------------|-------------------|-------------------|
| <b>Fair value assets through profit or loss of which:</b>                           | <b>11.174.083</b> | <b>12.696.156</b> | <b>32.663.881</b> | <b>56.534.119</b> |
| Quoted shares   | 37.855.312        | 1.335.100         | -                 | 39.190.412        |
| Quoted fund units   | -                 | -                 | -                 | -                 |
| Unquoted fund units   | -                 | 8.473.394         | -                 | 8.473.394         |
| Quoted bonds  | 24.802            | -                 | -                 | 24.802            |
| Unquoted bonds  | -                 | 167.400           | -                 | 167.400           |
| Unquoted shares   | -                 | 8.519.201         | 3.260.716         | 11.779.917        |
| Loans granted   | -                 | -                 | 8.588.612         | 8.588.612         |
| Other financial instruments   | 23.088            | -                 | -                 | 23.088            |
| <b>Financial assets at fair value through other comprehensive income, of which:</b> | <b>13.565.641</b> |                   | <b>28.478.898</b> | <b>42.044.539</b> |
| Unquoted shares   | 13.565.641        |                   | 28.478.898        | 42.044.539        |
| <b>TOTAL</b>  | <b>11.174.083</b> | <b>12.696.156</b> | <b>32.663.881</b> | <b>56.534.119</b> |

### **33. FAIR VALUE HIERARCHY (continued)**

The table below shows the change in the book value of the participations classified within level 3 of the fair value hierarchy in the semesters of 2022 and 2021:

#### **Level 3 fair value change**

*in RON*

|  | <b>30.06.2022</b> | <b>2021</b>       |
|--|-------------------|-------------------|
| On Jan 1   | <b>36.191.632</b> | <b>32.663.881</b> |
| Total gain/loss recognized in the profit and loss account          | -                 | -                 |
| Total gain/loss recognized in other elements of the overall result | 1.718.106         | -                 |
| Purchases during the period (*)                                    | 4.274.934         | 3.527.751         |
| Sales during the period(**)  | (500.060)         |                   |
| Transfers from level 3 of the fair value hierarchy(***)            | (6.530.101)       | -                 |
| <b>On June 30 2022</b>   | <b>35.154.512</b> | <b>36.191.632</b> |

**SSIF BRK FINANCIAL GROUP SA**  
**Notes to the individual IFRS financial statements**

**33. FAIR VALUE HIERARCHY (continued)**

| No | Financial assets            | Fair value as of June 30, 2022 in RON | Valuation method                  | Unobservable input ranges   | Relationship between fair value and unobservable inputs  |
|----|-----------------------------|---------------------------------------|-----------------------------------|---|--|
| 1  | Unquoted majority interests | 14.539.154                            | Discounted cash flows             | Weighted average cost of capital: 11,39 %<br>Long-term income growth rate: 2,6%                                       | The lower the weighted average cost of capital, the higher the fair value<br>The higher the long-term income growth rate, the higher the fair value  |
| 2  | Unquoted majority interests | -                                     | Discounted cash flows             | Weighted average cost of capital: 12,75%<br>Lack of liquidity discount: 15,60%<br>Long-term income growth rate: 1,30% | The lower the weighted average cost of capital, the higher the fair value<br>The lower the discount for the lack of liquidity, the higher the fair value<br>The higher the long-term income growth rate, the higher the fair value |
| 3  | Unquoted minority interests | 4.626.819                             | Net asset value                   | Net asset value of the reporting entity   | The book value is identified by equity. The lower the resulting price/accounting value, the lower the fair value.  |
| 4  | Unquoted minority interests | 11.472.216                            | Discounted cash flows             | Weighted average cost of capital: 10,50%<br>Lack of control discount: 10%<br>Long-term income growth rate: 2%         | The lower the weighted average cost of capital, the higher the fair value<br>The lower the discount for the lack of control, the higher the fair value<br>The higher the long-term income growth rate, the higher the fair value   |
| 5  | Unquoted bonds              | -                                     | Net asset value at amortized cost | Return rate of (IRR): 8,23%   | The lower the cash flow discount rate, the higher the fair value   |
| 6  | Loans granted               | 4.516.322                             | Discounted cash flows             | Cash flow discount rate – 5.5%  | The lower the cash flow discount rate, the higher the fair value   |
|    | <b>Total</b>                | <b>31.858.563</b>                     |                                   |   |  |

**SSIF BRK FINANCIAL GROUP SA**  
**Notes to the individual IFRS financial statements**

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**33. FAIR VALUE HIERARCHY (continued)**

| No           | Financial assets            | Fair value as of Dec 31 2021 in RON | Valuation method                  | Unobservable input ranges   | Relationship between fair value and unobservable inputs  |
|--------------|-----------------------------|-------------------------------------|-----------------------------------|---|--|
| 1            | Unquoted majority interests | 9.340.425                           | Discounted cash flows             | Weighted average cost of capital: 11,39 %<br>Long-term income growth rate: 2,6%                                       | The lower the weighted average cost of capital, the higher the fair value<br>The higher the long-term income growth rate, the higher the fair value  |
| 2            | Unquoted majority interests | 427.766                             | Discounted cash flows             | Weighted average cost of capital: 12,75%<br>Lack of liquidity discount: 15,60%<br>Long-term income growth rate: 1,30% | The lower the weighted average cost of capital, the higher the fair value<br>The lower the discount for the lack of liquidity, the higher the fair value<br>The higher the long-term income growth rate, the higher the fair value |
| 3            | Unquoted minority interests | 5.489.786                           | Net asset value                   | Net asset value of the reporting entity   | The book value is identified by equity. The lower the resulting price/accounting value, the lower the fair value.  |
| 4            | Unquoted minority interests | 16.481.638                          | Discounted cash flows             | Weighted average cost of capital: 10,50%<br>Lack of control discount: 10%<br>Long-term income growth rate: 2%         | The lower the weighted average cost of capital, the higher the fair value<br>The lower the discount for the lack of control, the higher the fair value<br>The higher the long-term income growth rate, the higher the fair value   |
| 5            | Unquoted bonds              | -                                   | Net asset value at amortized cost | Return rate of (IRR): 8,23%   | The lower the cash flow discount rate, the higher the fair value   |
| 6            | Loans granted               | 8.588.612                           | Discounted cash flows             | Cash flow discount rate – 5.5%  | The lower the cash flow discount rate, the higher the fair value   |
| <b>Total</b> |                             | <b>32.663.881</b>                   |                                   |   |  |

### **33. FAIR VALUE HIERARCHY (continued)**

**Price / Book value:** often expressed simply as "price-to-book", this multiple measures a company's market price based on its book value (net assets). It reflects how many times the book value per share investors are ready to pay for a share. The Price / Book value ratio multiple varies significantly based on the industry.

A company that requires more assets (e.g. a manufacturing company with factory space and machinery) will generally post a significantly lower price-to-book than a company whose earnings result from rendering services (e.g. a consulting firm).

**Weighted Average Cost of Capital:** represents the calculation of a company's cost of capital in nominal terms (including inflation), based on the "Capital Asset Pricing Model". All capital sources – shares, bonds and any other long-term debts - are included in the weighted average cost of capital calculation.

**Lack of control discount:** represents the discount applied to reflect the absence of the power of control and it is used within the discounted cash flow method, in order to determine the value of a minority interest in the equity of the revalued company.

**Lack of liquidity discount:** represents the discount applied to the comparable market multiples, in order to reflect the liquidity differences between the revalued company from the portfolio and its comparable peer group. Valuers estimate the discount for lack of marketability based on their professional judgement after considering market liquidity conditions and company-specific factors.

### **34. AFFILIATED PARTIES**

Transactions with related parties, in the form of key management personnel, are limited to the benefits granted to the members of the Board of Directors and the members of the executive management, which were presented in the note Expenses with staff.

#### **Investment in associates.**

Note 13 Investments in Associates in these financial statements presents all associates and transactions that have taken place within the period

These financial statements have been approved today, 16.08.2022.





# Simplified Consolidated Financial Statements

SSIF BRK FINANCIAL GROUP S.A. in  
accordance with the International Financial  
Reporting Standards (IFRS) adopted by the  
European Union ("IFRS")

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**Consolidated statement of financial position as of 30.06.2022**

| <i>In lei</i>   | <b>30.06.2022</b>  | <b>31.12.2021</b>  |
|---|--------------------|--------------------|
| <b>Asstes</b>   |                    |                    |
| Intangible assets   | 8.967.178          | 9.294.515          |
| Tangible fixed assets   | 9.446.454          | 9.767.438          |
| Real estate investments   | -                  | -                  |
| Financial assets measured at fair value through profit or loss  | 61.186.191         | 65.716.284         |
| Financial assets measured at fair value through other comprehensive income                                  | 15.565.068         | 9.536.911          |
| Goodwill  | 11.928.432         | 11.928.432         |
| Loans and advances granted  | 3.263.473          | 7.917.268          |
| Trade and other receivables   | 2.422.409          | 3.171.538          |
| Other financial assets  | 63.170.146         | 65.968.966         |
| Bank account for customers  | 86.706.785         | 63.316.765         |
| Cash and cash equivalents   | 7.567.581          | 8.010.900          |
| Assets classified as held for sale  | -                  | -                  |
| Premiums for bond repayments  | 632.146            | -                  |
| Inventories   | 9.375.575          | 5.016.065          |
| <b>Total Asstes</b>   | <b>280.231.438</b> | <b>259.645.082</b> |
| <b>Liabilities</b>  |                    |                    |
| <b>Long-term debt</b>   |                    |                    |
| Financial leasing liabilities   | 633.042            | 648.179            |
| Provisions  | -                  | -                  |
| Bond loans  | 28.000.000         | 28.000.000         |
| <b>Total Long-term debt</b>   | <b>28.633.042</b>  | <b>28.648.179</b>  |
| <b>Short term debt</b>  |                    |                    |
| Trade and other payables  | 25.187.293         | 13.305.245         |
| Deferred tax liabilities  | 1.031.876          | 6.728              |
| Amounts owed to customers (customer availability)   | 132.758.792        | 115.962.249        |
| Current part of financial leasing liabilities   | 348.397            | 184.103            |
| Short-term bank debt  | 13.162.287         | 4.567.151          |
| Provisions  | 860.662            | 822.755            |
| <b>Total short-term debt</b>  | <b>173.349.307</b> | <b>134.848.231</b> |
| <b>Total liabilities</b>  | <b>201.982.349</b> | <b>163.496.410</b> |
| <b>Equity</b>   |                    |                    |
| Social capital  | 50.614.493         | 54.039.987         |
| Share capital adjustment  | 4.871.591          | 4.071.591          |
| Share premiums  | 13.682.722         | 13.682.722         |
| Own shares  | (2.288.813)        | (130.414)          |
| Earnings from equity instruments  | -                  | -                  |
| Reserves from the revaluation of financial assets measured at fair value through other comprehensive income | 3.042.039          | (2.514.578)        |
| Other reserves  | 19.246.539         | 17.643.276         |
| Retained earnings   | (11.656.075)       | (11.237.397)       |
| The current result  | (6.241.009)        | 15.911.956         |
| <b>Total equity attributable to the Company's shareholders</b>  | <b>71.271.487</b>  | <b>91.467.143</b>  |
| Non-controlling interests   | <b>6.977.602</b>   | <b>4.681.529</b>   |
| <b>Total equity</b>   | <b>78.249.089</b>  | <b>96.148.672</b>  |
| <b>Total Equity and Liabilities</b>   | <b>280.231.438</b> | <b>259.645.082</b> |

These financial statements have been approved today, 16.08.2022.

**Chairman of the BoD**  
**Robert Danila**

**Economic Director**  
**Sandu Pali**

**CEO**  
**Monica Ivan**

*In RON*

**30.06.2022**

**30.06.2021**

The notes attached are part of the financial statements

|  |                    |                   |
|--|--------------------|-------------------|
| <b>Income from continuing operations</b>   |                    |                   |
| <b>Intermediation activity</b>   | <b>7.012.888</b>   | <b>10.305.533</b> |
| Intermediation commission income   | 5.449.135          | 3.500.524         |
| Income from asset management   |                    | 1.512.306         |
| Corporate income   | 523.593            | 4.653.657         |
| Other intermediate income  | 1.040.160          | 639.046           |
| <b>Market making activity</b>  | <b>4.827.152</b>   | <b>2.715.836</b>  |
| Net earnings from transactions   | 2.406.922          | 1.876.494         |
| Market making services revenues provided to issuers  | 2.420.230          | 839.342           |
| <b>Other core activity income</b>  | <b>5.648.456</b>   | <b>2.191.866</b>  |
| Revenue from services rendered   | 5.197.857          | 884.459           |
| Revenues from the sale of finished products and goods  | -                  | 1.930.662         |
| Income from inventory change   | -                  | (643.857)         |
| Other income from core activity  | 450.598            | 20.602            |
| Salary expenses and employee benefits  | (7.315.322)        | (5.151.435)       |
| Market commission and intermediary expenses  | (2.092.703)        | (1.542.075)       |
| Expenditure on external services   | (4.183.157)        | (1.842.703)       |
| Expenses with collaborators  | (331.905)          | (425.689)         |
| Expenditures on raw materials and materials  |                    | (607.764)         |
| Other basic activity expenses  | (2.973.347)        | (2.980.144)       |
| Value adjustments of intangible and tangible assets  | (1.197.536)        | (918.165)         |
| <b>Profit / (loss) from base activity</b>  | <b>(605.475)</b>   | <b>1.745.260</b>  |
| <b>Net gains / (losses) on financial instruments</b>   | <b>(648.654)</b>   | <b>2.654.797</b>  |
| Dividend income  | 733.164            | 392.400           |
| Income from transactions with shares and obligations performed   | 2.610.063          | 3.190.535         |
| Losses from transactions with shares and obligations realized  | (3.991.881)        | (928.138)         |
| <b>Net gains / (losses) from the measurement of financial assets measured at fair value through profit or loss</b> | <b>(4.229.782)</b> | <b>6.982.270</b>  |
| Revenue from the measurement of financial assets measured at fair value through profit or loss                     | 5.281.494          | 11.357.597        |
| Losses from the measurement of financial assets measured at fair value through profit or loss                      | (9.511.276)        | (4.375.327)       |
| <b>Net income / (expenses) net provisions for fixed financial assets</b>   | <b>-</b>           | <b>(573.353)</b>  |
| Revenue from the provision of fixed assets and financial assets  | -                  | 300.000           |
| Provisions for fixed assets and financial assets   | -                  | (873.353)         |
| <b>Other net income / (expenses) from interest and exchange rate differences</b>                                   | <b>(1.474.995)</b> | <b>426.968</b>    |
| Interest income on loans and bonds   | 149.614            | 51.547            |
| Interest income margin loans   | 150.567            | 99.914            |
| Other interest income  | 99.204             | 13.659            |
| Interest expenses  | (1.649.016)        | (204.203)         |
| (Expenses) / House income exchange rate different income   | (225.363)          | 466.051           |
| <b>Net income / (expenses) provisions for risks and expenses</b>   | <b>1.056.339</b>   | <b>30.514</b>     |
| Expenses with provisions for risks and expenses  | -                  | -                 |
| Provisional cancellation income for risks and expenses   | 652.546            | 7.608             |
| Other net provisions   | 403.794            | 22.906            |
| <b>Other net income / (expenses)</b>   | <b>(81.756)</b>    | <b>(101.099)</b>  |
| Net gains / (losses) from the sale of assets   | 2.500              | (64.725)          |
| Other operating expenses   | (321.491)          | (72.115)          |
| Other operating income   | 237.235            | 35.741            |
| <b>The result of operating activities</b>  | <b>(5.984.323)</b> | <b>11.165.357</b> |
| Profit before tax  | (5.984.323)        | 11.165.357        |
| Income tax expense   | (256.682)          | (277.128)         |
| Profit from continuous activities  | (6.241.005)        | 10.888.229        |
| Interrupted activities   | -                  | -                 |
| Loss of discontinued operations (after tax)  | -                  | -                 |
| <b>Profit of the period</b>  | <b>(6.241.005)</b> | <b>10.888.229</b> |

|   |    |                    |
|---|----|--------------------|
| <b>The individual situation of the global result (continued)</b>  | 46 | (6.241.005)        |
| <b>Reporting on 30.06.2022</b>  | 47 |                    |
| <i>In lei</i>   |    |                    |
| <b>Other elements of the overall result</b>   |    |                    |
| The net change in the fair value of financial assets available for sale transferred to the profit or loss account |    |                    |
| <b>Positions that can be reclassified to profit and loss</b>  |    |                    |
| The net change in the fair value of financial assets available for sale   |    |                    |
| Free shares received classified as available for sale   |    |                    |
| Changes in the value of fixed assets available for sale   |    |                    |
| <b>Positions that cannot be reclassified to profit and loss</b>   |    |                    |
| Changes in the value of used fixed assets   |    |                    |
| Value changes of real estate investments  |    |                    |
| Establishment/cancellation of profit reserves for granting free shares to employees                               |    |                    |
| Tax related to other elements of the global result  |    |                    |
| <b>Total other elements of the overall result for the period</b>  |    |                    |
| <b>Total profit and loss account and other elements of the global result related to the period</b>                |    |                    |
| <b>Attributable profit:</b>   |    |                    |
| Company shareholders  |    | (5.157.978)        |
| Interests without control   |    | (1.083.031)        |
| <b>Profit for the period</b>  |    | <b>(6.241.009)</b> |
| <b>Total attributable global result:</b>  |    | <b>(6.241.009)</b> |
| Company shareholders  |    | (5.157.978)        |
| Interests without control   |    | (1.083.031)        |
| <b>Total overall result for the period</b>  |    |                    |
| <b>The result per action</b>  |    |                    |
| Basic earnings per share (lei)  |    |                    |
| Rezultatul pe actiune de diluat (lei)   |    |                    |

These financial statements have been approved today, 16.08.2022.

**Chairman of the BoD**  
**Robert Danila**

**Economic Director**  
**Sandu Pali**

**CEO**  
**Monica Ivan**

**The consolidated statement of changes in equity on 30.06.2022**

| <i>In lei</i>   | Share capital      | Share capital adjustments | Own shares       | Share premiums   | Revaluation reserves | Legal reserves      | Retained earnings   | Shareholders equity | Non-controlling interests |
|---|--------------------|---------------------------|------------------|------------------|----------------------|---------------------|---------------------|---------------------|---------------------------|
| <b>Balance Jan 1 2021</b>                                       | <b>54.039.987</b>  | <b>(130.414)</b>          | <b>5.877.144</b> | <b>6.477.683</b> | <b>5.288.449</b>     | <b>4.917.395</b>    | <b>91.467.143</b>   | <b>4.681.529</b>    | <b>96.148.672</b>         |
| <b>Profit for the period</b>                                    |                    |                           |                  |                  |                      |                     |                     |                     |                           |
| Other elements of comprehensive income                          |                    |                           |                  |                  |                      | (5.157.978)         | (5.157.978)         | (1.083.031)         | (6.241.009)               |
| Gains from profit and loss                                      |                    |                           |                  |                  |                      |                     | -                   |                     | -                         |
| Changes in the value of fixed assets available for sale         |                    |                           |                  |                  |                      |                     | -                   |                     | -                         |
| Changes in the value of fixed assets used                       |                    |                           |                  |                  |                      |                     | -                   |                     | -                         |
| Changes in the value of real estate investments                 |                    |                           |                  |                  |                      |                     | 5.914.953           |                     | 5.914.953                 |
| Other capital changes   |                    |                           | (134.454)        | 86.517           |                      | (7.909.231)         | (7.973.977)         | 3.379.104           | (4.594.872)               |
| <b>Deferred income tax related to fixed assets</b>              |                    |                           |                  |                  |                      |                     | -                   |                     | -                         |
| Changes in the comprehensive profit and loss account            |                    |                           |                  |                  | 1.668.871            | (1.668.871)         | -                   |                     | -                         |
| Decreases of share capital                                      | (3.374.300)        |                           |                  |                  |                      |                     | (3.374.300)         |                     | (3.374.300)               |
| Transfer of revaluation differences for assets sold at reserves |                    |                           |                  |                  |                      | (7.421.908)         | (7.421.908)         |                     |                           |
| <b>Transfers in the reported result</b>                         |                    |                           | (44.818)         |                  |                      |                     | -                   |                     | -                         |
| Changes in the comprehensive profit and loss account            |                    |                           |                  |                  |                      |                     | -                   |                     | -                         |
| <b>Total other elements of comprehensive income</b>             | <b>(3.374.300)</b> | <b>-</b>                  | <b>(179.272)</b> | <b>86.517</b>    | <b>1.668.871</b>     | <b>(17.000.010)</b> | <b>(12.855.232)</b> | <b>3.379.104</b>    | <b>(9.476.128)</b>        |
| <b>Total comprehensive income for the period</b>                | <b>(3.374.300)</b> | <b>-</b>                  | <b>(179.272)</b> | <b>86.517</b>    | <b>1.668.871</b>     | <b>(22.157.988)</b> | <b>(18.013.210)</b> |                     | <b>(15.717.137)</b>       |
| Trading with own shares   | (27.147)           | (2.182.446)               |                  |                  | 27.147               |                     | (2.182.446)         |                     | (2.182.446)               |
| Own share buybacks  | (24.047)           | 24.047                    |                  |                  |                      |                     | -                   |                     | -                         |
| <b>Total trading with own shares</b>                            | <b>(51.194)</b>    | <b>(2.158.399)</b>        | <b>-</b>         | <b>-</b>         | <b>27.147</b>        | <b>-</b>            | <b>(2.182.446)</b>  | <b>2.296.073</b>    | <b>113.627</b>            |
| <b>Balance 30.06.2022</b>                                       | <b>50.614.493</b>  | <b>(2.288.813)</b>        | <b>5.697.872</b> | <b>6.564.200</b> | <b>6.984.467</b>     | <b>(17.240.593)</b> | <b>71.271.487</b>   | <b>6.977.602</b>    | <b>78.249.089</b>         |

These financial statements have been approved today, 16.08.2022.

**Chairman of the BoD**  
**Robert Danila**

**Economic Director**  
**Sandu Pali**

**CEO**  
**Monica Ivan**

The notes attached are part of the financial statements

*In lei*

|   | Share capital | Share capital adjustments | Own shares | Share premiums | Revaluation reserves | Legal reserves | Retained earnings | Shareholders equity | Non-controlling interests | Total equity | Share capital |
|---|---------------|---------------------------|------------|----------------|----------------------|----------------|-------------------|---------------------|---------------------------|--------------|---------------|
| <b>Balance Jan 1 2021</b>                                       | 54,039,987    | 4,071,591                 | -24,047    | 5,355          | 0                    | 5,877,144      | 5,347,236         | 3,380,377           | -5,875,484                | 608          | 66,822,767    |
| <b>Profit for the period</b>                                    |               |                           |            |                |                      |                |                   |                     | 15,911,955                |              | 15,911,955    |
| Other elements of comprehensive income                          |               |                           |            | 13,677,367     |                      |                |                   |                     |                           | 4,680,922    | 18,358,289    |
| Gains from profit and loss                                      |               |                           |            |                |                      |                |                   |                     |                           |              | -             |
| Changes in the value of fixed assets available for sale         |               |                           |            |                | -2,514,578           |                |                   |                     |                           |              | -2,514,578    |
| Changes in the value of fixed assets used                       |               |                           |            |                |                      |                |                   |                     |                           |              | -             |
| Changes in the value of real estate investments                 |               |                           |            |                |                      |                |                   |                     | 3,888,222                 |              | 3,888,222     |
| Other capital changes   |               |                           |            |                |                      |                | -107,050          | 289,412             | -9,250,135                |              | -9,067,773    |
| <b>Deferred income tax related to fixed assets</b>              |               |                           |            |                |                      |                |                   |                     |                           |              | -             |
| Changes in the comprehensive profit and loss account            |               |                           |            |                |                      |                |                   |                     |                           |              | -             |
| Decreases of share capital                                      |               |                           |            |                |                      |                |                   |                     |                           |              | -             |
| Transfer of revaluation differences for assets sold at reserves |               |                           |            |                |                      |                | 1,147,971         |                     |                           |              | 1,147,971     |
| <b>Transfers in the reported result</b>                         |               |                           |            |                |                      |                | 89,329            | 1,618,660           |                           |              | 1,707,989     |
| <b>Total other elements of comprehensive income</b>             |               |                           |            | 13,677,367     | -2,514,578           | -              | 1,130,250         | 1,908,072           | -5,361,913                | 4,680,922    | 13,520,120    |
| <b>Total comprehensive income for the period</b>                |               |                           |            | 13,677,367     | -2,514,578           | -              | 1,130,250         | 1,908,072           | 10,036,471                | 4,680,922    | 28,918,504    |
| Trading with own shares   |               |                           | -106,367   |                |                      |                |                   |                     |                           |              | -106,367      |
| Own share buybacks  |               |                           |            |                |                      |                |                   |                     |                           |              | -             |
| <b>Total trading with own shares</b>                            |               |                           | -106,367   |                |                      |                |                   |                     |                           |              | -106,367      |
| <b>Balance Dec 31 2021</b>                                      | 54,039,987    | 4,071,591                 | -130,414   | 13,682,722     | -2,514,578           | 5,877,144      | 6,477,683         | 5,288,449           | 4,674,558                 | 4,681,530    | 96,148,672    |

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**Chairman of the BoD**  
**Robert Danila**

**Economic Director**  
**Sandu Pali**

**CEO**  
**Monica Ivan**



| <b>Consolidated cash flow statement</b>  | <b>30.06.2022</b>  | <b>31.12.2021</b>   |
|--|--------------------|---------------------|
| <b>Operating activities:</b>   |                    |                     |
| Profit before tax  | <b>(6.403.989)</b> | <b>15.413.628</b>   |
| <i>Adjustments for:</i>  | -                  | -                   |
| Adjustments to the value of tangible and intangible assets   | 1.197.537          | 2.228.954           |
| Impairment adjustments on current assets - net   | -                  | 1.403.990           |
| Adjustments for provisions for risks and charges - net   | -                  | -                   |
| Interest income  | (1.440.844)        | (900.994)           |
| Interest charges   | 1.509.943          | 1.241.576           |
| Loss / (Profit) from the sale and disposal of tangible and intangible assets   | -                  | (313.197)           |
| <b>Operating profit before changes in working capital</b>  | <b>(5.137.353)</b> | <b>19.073.957</b>   |
| Changes in working capital:  | 7.569.598          | 2.605.112           |
| Decrease / (Increase) of commercial and other receivables  | (4.359.510)        | (4.643.975)         |
| (Increase) / Decrease in inventory   | 20.501.029         | 9.571.951           |
| <b>Net cash flow generated from operating activities</b>   | <b>18.573.764</b>  | <b>26.607.045</b>   |
| Interest paid  | (1.509.943)        | (1.241.576)         |
| Profit tax paid  | (1.298.909)        | (981.802)           |
| <b>Cash flows from operating activities:</b>   | <b>15.764.912</b>  | <b>24.383.667</b>   |
| <b>Cash flows from investment activities:</b>  |                    |                     |
| Payments for the acquisition of tangible assets  | (705.285)          | (13.126.169)        |
| Proceeds from the sale of tangible and intangible assets   | -                  | 182.892             |
| Cash payment for the purchase of participation interests, investments in financial assets or investment securities     | 4.530.093          | (20.192.040)        |
| Interest collected   | 1.440.844          | 900.994             |
| Loans granted or received, including loans granted to related parties  | -                  | -                   |
| Share capital increase   | -                  | -                   |
| Financial assets valued at fair value through other elements of the overall result                                     | (6.828.157)        | (8.690.279)         |
| <b>Cash flows from investment activities</b>   | <b>(1.562.505)</b> | <b>(40.924.602)</b> |
| <b>Cash flows from financing activities:</b>   |                    |                     |
| The net variation of loans   | 8.744.293          | 3.652.163           |
| Loans granted to affiliated entities   | -                  | -                   |
| Loans for bond issuance  | -                  | 27.303.570          |
| Dividends paid   | -                  | -                   |
| Payment of debts related to financial leasing  | -                  | (184.103)           |
| <b>Cash flow used in financing activities</b>  | <b>8.744.293</b>   | <b>30.771.630</b>   |
| Net decrease / increase in cash and cash equivalents   | 22.946.700         | 14.230.695          |
| <b>The effect of the change in the exchange rate on the cash and cash equivalents held or owed in foreign currency</b> | -                  | -                   |
| <b>Cash and cash equivalents at the beginning of the financial year</b>  | <b>71.327.665</b>  | <b>57.096.969</b>   |
| <b>Cash and cash equivalents at the end of the financial year</b>  | <b>94.274.366</b>  | <b>71.327.664</b>   |

**Cash flows from investment activities:**

|  |                   |                     |
|--|-------------------|---------------------|
| Cash payment for the purchase of tangible and intangible assets and real estate investments                          | (587.144)         | (1.294.209)         |
| (+)Collection(-)Palace in cash for the purchase of financial instruments   | 3.739.663         | (31.632.421)        |
| Cash receipts from the sale of land and buildings, plant and equipment, intangible assets and other long-term assets | 2.500             | 182.892             |
| Dividends received   | 233.264           | 876.582             |
| (Loans granted)/repaid affiliates and customer margin  | (1.000.000)       | (1.933.375)         |
| The net position from proceeds from sales of turbo certificates and IG payments                                      | 10.767.523        | 10.626.607          |
| You collect interest   | 1.089.496         | 1.130.946           |
| The effect of exchange rate variations on credits and debts  | (450.201)         | (64.575)            |
| <b>Net cash flow generated by investment activities</b>  | <b>13.795.102</b> | <b>(22.107.554)</b> |

**Cash flows from financing activities:**

|  |                   |                   |
|--|-------------------|-------------------|
| Bond issue loans                                       | -                 | 24.250.000        |
| Payment for purchase through leases                    | -                 | (184.525)         |
| Collection / payment of short-term bank loans          | 8.120.372         | 2.598.215         |
| <b>Net cash flow generated by financing activities</b> | <b>8.120.372</b>  | <b>26.663.690</b> |
| <b>Cash flows – total</b>                              | <b>23.730.790</b> | <b>8.097.125</b>  |

**Changes in cash and cash equivalents**

|   |                   |                   |
|---|-------------------|-------------------|
| Cash and cash equivalents at the beginning of the period                                  | <b>64.198.050</b> | <b>56.677.722</b> |
| Increase/(decrease) in cash and cash equivalents  | 23.730.790        | 8.097.125         |
| The effect of exchange rate variation on the opening balance of cash and cash equivalents |                   |                   |

|   |                   |                   |
|---|-------------------|-------------------|
| <b>Cash and cash equivalents at the end of the period</b> | <b>87.928.840</b> | <b>64.198.050</b> |
|---|-------------------|-------------------|

From which :

|                                      |            |            |
|--------------------------------------|------------|------------|
| Cash held on behalf of clients       | 86.706.785 | 63.316.765 |
| Cash held in the name of the company | 1.222.055  | 881.285    |

These financial statements have been approved today, 16.08.2022.

**Chairman of the BoD**  
**Director**  
**Robert Danila**

**Economic**

**Sandu Pali**

**CEO**  
**Monica Ivan**

## 1. REPORTING ENTITY

SSIF BRK Financial Group S.A. ("The Company") is a financial investment company based in Romania. The address of the registered office is Cluj-Napoca, str. Motilor no. 119. The consolidated financial statements of the group for the financial year ended on December 31, 2020 include the company SSIF BRK Financial Group S.A., its subsidiaries and a company consolidated using the equity method (hereinafter referred to as "The Group", respectively "the entities of the Group").

The main activity of the parent company is the intermediation of financial investment services and the management of its own portfolio of financial assets, while the activities of the subsidiaries and associated companies are oriented towards the management of investment funds, the production of canned meat and, with a smaller share of the activity, services of insurances.

The financial statements of SSIF BRK FINANCIAL GROUP S.A. represent the consolidated financial statements ("consolidated statements") of the group and were drawn up according to the requirements of the ASF Instruction. no. 2/2014 regarding the application of the International Financial Reporting Standards by the entities authorized, regulated and supervised by the Financial Supervision Authority in the Financial Instruments and Investments Sector, with subsequent amendments, and Norm no. 39/2015 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards adopted by the European Union ("IFRS"), applied by the entities authorized, regulated and supervised by the Financial Supervision Authority in the Financial Instruments and Investments Sector and are under the responsibility of the management Society.

The consolidated semi-annual financial statements related to the first semester of 2022 were drawn up based on the accounting regulations, standards and policies included in these financial statements.

These consolidated financial statements were authorized for publication in August 2022 by the Board of Directors of SSIF BRK FINANCIAL GROUP SA, without the possibility of their modification after this date.

### **The entities of the Group**

#### **Subsidiaries of the group**

On June 30, 2022, the group consolidated a subsidiary, presented below:

| Entity                 | Headquarters         | Link type | Interest in the branch |                |
|------------------------|----------------------|-----------|------------------------|----------------|
|                        |                      |           | Iunie 2022             | Decembrie 2021 |
| SAI Broker             | Cluj-Napoca, Romania | filiala   | 99,98%                 | 99,98%         |
| Firebyte Games SA      | Cluj-Napoca, Romania | filiala   | 37,74%                 | 37,94%         |
| Gocab Software         | Bucuresti, Romania   | filiala   | 49,71%                 | 32,53%         |
| Romlogic Technology SA | Bucuresti, Romania   | filiala   | 90,75%                 | 90,75%         |

**Name of the affiliated company:** S.A.I. Broker S.A.

**The registered office of the company:** Cluj-Napoca, str. Motilor no. 119, Cluj county

**Place of activity:** Cluj-Napoca, str Motilor no. 119

**Legal form:** S.A.

**Fiscal Code:** 30706475

**Main object of activity:** Other financial intermediation

**Description:** At the end of June 2022, the value of the assets managed by SAI Broker SA was 187 million lei, an increase of 11 million lei compared to 31.12.2021. In the first semester of 2022, all nine funds managed by SAI Broker SA recorded positive developments in the net unitary asset, the increases being between 1.5% and 48.8%.

S.A.I. Broker S.A. manages 9 investment funds as of 30.06.2022:

BET-FI Index Invest Closed-End Investment Fund

- FIX INVEST Open Investment Fund
- SMART Money Private Investment Fund
- Optim Invest Closed Investment Fund
- Prosper Invest Open Investment Fund
- Fortuna Classic Open Investment Fund
- Fortuna Gold Open Investment Fund
- H.Y.B Invest open investment fund;
- The open investment fund ALPHA Invest.

**Name of the affiliated company:** ROMLOGIC TECHNOLOGY S.A.

**The registered office of the company:** BUCHAREST sect. 4 str. CUZA VODA no. 75A

**Place of activity:** Bucharest

**Legal form:** S.A.

**Fiscal Code:** RO34586533

**Main object of activity:** Manufacturing of computers and peripheral equipment

**Description:** The company offers software support for various projects, hardware maintenance and IT infrastructure implementation. Innovation is a key element of the company's activity. It is constantly concerned with discovering the novelties in the market and implementing them in the services it offers, with the aim of becoming more efficient and expanding its area of knowledge. A very good example of innovation is the Equinox device, which incorporates a radio transceiver, a GPS, software dedicated to commands and, of course, the classic taximeter. The company sold 1273 devices in 2021. Increasing sales on the domestic market considering that there is an obligation for all economic agents to connect the fiscal machines with electronic logbook to the ANAF servers by 31.11.2021. Expansion of sales on the foreign market, the priority being the Greece project.

**Affiliate company name:** Firebyte Games SA

**The registered office of the company:** Cluj-Napoca, Calea Motilor no. 119 et. 3

**Place of activity:** Cluj-Napoca, Calea Motilor no. 119 et. 3

**Legal form:** S.A.

**Fiscal Code:** 38624397

**Main object of activity:** Custom software development activities

**Description:** Firebyte Games S.A., was established in December 2017, specializing in the development of games for mobile devices. The company's activity is carried out in a very dynamic and competitive environment considering that access to the global market is quite easy. The Firebyte Games project was defined and initiated by Mr. Ovidiu Stegaru, who has held the position of general manager since its establishment until now. The financial support of the company was provided by the BRK Financial Group and Mr. Andric Adrian. Mr. Ovidiu Stegaru's expertise, as well as his experience and that of the team he proposed for the launch and development of the Firebyte project, combined with the very good dynamics of the gaming industry globally, were the main investment catalysts.

The first project conceived, planned, organized and developed by the company was the strategy game Castle Siege: War of Legends, the development of which spanned the whole of 2018 and the first part of 2019. Since

2019, the company has perfected partnerships with globally renowned publishers. This strategic option was adopted especially due to the fact that the marketing budget for launching a game on the global market is a significant one and the success of a game largely depends on the marketing budget used in the publishing campaign. During the 3 years of activity, the company has developed 45 games or game prototypes for mobile devices, most of them being of the Hypercasual type within the "revenueshare" partnerships.

***The main elements of Firebyte Games SA's strategy***

Since its establishment, the company has set itself a bold medium and long-term goal of becoming an important and globally recognized game studio, both in the area of development and publishing of games made for mobile devices. In its three years of operation, the company has invested significantly in staff development, data management and collection, as well as improving processes for monitoring and project management by executive management.

The main factors behind the success of a company in the game industry developed for mobile devices are:

- Configuration and management of development teams;
- Management of product specifications and key elements;
- Game architecture;
- Game marketing.

***The company's business model aims at two directions:***

- Development of games in collaboration with external partners, through "revenue-share" type agreements
- Developing and publishing casual games on your own

***Name of the affiliated company: GOCAB SOFTWARE SA***

***The registered office of the company:*** BUCHAREST sect. 4 str. GRAMONT no. 38 et. 1 ap. R2

***Place of activity:*** BUCURESTI sect. 4 str. GRAMONT no. 38 et. 1 ap. R2

***Legal form:*** S.A.

***Fiscal Code:*** RO41884893

***Main object of activity:*** Custom software development activities

***Description:*** The company has over 15 years of experience in the field of taximetry, collaborates with the best taxi companies in Romania. Markets a smart taxi system (Equinox), in its second version - which replaces multiple devices required for taxi operation (traditional toll booth, GPS navigation, tablet/phone for mobile applications, radio broadcast station). In addition to this, the company has developed the taxi ordering application GoCab.

***The main achievements of Gocab Software SA***

***The modules developed and integrated within the GoCab application:***

- Orders
- Dispatched / Carriers
- Corporate
- Fleets
- Receipts and payments
- Bonus
- Partners

- Notifications
- Users

***The main elements of Gocab Software SA's strategy***

***Company objectives:***

- The company aims to develop the most appreciated and used application in Romania, among taxi drivers.
- Increasing the quality of the urban transport service, in taxi mode.
- Increasing revenue or benefits for taxi drivers through partnerships and additional services.

***The company's two main investment directions aim at:***

- Development of the application suite, by implementing modules to facilitate and/or automate the processes used in the taximetry activity.
- Marketing campaigns aimed at customers and drivers using the GoCab application.

***Adopted/targeted monetization model:***

- The GoCab Pro service through which customers will receive the guarantee of honoring the order made, and taxi drivers will be guaranteed a minimum number of orders for a predefined period
- Related services, through partnerships, perfected by the company, in the interest of GoCab's affiliated parties, which will generate an important component of operational revenues.
- Monetization of orders sent within the standard service will represent an alternative source of operational income.

**2. BASIS OF PREPARATION**

**a) Statement of compliance**

The consolidated financial statements are prepared by the Company in accordance with the International Financial Reporting Standards adopted by the European Union ("IFRS"). The Company has prepared these half-yearly financial statements in accordance with IAS 34 Interim Financial Reporting, and with the requirements of Norm 39/2015, updated, for the approval of the Accounting Regulations compliant with International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority. from the Financial Instruments and Investments Sector (FSA).

For the purposes of Norm 39/2015, the International Financial Reporting Standards, hereinafter referred to as IFRS, represent the standards adopted according to the procedure provided in Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards, as subsequently amended and supplemented.

**b) Basis of evaluation**

The financial statements have been prepared based on historical cost, except for the following significant elements of the statement of financial position:

- Financial assets held at fair value through profit or loss are measured at fair value;
- derivative financial instruments are measured at fair value;
- real estate investments are valued according to the model based on revaluation, in accordance with the provisions of IAS 40;
- fixed assets representing buildings and related land are valued at revalued value, in accordance with the provisions of IAS 16;
- fixed assets available for sale are measured at fair value, according to IFRS 5 regulations;
- In accordance with IAS 29, the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy must be presented in the current unit of measurement at the balance sheet date (non-monetary items are restated using a general price index from the date of acquisition or contribution ).

## **2. BASIS OF PREPARATION (continued)**

According to IAS 29, an economy is considered to be hyperinflationary if, among other factors, the cumulative inflation rate over a three-year period exceeds 100%.

The continuous decrease of the inflation rate and other factors related to the characteristics of the Romanian economic environment indicate that the economy whose functional currency was adopted by the Company has ceased to be hyperinflationary, with effect on the financial periods starting with January 1, 2004. IAS 29 was adopted in the preparation of the individual financial statements as of December 31, 2003.

Thus, the values expressed in the current unit of measurement at December 31, 2003 are treated as the basis for the carrying amounts reported in the individual financial statements and do not represent measured values, replacement costs, or any other measurement of the current value of assets or prices. would take place at this time.

- For the purpose of preparing the individual financial statements, the Company adjusts the share capital to be expressed in the current unit of measurement on December 31, 2003.

### *Continuity of activity*

Based on the management's own evaluations, the Company will continue to operate in the foreseeable future. The Company's management estimates the continuity of the activity for a period longer than 12 months from the date of preparation of the present financial statements.

### *Determining fair values*

Certain accounting policies of the entity and disclosure requirements require the determination of fair value for both financial and non-financial assets and liabilities. Fair values were determined for the purpose of evaluating and / or presenting the information based on the methods described below. Where applicable, additional information is provided on the assumptions used in determining fair values in the specific notes of the respective asset or liability.

- i. Equity and bond investments

Other fair value forms that do not rely on the last trading price are as follows

1. Trading price: For investments quoted on the stock exchange, The Company looks for an active and liquid market, and uses the closing price of the last trading period at the end of the financial year as fair value.
2. Fair value determined through Dividend Discount Model (DDM): In case the company has a consistent history regarding the distribution of dividends, and the dividend policy is predictable, the valuation price is considered to be the intrinsic value resulting from the DDM model.
3. Fair value determined through Discounted Cash Flows (DCF): If the company does not distribute dividends and the valuation is made from the perspective of a significant shareholder, the price is considered to be the intrinsic value resulting from the DCF model.
4. Fair value determined by the asset method: If the company has valuable redundant assets and the operating activity is small, the evaluation price is considered to be the intrinsic value resulting from the application of the adjusted net asset value.
5. Fair value determined through relative valuation: If there were significant transactions (>10% of the capital) involving the shares of companies operating in the same field of activity as the company under scrutiny, the valuation price is considered to be the intrinsic value determined by applying the relative valuation (using the valuation multiples such as: P/E, P/B, P/S as reference at which the respective transactions were made compared to the results published by the companies in the previous financial year).

## **2. BASIS OF PREPARATION (continued)**

### **ii. Trade and other receivables**

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the effective interest rate. This fair value is determined for disclosure purposes.

### **iii. Derivatives**

The fair value of derivative products at the end of the period is calculated as the minimum of the number of short and long positions multiplied by the difference between the average sale price and the purchase price and further multiplied by the number of contracts. The resulting value affects the results account.

The fair value of derivative products open at the end of the period is calculated if, at the end of the period, there are more sale contracts than purchase contracts as follows: the number of open positions calculated as number of short positions less long positions, multiplied by the difference of the average sale price and the quotation price at the end of the period. The calculation is the same when there are more purchase contracts than sale contracts at the end of the period. The resulting value adjusts the initial value of the security generated by the set margin.

### **iv. Financial liabilities**

Fair value is determined for disclosure purposes and calculated based on the present value of future cash flows representing principal and interest, discounted using the market interest rate at the reporting date.

### **v. Loans granted**

Loans granted to related parties are registered at fair value. Loan impairments are calculated according to the stage they are classified in accordance to the criteria described in Note 3.

## **c) Used currency**

These financial statements are presented in lei (RON), which is also the functional currency of the Company. All financial information is presented in lei (RON), rounded to the nearest unit, unless otherwise specified.

## **d) Moneda straină**

Operations denominated in foreign currencies are recorded in RON at the official exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into RON at the exchange rate of that date. Foreign exchange differences are recognized directly to other comprehensive income.

The exchange rates of the main foreign currencies, published by the National Bank of Romania on June 30, 2022 are the following: 4.9454 Lei/EUR ; 4.7424 Lei/USD si 5.7525 Lei/GBP (31 Decembrie 2021 sunt urmatoarele : 4.9481 Lei/EUR ; 4.3707 Lei/USD si 5.8994 Lei/GBP

## **e) Use of estimates and professional judgement**

The preparation of financial statements in accordance to IFRS requires the management to make estimates and assumptions that affect the application of accounting policies and the reported values of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and assumptions underlying them are reviewed periodically. Revisions to accounting estimates are recognized in the period in which the estimate has been revised and in future periods affected.



## **2. BASIS OF PREPARATION (continued)**

Information on critical professional judgments of accounting policies that materially affect the amounts recognized in the financial statements is included in the following notes:

- Note 11 Note on Financial Instruments - classification of financial instruments;
- Note 26 on Financial income and expenses - losses from permanent depreciation of available-for-sale securities, which are reclassified from capital to financial expenses;
- Note 16 - Deferred tax assets and liabilities;
- Note 24 - Contingent liabilities and assets
- Note 33 - Fair value hierarchy

## **3. SIGNIFICANT ACCOUNTING POLICIES**

The calculation methods and accounting policies used in these simplified consolidated financial statements are the same used in the most recent annual financial statements, prepared for the financial year ended 31 December 2021, Profit tax for the interim periods is calculated using the tax rate and calculation methodology which is expected to be used for the entire (entire) annual profit (loss).

## **4. GESTIONAREA RISCULUI FINANCIAR**

Due to the complex activity it carries out and the use of financial instruments, BRK Financial Group is exposed to risks from the following categories:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk
- Exchange rate risk
- Currency risk

The explanations provide information on the exposure of the company to each risk category, the objectives, policies, processes and procedures used for risk and capital assessment and management.

### **General risk management framework**

The Board of Directors of BRK Financial Group is responsible for establishing, monitoring and supervising the risk management framework at the company level.

The complex activity of the company involves an active management of risks, and to ensure their management, the company has established a risk management system by developing risk management policies and internal procedures, in accordance with regulations and legislation in force. The principles of risk management include the identification and awareness of risks, their assumption, management and monitoring, the fulfillment of prudential requirements regarding risk management, the periodic review of risk policies and internal procedures, the control and management of risks.

At the same time, the company's internal procedures define the risk management policies; establish the appropriate limits and controls, the ways of monitoring the risks and the observance of the established limits. Regularly, missions are performed to verify and monitor compliance with the provisions of internal procedures and regulations in force and reports are prepared to the Executive Management of the company and to the Board of Directors.

In this way, an orderly and constructive control environment is developed, so that, through the pro-active risks management activity (fundamental activity within the company); all the risks faced by BRK Financial Group are quantified.

The company's risk profile takes into account all the risks to which it is exposed depending on the risk appetite assumed by the management structure in the decision-making process and the business strategy. In terms of risk appetite, it represents the level of risk expressed for each risk category, up to which the company is willing to take risks or accept them, in accordance with the established risk strategy and policies, but with the control of the risks within the risk profile assumed for each significant risk category.

## SSIF BRK FINANCIAL GROUP SA

### Notes to the consolidated IFRS financial statements

The risk profile, respectively the risk appetite of the company is established by the Executive Management of the company and the Board of Directors, taking into account the business profile of BRK Financial Group SA, the current portfolio structure, investment policy, and business strategy agreed at the level of the company.

The Board of Directors of BRK Financial Group approved. at the beginning of 2022. modification of the company's risk profile, compliance with the levels thus assumed being monitored throughout the year by the specialized Department. At the time of drawing up the financial statements, the risk profile is summarized in the table below.

| Limite de toleranță/<br>Categorii de riscuri |                       | F scăzut              | Scăzut                 | Mediu                  | Ridicat                  | F ridicat                      |
|--|-----------------------|-----------------------|------------------------|------------------------|--------------------------|--------------------------------|
| Culoare aferenta<br>nivelului maxim propus   |                       |                       |                        |                        |                          |                                |
|  |                       | (0 - 5%)              | (5% - 10%)             | (10 % - 25%)           | (25% - 40%)              | > 40% din fp                   |
| Riscul de<br>piață                           | Titluri de<br>capital |                       |                        |                        |                          | Foarte ridicat                 |
|  | Titluri de<br>creanță |                       | Scăzut                 |                        |                          |                                |
|  | OPCVM                 |                       |                        | Mediu                  |                          |                                |
| Risc valutar                                 |                       | F scăzut<br>(0 - 5%)  | Scăzut<br>(5% - 10%)   | Mediu<br>(10% - 12%)   | Ridicat<br>(12% - 15%)   | F ridicat<br>> 15% din fp      |
| Riscul de credit                             |                       | F scăzut<br>(0 - 50%) | Scăzut<br>(50% - 100%) | Mediu<br>(100% - 150%) | Ridicat<br>(150% - 200%) | F ridicat<br>> 200% din fp     |
| Riscul de contrapartidă                      |                       | F scăzut<br>(0 - 4%)  | Scăzut<br>(4% - 8%)    | Mediu<br>(8% - 12%)    | Ridicat<br>(12% - 15%)   | F ridicat<br>>15%              |
| Riscul de<br>concentrare                     |                       | F scăzut              | Scăzut                 | Mediu                  | Ridicat                  | F ridicat                      |
|  | Sector                | < 5%                  | (5% - 10%)             | (10% - 15%)            | (15% - 20%)              | >20%                           |
|  | Entitate              | < 5%                  | (5% - 15%)             | (15% - 20%)            | (20% - 25%)              | >25%                           |
| Riscul operațional                           |                       | F scăzut<br>(0 - 15%) | Scăzut<br>(15% - 30%)  | Mediu<br>(30% - 40%)   | Ridicat<br>(40% - 50%)   | F ridicat<br>> 50% din fp      |
| LCR (indicator de<br>lichiditate)            |                       | F scăzut<br>> 5       | Scăzut<br>(3.5 - 5)    | Mediu<br>(2 - 3.5)     | Ridicat<br>(1 - 2)       | F ridicat<br>< 1               |
| Lichiditate portofoliu                       |                       | F scăzut              | Scăzut                 | Mediu                  | Ridicat                  | F ridicat                      |
|  |                       | > 50%                 | (40% - 50%)            | (30% - 40%)            | (20% - 30%)              | < 20 % din total<br>portofoliu |
| Levier                                       |                       | F scăzut              | Scăzut                 | Mediu                  | Ridicat                  | F ridicat                      |
|  |                       | > 50%                 | (40% - 50 %)           | (30% - 40%)            | (20% - 30%)              | < 20%                          |
| RAC (rata de acoperire a<br>capitalului)     |                       | F scăzut              | Scăzut                 | Mediu                  | Ridicat                  | F ridicat                      |
|  |                       | > 50%                 | (35% - 50%)            | (25% - 35%)            | (18% - 25%)              | < 18%                          |

Market risk refers to the risk that the company will incur losses due to fluctuations in market prices (equity securities, debt securities, UCITS, etc.).

Currency risk is given by the probability that the company will record losses from international trade contracts or other economic relationships, as a result of the change in the exchange rate in the period between the conclusion of a contract and its maturity.

Credit risk generally represents that risk of financial loss caused by the counterparty's total or partial non-fulfillment of its obligations. Credit risk starts from the concept of a credit event, which describes any sudden and negatively impacting change in the credit quality of a debtor that calls into question its ability to pay the debt.

Counterparty risk is the risk that a counterparty in a transaction will breach its contractual obligations before the final settlement of the cash flows related to the transaction.

Concentration risk is the risk arising from exposure to counterparties, groups of related counterparties or counterparties in the same economic sector, geographical region, activity or application of credit risk mitigation techniques and includes in particular the associated risks with large indirect exposures to credit risk.

Operational risk can be defined as the risk of loss caused either by the use of inadequate or inadequate processes, systems and human resources, or by external events and actions.

Liquidity risk is the current or future risk that may adversely affect profit and capital, which is determined by the company's inability to meet its obligations at maturity.

Leverage is the relative size of an institution's assets, off-balance sheet liabilities and contingent liabilities to pay, provide a benefit or provide collateral, including obligations arising from financing received, commitments entered into, derivative financial instruments or repurchase agreements. , except for obligations that can be performed only during the liquidation of an institution, in relation to the company's own funds.

The capital adequacy ratio is the ratio between the company's own funds and its own capital requirements.

## **Risk categories**

### **Credit risk**

Credit risk is the risk of financial loss or unrealized profit for the Company if a customer or counterparty of a financial instrument fails to meet its contractual obligations, and this risk arises mainly from customers' incapacity to meet their payment obligations regarding risk assets, either from balance sheet or off-balance sheet.

For securities intermediation activity, at the balance sheet date there is no credit risk because, according to the internal procedures approved by the Board of Administration, clients can record debts to BRK Financial Group only on the basis of analyses and approvals and only on the short term.

### **Credit risk exposure**

Assets exposed to credit risk are the following categories of holdings: positions on financial instruments that do not belong to the tradable portfolio, exposures from commissions, interest, dividends, margins for futures, options, warrants, receivables on financial and non-financial entities, off-balance sheet items related to other assets than those included in the tradable portfolio, tangible assets, cash, term deposits, loans granted to affiliated entities, and any assets not deducted from the eligible capital of BRK Financial Group.

The risk of incurring losses due to default by the debtor may have two causes:

a) bankruptcy of the debtor / issuer - also called bankruptcy risk of the debtor (long-term credit risk). This risk concerns the long-term financial assets, which are implicitly affected by the solvency dynamics of the issuer of those securities.

b) the bad faith of the debtor (the counterparty with which the company carries out certain types of financial transactions) also called counterparty credit risk (short-term credit risk).

#### **4. FINANCIAL RISK MANAGEMENT (continued)**

The financial operations to which this type of risk relates are the following:

1. Derivatives traded on OTC and credit derivatives;
2. Repurchase agreements reverse repurchase agreements, securities/commodities lending or borrowing based on securities or commodities included in the trading portfolio;
3. Margin lending transactions in relation to securities or commodities; and
4. Long-term settlement transactions.

The types of exposures are as follows:

##### **Exposures to current accounts and bank deposits**

| <i>RON</i>                                      | <b>June-22</b>    | <b>December-21</b> |
|---|-------------------|--------------------|
| Banca Transilvania                              | 31.169.898        | 7.371.107          |
| BRD - Group Societe Generale                    | 2.007.638         | 192.298            |
| UniCredit Bank                                  | 7.634             | 7.377              |
| First Bank                                      | 142.733           | 4.178.098          |
| Idea Bank                                       | -                 | 9.500.779          |
| Banca Romaneasca                                | 14.476.894        | 5.500.000          |
| Intesa San Paolo Bank                           | 8.276.159         | 8.215.444          |
| TECHVENTURES BANK                               | 31.827.537        | 29.000.005         |
| CEC Bank  | 368               | -                  |
| Alte bănci comerciale                           | 140.187           | 231.613            |
| Total depozite la bănci                         | -                 | -                  |
| Numerar   | -                 | 1.329              |
| <b>Total current accounts and bank deposits</b> | <b>88.049.047</b> | <b>64.198.050</b>  |

##### **Exposures from bonds at fair value**

| <i>În lei</i>           | <b>June-22</b> | <b>December-21</b> |
|-------------------------|----------------|--------------------|
| Cellini Corporate Bonds | -              | -                  |
| IMP26E Corporate Bonds  | 277.607        | 24.802             |
| LIH corporate bonds     | 134.400        | 167.400            |
| <b>Total bonds</b>      | <b>412.007</b> | <b>192.202</b>     |

##### **Exposures from loans granted to related parties at fair value**

| <i>În lei</i>              | <b>June-22</b>   | <b>December-21</b> |
|----------------------------|------------------|--------------------|
| Romlogic Technology SA     | 2.844.492        | 1.771.345          |
| Firebyte Games SA          | -                | -                  |
| Gocab Software             | -                | -                  |
| <b>Total Loans granted</b> | <b>2.844.492</b> | <b>1.771.345</b>   |

#### **4. FINANCIAL RISK MANAGEMENT (continued)**

##### **Liquidity risk**

Liquidity risk is the risk that the entity has difficulty in meeting the obligations associated with financial liabilities that are settled in cash or by transferring another financial asset. At the date of this report, BRK Financial Group has outstanding loans.

In terms of brokerage activity, liquidity in customer relationships is ensured by the fact that investment firms have the obligation to keep their clients' deposits in separate accounts without using them in any way.

Regarding the overall liquidity, the current sources of availability are represented by the results of the investment activity, commissions received from clients, and as extraordinary sources the capital increases.

The risk of liquidity takes two forms:

**Liquidity risk of the portfolio of financial instruments** - losses that can be recorded by BRK Financial Group due to the impossibility of finding a counterparty in financial transactions, thus making it difficult to close the positions on the financial instruments that record unfavorable price variations.

**Risk of liquidity coverage** - losses that can be recorded by BRK Financial Group due to the impossibility to finance net outflows (current liabilities) recorded over a 30-day horizon.

##### **Determination:**

Liquidity risk of the portfolio of financial instruments - The rate of high liquidity assets in the total portfolio - is calculated as the ratio between the value of high liquidity assets and the value of the total asset.

Liquidity coverage ratio (LCR) - is calculated as a ratio between the value of high liquidity assets (liquidity reserves) and the value of current liabilities (maturity band of up to 30 days)

The risk of long-term assets financing from non-permanent resources - is calculated as a ratio between the value of temporary resources (e.g. dividends not received, loans, issued bonds, etc.) and the value of the total asset.

The following holdings were classified as high liquidity:

- bank accounts (cash and deposits);
- shares' adjusted value;
- OPC adjusted value.

**SSIF BRK FINANCIAL GROUP SA**  
**Notes to the consolidated IFRS financial statements**

**4. FINANCIAL RISK MANAGEMENT (continued)**

The values factored in in the calculation of the liquidity risk of SSIF BRK Financial Group as at 30.06.2022 were the following:

|  |                    | <b>Book value</b>     |                       |                         |                    |
|--|--------------------|-----------------------|-----------------------|-------------------------|--------------------|
|  |                    | <b>Below 3 months</b> | <b>3 to 12 months</b> | <b>More than 1 year</b> | <b>No maturity</b> |
| <b>June 30 2022</b>  |                    |                       |                       |                         |                    |
| <b>Financial assets</b>  |                    |                       |                       |                         |                    |
| Cash and equivalents   | 88.049.148         | -                     | -                     | -                       | 88.049.148         |
| Deposits   | -                  | -                     | -                     | -                       | -                  |
| Fair value assets through profit or loss                       | 52.396.353         |                       |                       |                         | 52.396.353         |
| Fair value financial assets through other comprehensive income | 52.081.962         | -                     | -                     | -                       | 52.081.962         |
| Bonds at fair value through profit or loss                     | 4.516.322          | -                     | 4.516.322             | -                       | -                  |
| Loans granted  | 412.007            | -                     | -                     | -                       | 412.007            |
| Other financial assets   | 61.470.357         | -                     | -                     | -                       | 61.470.357         |
| <b>Total financial assets</b>                                  | <b>258.926.148</b> | <b>-</b>              | <b>4.516.322</b>      | <b>-</b>                | <b>254.409.826</b> |
|  |                    |                       |                       |                         |                    |
| Financial liabilities  | 13.590.649         | -                     | 13.590.649            | -                       | -                  |
| Dividends payable  | 6.642.694          | -                     | -                     | -                       | 6.642.694          |
| Liabilities at amortized cost                                  | -                  | -                     | -                     | -                       | -                  |
| <b>Total financial liabilities</b>                             | <b>20.233.343</b>  | <b>-</b>              | <b>13.590.649</b>     | <b>-</b>                | <b>6.642.694</b>   |
|  |                    |                       |                       |                         |                    |
|  |                    | <b>Below 3 months</b> | <b>3 to 12 months</b> | <b>More than 1 year</b> | <b>No maturity</b> |
| <b>31 December 2021</b>  |                    |                       |                       |                         |                    |
| <b>Financial assets</b>  |                    |                       |                       |                         |                    |
| Cash and equivalents   | 61.645.641         | -                     | -                     | -                       | 61.645.641         |
| Deposits   | -                  | -                     | -                     | -                       | -                  |
| Fair value assets through profit or loss                       | 39.190.412         |                       |                       |                         |                    |
| Fair value financial assets through other comprehensive income | 42.044.539         | -                     | -                     | -                       | 47.814.957         |
| Bonds at fair value through profit or loss                     | 8.588.612          | 315.000               | 8.073.612             | 200.000                 | -                  |
| Loans granted  | 192.202            | -                     | -                     | 946.302                 | -                  |
| Other financial assets   | 63.751.161         | -                     | -                     | -                       | 72.450.030         |
| <b>Total financial assets</b>                                  | <b>215.412.568</b> | <b>315.000</b>        | <b>8.073.612</b>      | <b>1.146.302</b>        | <b>181.910.628</b> |
|  |                    |                       |                       |                         |                    |
| Financial liabilities  | 2.443.700          | -                     | 2.443.700             | -                       | -                  |
| Dividends payable  | -                  | -                     | -                     | -                       | -                  |
| Liabilities at amortized cost                                  | -                  | -                     | -                     | -                       | -                  |
| <b>Total financial liabilities</b>                             | <b>2.443.700</b>   | <b>-</b>              | <b>2.443.700</b>      | <b>-</b>                | <b>-</b>           |

#### **4. FINANCIAL RISK MANAGEMENT (continued)**

##### **Market risk**

Market risk is the risk that the variation in market prices, such as the price of equity instruments, the exchange rate and the interest rate, will affect the company's income or the value of the financial instruments held. The objective of market risk management is to monitor and control market risk exposures within acceptable parameters and, at the same time, to optimize return on investments.

Investment opportunities are selected through:

- Technical analysis;
- Fundamental analysis – the capacity of the issuer to generate profit;
- Relative valuation – determining the relative values of an issuer in relation to the market or other similar companies;
- Statistical analysis – determining trends and correlations using the history of prices and volumes traded.

The Company is exposed to the following market risk categories:

##### **i) Price risk**

a) The Company owns shares in companies that operate in the following industries:

| <b>Total</b>                           | <b>Value – Jun<br/>22 (RON)</b> | <b>%</b> | <b>Value Dec<br/>21 (RON)</b> | <b>%</b> |
|--|---------------------------------|----------|-------------------------------|----------|
| Agriculture forestry and fishing       | 2.480.753                       | 2,37%    | 424.893                       | 0,42%    |
| Wholesale and retail trade             | 6.384.682                       | 6,11%    | 5.317.322                     | 5,23%    |
| Construction                           | 565.000                         | 0,54%    | -                             | 0,00%    |
| Extractive industry                    | -                               | 0,00%    | -                             | 0,00%    |
| Health                                 | 845.797                         | 0,81%    | 7.983                         | 0,01%    |
| Manufacturing                          | 8.784.423                       | 8,41%    | 8.872.518                     | 8,73%    |
| Information and communication          | 43.185.786                      | 41,33%   | 40.872.264                    | 40,20%   |
| Financial intermediation and insurance | 22.484.149                      | 21,52%   | 23.358.761                    | 22,97%   |
| Real estate transactions               | 17.719.131                      | 16,96%   | 21.549.409                    | 21,19%   |
| Transport and storage                  | 2.028.595                       | 1,94%    | 1.277.315                     | 1,26%    |
| <b>Total</b>                           | <b>104.478.315</b>              |          | <b>101.680.465</b>            |          |

As can be seen from the table above, on June 30, 2022 the Company mainly held shares in companies active in the field of Information and telecommunications, with a weight of 41.33% of the total portfolio, on December 31, 2021 the main weight in the portfolio own was allocated to companies active in the field of information and communications with a weight of 40.20%.

#### **4. FINANCIAL RISK MANAGEMENT (continued)**

##### **Operational risk**

Operational risk is the risk of direct or indirect losses resulting from a wide range of factors associated with the company's processes, personnel, technology and infrastructure, as well as external factors other than credit, market and liquidity risk, such as coming from legal, regulatory and generally accepted standards of organizational behavior.

The objective of the Company is to identify measure, monitor, manage and mitigate operational risk so as to strike a balance between avoiding direct or indirect financial losses that may occur as a result of procedural, human or systemic errors, or due to external events, which may jeopardize the reputation of the entity. At the same time, the operational risk at the company level is very low also due to the requirements imposed by the Financial Supervisory Authority (FSA) regarding the organization, the required reports and the internal control carried out.

The main responsibility for the development and implementation of operational risk controls lies with the management of each organizational unit. This responsibility is supported by the development of general corporate standards for operational risk management in the following areas:

- Requirements for appropriate segregation of tasks and responsibilities
- Requirements for reconciliation, monitoring and authorization of transactions;
- Compliance with regulations and legislation;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risks and the adequacy of controls and procedures for identified risks;
- Training and professional development;
- Ethical and business standards;
- Risk mitigation.

Compliance with company standards is ensured through a program of periodic reviews of internal procedures. The results of these reviews are discussed with management.

##### **Interest rate risk**

On June 30, 2022, SSIF BRK FINANCIAL GROUP SA contracted a credit line, granted for a period of 1 year, in order to support the company's current activity. The interest related to the credit line is composed of the 3-month ROBOR reference index and a fixed margin. The value of the credit line is 22,000,000 lei.

##### **Interest rates at fair value**

For the determination of fair value or for impairment testing of financial instruments, no interest rates were used to discount cash flows as it was not the case for trade receivables or other financial instruments whose collection is significantly delayed over time.

For doubtful receivables (receivables whose recovery is uncertain), at the end of the reporting period, the Company registered impairments for the entire amount.

The company faces interest rate risk due to exposure to unfavorable fluctuations in interest rate. The change in market interest rate directly influences the income and expense of floating-rate financial assets and liabilities as well as the market value of fixed-rate assets and liabilities.



#### 4. FINANCIAL RISK MANAGEMENT (continued)

The following tables represent The Company's exposure to the interest rate risk.

| În lei   | Book value         |                |                   |                  |                    |
|--|--------------------|----------------|-------------------|------------------|--------------------|
|  |                    | Below 3 months | 3 to 12 months    | More than 1 year | No maturity        |
| <b>June 30 2022</b>  |                    |                |                   |                  |                    |
| <b>Financial assets</b>  |                    |                |                   |                  |                    |
| Cash and equivalents   | 88.049.148         | -              | -                 | -                | 88.049.148         |
| Deposits   | -                  | -              | -                 | -                | -                  |
| Fair value assets through profit or loss                       | 52.396.353         |                |                   |                  | 52.396.353         |
| Fair value financial assets through other comprehensive income | 52.081.962         | -              | -                 | -                | 52.081.962         |
| Bonds at fair value through profit or loss                     | 4.516.322          | -              | 4.516.322         | -                | -                  |
| Loans granted  | 412.007            | -              | -                 | -                | 412.007            |
| Other financial assets   | 61.470.357         | -              | -                 | -                | 61.470.357         |
| <b>Total financial assets</b>                                  | <b>258.926.148</b> | <b>-</b>       | <b>4.516.322</b>  | <b>-</b>         | <b>254.409.826</b> |
| Financial liabilities  | 13.590.649         | -              | 13.590.649        | -                | -                  |
| Dividends payable  | 6.642.694          | -              | -                 | -                | 6.642.694          |
| Liabilities at amortized cost                                  | -                  | -              | -                 | -                | -                  |
| <b>Total financial liabilities</b>                             | <b>20.233.343</b>  | <b>-</b>       | <b>13.590.649</b> | <b>-</b>         | <b>6.642.694</b>   |
|  |                    |                |                   |                  |                    |
|  |                    | Below 3 months | 3 to 12 months    | More than 1 year | No maturity        |
| <b>31 December 2021</b>  |                    |                |                   |                  |                    |
| <b>Financial assets</b>  |                    |                |                   |                  |                    |
| Cash and equivalents   | 61.645.641         | -              | -                 | -                | 61.645.641         |
| Deposits   | -                  | -              | -                 | -                | -                  |
| Fair value assets through profit or loss                       | 39.190.412         |                |                   |                  |                    |
| Fair value financial assets through other comprehensive income | 42.044.539         | -              | -                 | -                | 47.814.957         |
| Bonds at fair value through profit or loss                     | 8.588.612          | 315.000        | 8.073.612         | 200.000          | -                  |
| Loans granted  | 192.202            | -              | -                 | 946.302          | -                  |
| Other financial assets   | 63.751.161         | -              | -                 | -                | 72.450.030         |
| <b>Total financial assets</b>                                  | <b>215.412.568</b> | <b>315.000</b> | <b>8.073.612</b>  | <b>1.146.302</b> | <b>181.910.628</b> |
| Financial liabilities  | 2.443.700          | -              | 2.443.700         | -                | -                  |
| Dividends payable  | -                  | -              | -                 | -                | -                  |
| Liabilities at amortized cost                                  | -                  | -              | -                 | -                | -                  |
| <b>Total financial liabilities</b>                             | <b>2.443.700</b>   | <b>-</b>       | <b>2.443.700</b>  | <b>-</b>         | <b>-</b>           |

#### Currency risk

BRK Financial Group is a financial institution regulated and authorized by the Financial Supervisory Authority and is subject to the European regulations and the CRD - CRR legislative package to the relevant Technical Standards.

The capital requirement with respect to the currency risk is determined in compliance to EU regulation no. 575/2013 with respect to capital adequacy.

#### 4. FINANCIAL RISK MANAGEMENT (continued)

The limits within which exposures to this risk must be located are calculated as the ratio between the value of the exposure of the assets exposed to foreign exchange risk and the value of BRK Financial Group's own funds.

BRK Financial Group calculates the capital requirement for foreign exchange risk if exposures to this risk exceed 2% of total own funds.

Expunerile la riscul valutar sunt compuse din urmatoarele elemente :

- derivatives (CFD, futures, options, warrants);
- cash in accounts with external intermediaries;
- bank deposits in foreign currency;
- leases;
- guarantees at market institutions;
- bonds in foreign currency.

The methodology for determining the capital risk exposure is as follows:

*În lei*

| <b>June 30 2022 Financial assets</b>                              | <b>RON</b>         | <b>EUR</b>        | <b>USD</b>        | <b>Other</b> |
|---|--------------------|-------------------|-------------------|--------------|
| Cash and equivalents  | 85.033.771         | 3.005.104         | 7.938             | 2.334        |
| Deposits  | -                  | -                 | -                 | -            |
| Fair value assets through profit or loss                          | 49.938.542         | -                 | 2.457.811         | -            |
| Financial assets at fair value through other comprehensive income | 48.081.714         | -                 | 4.000.248         | -            |
| Fair value bonds through profit or loss                           | -                  | 412.007           | -                 | -            |
| Loans and advances granted  | 4.516.322          | -                 | -                 | -            |
| Other financial assets  | 2.455.561          | 44.805.488        | 14.209.308        | -            |
| <b>Total financial assets</b>                                     | <b>190.025.911</b> | <b>48.222.600</b> | <b>20.675.304</b> | <b>2.334</b> |
| Financial liabilities   | 13.162.287         | -                 | -                 | -            |
| Debt loan bonds   | 25.000.000         | -                 | -                 | -            |
| Dividend payments   | -                  | -                 | -                 | -            |
| Financial debts at amortized cost                                 | -                  | -                 | -                 | -            |
| <b>Total financial debt</b>                                       | <b>38.162.287</b>  | <b>-</b>          | <b>-</b>          | <b>-</b>     |

*În lei*

| <b>31 December 2021 Financial assets</b>                          | <b>RON</b>         | <b>EUR</b>        | <b>USD</b>        | <b>Other</b> |
|---|--------------------|-------------------|-------------------|--------------|
| Cash and equivalents  | 61.645.641         | 2.489.954         | 50.199            | 2.032        |
| Deposits  | -                  | -                 | -                 | -            |
| Fair value assets through profit or loss                          | 39.190.412         | -                 | 2.457.811         | -            |
| Financial assets at fair value through other comprehensive income | 42.044.539         | -                 | -                 | -            |
| Fair value bonds through profit or loss                           | 167.400            | 24.802            | -                 | -            |
| Loans and advances granted  | 8.588.612          | -                 | -                 | -            |
| Other financial assets  | 3.671.092          | 47.719.128        | 12.360.942        | -            |
| <b>Total financial assets</b>                                     | <b>155.307.696</b> | <b>50.233.884</b> | <b>14.868.951</b> | <b>2.032</b> |
| Financial liabilities   | 5.041.915          | -                 | -                 | -            |
| Debt loan bonds   | 25.000.000         | -                 | -                 | -            |
| Dividend payments   | -                  | -                 | -                 | -            |
| Financial debts at amortized cost                                 | -                  | -                 | -                 | -            |
| <b>Total financial debt</b>                                       | <b>30.041.915</b>  | <b>-</b>          | <b>-</b>          | <b>-</b>     |

## **5. CAPITAL MANAGEMENT**

The policy of the Board of Directors of BRK FINANCIAL GROUP SA is to maintain a solid capital base necessary to maintain investor confidence, creditors and the market and supporting the future development of society. The Board of Directors monitors the profitability of all agencies, in which trading activity is carried out on a monthly basis, and the results of the analysis are discussed during the monthly meetings of the Board of Directors.

Also during the monthly meetings of the Board of Directors, the report on the investment activity prepared by the analysis department is discussed. This monitors global results, to maintain the highest possible return on capital.

BRK FINANCIAL GROUP SA is subject to the prudential regulations regarding the minimum capital requirements and the minimum level of own funds, so as to ensure the coverage of risks:

- in order to cover the credit risk and the risk of diminishing the value of receivables, the risk-weighted exposures are considered depending on the class of exposures of which they are part;
- in order to cover the position risk and the settlement / delivery risk, capitals are required at the level of 16% of the exposure level;
- in order to cover the operational risk, capitals are required at the level of 15% of the average of the last three years of the operational result.

| <b>Indicator</b>           | <b>30.06.2022</b>     | <b>31.12.2021</b>     |
|----------------------------|-----------------------|-----------------------|
| Own funds                  | 59.582.063,64         | 49.735.431,30         |
| Total capital requirements | 22.900.579,05         | 28.888.058,09         |
| <b>Indicator</b>           | <b>286.257.238,08</b> | <b>361.100.726,11</b> |

## **5. CAPITAL MANAGEMENT (continued)**

It should be noted that the capital adequacy requirements do not require own funds for liquidity risk.

According to the regulations in force, large exposures are reported to the Financial Supervision Authority (FSA), which are defined as those gross exposures that exceed 10% of the eligible capital (equity). In the case of institutions, large exposures may not exceed a maximum of 25% of the eligible capital (own funds).

Also, qualified participations are pursued, representing the direct or indirect participation of at least 10% of the voting rights or of the capital of an entity, in a percentage higher than 15% of the company's own funds.

## **6. OPERATIONAL SEGMENTS**

### **Intermediation segment**

The financial intermediation activity refers to the totality of the intermediation services of the transactions offered to the individual investors and to the companies, as well as to the specialized services offered to the institutional clients. Intermediation services include the following:

(A) Investor brokerage services for investors:

Intermediation of transactions for sale and purchase of securities traded on the Bucharest Stock Exchange (BVB). For this type of services, clients can choose to be assisted by a broker in performing transactions, respectively they can choose the option of online trading on their own. Within this segment, BRK also offers clients the possibility to trade in margin (based on a credit line granted by the client company), liquid shares listed on the Bucharest Stock Exchange.

Intermediation of transactions on international markets, the company's customers having access to over 100 foreign markets in Europe, North America and Asia. The range of financial instruments is very varied (stocks, bonds, structured products, ETFs, CFDs, futures, etc.), and the costs involved in trading on international markets through BRK Financial Group are among the most attractive on the market.

Intermediation of transactions with corporate, municipal and government bonds at BVB and OTC, respectively intermediation of transactions with structured products on the dedicated market segment of the Bucharest Stock Exchange.

Intermediation of transactions on the domestic and international market for institutional clients.

(B) Specialized services for issuers and potential issuers:

- Financing on the capital market through public issues of shares and bonds.
- Intermediation of public offers for the purchase or takeover of companies listed on the BSE.
- Listing companies and investment funds on the capital market through initial public offerings or based on trading prospectuses.
- Consulting for financing through issues of shares and bonds or promotion on the capital market

During the first half of 2022, BRK Financial Group brokered transactions in the shares segment worth a total of 1.1 billion lei to BVB (vs. RON 902M in 1H 2021, + 22%). In terms of market positioning, BRK ranks 5th in the top of BVB intermediaries, with a market share of 7.1%.

Trading on international markets was an important source of commission revenue in 1H 2022, given the growing interest of customers in international transactions, as well as the attraction of new customers who have accessed this service.

### **Trading segment**

Along with the intermediation segment, the management of its own portfolio of financial assets is another important branch of BRK Financial Group's activity, which contributes a significant proportion to the company's results. On the other hand, this is also a risk factor given that BRK Financial Group is required to revalue at the end of each year all positions in private companies, and the value adjustments of the securities affect the result for the year and may change the image of the financial performance of the company. At the end of each month, the company adjusts the value of the companies listed in the portfolio by marking them on the market.

Within our own portfolio we find the following types of investments:

- Marketable portfolio (shares and bonds listed on BVB - usually short or medium term investments, portfolio of financial instruments listed on international markets - usually speculative investments)
- Fund units
- Investments in private companies and loans to subsidiaries
- Capital allocated to the business segment - "Margin loans"
- Capital allocated to the business segment "Issuance of Structured products and market making operations" and "Market making for shares" within the Issuer's Market Making program.

We mention that the operations of issuing structured products as well as the provision of liquidity on our own structured products is carried out in conditions of full coverage through hedging operations on the market of the underlying asset and as such we consider it the nature of the core business. Other self-employed transactions (including domestic stock and bond market operations where there are no hedging instruments) are not included in what we call "core business", as they are exposed and correlated with market risk, being included in the operating activity and presented as a separate segment.

### **Market making and liquidity**

Starting with 2012, the company carries out market-maker activities (displaying and maintaining firm buy / sell quotes) for various financial instruments. The benefit of this type of transaction is the spread (difference) in buy and sell quotes.

The market-making operations have a continuous character in the basic activity and are specific to the foreign brokerage firms so that it is justified to consider that these operations belong to the operational chain of the BRK Financial Group activity.

In 2019, BRK obtained the quality of market-maker within the regulated spot market within BVB, signing a first contract within the Issuer's Market Maker program, through which an intermediary concludes a contract with an issuer in order to support its liquidity. An important feature of this program is that the market maker assumes much improved values of listing parameters (minimum volume, maximum spread, market presence) compared to the classic market making activity. On 30.06.2022, BRK Financial Group provided market-making services for AAGES, AROBS Transilvania Software, Agroland Business System, Antibiotice Iasi, Holde Agri Invest, Impact Developer & Contractor (both shares and bonds), MedLife, Purcari, Romcarbon, TeraPlast, One United Properties Transport Trade Services, Bursa de Valori București, Aquila Part Prod Com, Sphera Franchise Group.

**Informatiile referitoare la segmentele raportabile se prezinta astfel:**

**SSIF BRK FINANCIAL GROUP SA**  
**Notes to the consolidated IFRS financial statements**

**6. OPERATIONAL SEGMENTS (continued)**

**Information regarding the reporting segments**

|  | Total,<br>from which:: | brokerage          | Trading            | IT<br>services     | unallocated        | Total,<br>from which:: | brokerage          | Trading            | IT<br>services     | unallocated        | June-2022          | June-2021          |
|--|------------------------|--------------------|--------------------|--------------------|--------------------|------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Intermediation activity  | 7.012.888              | 7.012.888          | -                  | -                  | -                  | 10.305.533             | 10.305.533         | -                  | -                  | -                  | 7.012.888          | 10.305.533         |
| Market Making activity   | 4.827.152              | -                  | 4.827.152          | -                  | -                  | 2.715.836              | -                  | 2.715.836          | -                  | -                  | 4.827.152          | 2.715.836          |
| Other income from continuing operations  | 14.301                 | -                  | -                  | -                  | 14.301             | 20.602                 | -                  | -                  | -                  | 20.602             | 14.301             | 20.602             |
| Net Income / (Losses) realized from financial instruments  | (648.654)              | -                  | (1.054.477)        | 405.823            | -                  | 2.654.796              | -                  | 2.654.796          | -                  | -                  | (648.654)          | 2.654.796          |
| Net Income / (losses) from the measurement of financial assets measured at fair value through profit or loss | (4.229.782)            | -                  | (4.229.782)        | -                  | -                  | 6.982.271              | -                  | 6.982.271          | -                  | -                  | (4.229.782)        | 6.982.271          |
| Net income / (expenses) provisions for fixed financial assets  | -                      | -                  | -                  | -                  | -                  | (573.353)              | -                  | (200.000)          | (373.353)          | -                  | -                  | (573.353)          |
| Other net income / (expenses) from interest and exchange rate differences                                    | (1.474.995)            | -                  | (1.281.872)        | (193.122)          | -                  | 292.446                | 651.206            | (516.684)          | -                  | -                  | (1.474.995)        | 426.968            |
| Net income / (expenses) provisions for risks and expenses  | 1.056.339              | -                  | -                  | 652.546            | 403.794            | -                      | -                  | -                  | -                  | 30.513             | 1.056.339          | 30.514             |
| Other net income / (expenses)  | (96.058)               | -                  | -                  | 59.517             | (155.575)          | (101.099)              | -                  | -                  | (88.606)           | (12.493)           | (96.058)           | (101.099)          |
| Revenue from services provided   | 5.197.857              | -                  | -                  | 5.197.857          | -                  | 884.459                | -                  | -                  | 884.459            | -                  | 5.197.857          | 884.459            |
| Income from the sale of finished products and goods  | -                      | -                  | -                  | -                  | -                  | 1.930.662              | -                  | -                  | 1.930.662          | -                  | -                  | 1.930.662          |
| Income from stock variations   | -                      | -                  | -                  | -                  | -                  | (643.857)              | -                  | -                  | (643.857)          | -                  | -                  | (643.857)          |
| Other income the basic activity  | 450.598                | -                  | -                  | 450.598            | -                  | -                      | -                  | -                  | -                  | -                  | 450.598            | -                  |
| Salary expenses and employee benefits  | (7.315.322)            | (1.482.015)        | (639.740)          | (3.061.592)        | (2.131.975)        | (5.151.435)            | (765.532)          | (927.355)          | (2.225.132)        | (1.233.416)        | (7.315.322)        | (5.151.435)        |
| Expenses, market commissions and intermediaries  | (2.092.703)            | (1.427.033)        | (569.793)          | (6.195)            | (89.683)           | (1.542.075)            | (947.114)          | (372.501)          | 154.912            | (377.372)          | (2.092.703)        | (1.542.075)        |
| Expenditure on external services   | (4.183.157)            | (142.626)          | (155.059)          | (2.849.943)        | (1.035.530)        | (1.842.703)            | (257.769)          | (376.856)          | (732.899)          | (475.179)          | (4.183.157)        | (1.842.703)        |
| Expenses with collaborators  | (331.905)              | (143.238)          | -                  | (188.667)          | -                  | (425.689)              | (191.358)          | -                  | (183.688)          | (50.643)           | (331.905)          | (425.689)          |
| Raw material expenses  | -                      | -                  | -                  | -                  | -                  | (607.764)              | -                  | -                  | (607.764)          | -                  | -                  | (607.764)          |
| Other core business expenses   | (2.973.347)            | (441.425)          | (143.436)          | (1.947.732)        | (440.754)          | (2.980.144)            | (134.151)          | (181.813)          | (2.424.873)        | (239.306)          | (2.973.347)        | (2.980.144)        |
| Value adjustments of intangible and tangible assets  | (1.197.536)            | -                  | -                  | (696.322)          | (501.214)          | (918.165)              | -                  | -                  | (403.525)          | (514.640)          | (1.197.536)        | (918.165)          |
| <b>Total</b>   | <b>(5.984.324)</b>     | <b>3.376.551</b>   | <b>(3.247.009)</b> | <b>(2.177.231)</b> | <b>(3.936.635)</b> | <b>11.165.358</b>      | <b>8.302.054</b>   | <b>10.945.585</b>  | <b>(5.230.348)</b> | <b>(2.851.934)</b> | <b>(5.984.324)</b> | <b>11.165.358</b>  |
| <b>Reportable segment profit before tax</b>  | <b>(5.984.324)</b>     | <b>3.376.551</b>   | <b>(3.247.009)</b> | <b>(2.177.231)</b> | <b>(3.936.635)</b> | <b>11.165.358</b>      | <b>8.302.054</b>   | <b>10.945.585</b>  | <b>(5.230.348)</b> | <b>(2.851.934)</b> | <b>(5.896.053)</b> | <b>11.165.358</b>  |
| Tax  | (256.682)              | -                  | -                  | -                  | -                  | (277.128)              | -                  | -                  | -                  | -                  | -                  | -                  |
| <b>The assets of the reportable segment, of which:</b>   | <b>270.021.734</b>     | <b>143.292.694</b> | <b>117.586.303</b> | -                  | -                  | <b>248.998.896</b>     | <b>123.322.508</b> | <b>116.309.207</b> | -                  | -                  | <b>270.021.734</b> | <b>248.998.896</b> |
| - Intangible assets  | 204.852                | -                  | -                  | 204.852            | -                  | 304.263                | -                  | -                  | 304.263            | -                  | 204.852            | 304.263            |
| - Tangible assets  | 8.937.884              | -                  | -                  | 8.937.884          | -                  | 9.062.918              | -                  | -                  | 9.062.918          | -                  | 8.937.884          | 9.062.918          |
| - Real estate investments  | -                      | -                  | -                  | -                  | -                  | -                      | -                  | -                  | -                  | -                  | -                  | -                  |
| - Financial investments  | 104.478.315            | -                  | 104.478.315        | -                  | -                  | 101.703.552            | -                  | 101.703.552        | -                  | -                  | 104.478.315        | 101.703.552        |
| - Loans and advances granted   | 4.516.322              | -                  | 4.516.322          | -                  | -                  | 8.588.612              | -                  | 8.588.612          | -                  | -                  | 4.516.322          | 8.588.612          |
| - Trade receivables and other receivables  | 63.955.520             | 56.585.909         | 7.369.611          | -                  | -                  | 65.141.500             | 60.005.743         | 5.135.757          | -                  | -                  | 63.955.520         | 65.141.500         |
| - Availability   | 87.928.840             | 86.706.785         | 1.222.055          | -                  | -                  | 64.198.050             | 63.316.765         | 881.285            | -                  | -                  | 87.928.840         | 64.198.050         |
| Liabilities of the reportable segment, of which:   | 195.051.535            | 132.758.792        | 62.292.743         | -                  | -                  | 147.229.399            | 115.962.249        | 31.267.150         | -                  | -                  | 195.051.535        | 147.229.399        |
| - customer amounts   | 132.758.792            | 132.758.792        | -                  | -                  | -                  | 115.962.249            | 115.962.249        | -                  | -                  | -                  | 132.758.792        | 115.962.249        |

## 8. INTANGIBLE ASSETS

| <b>Cost</b>                      | <b>Establishment expenses</b> | <b>Development expenses</b> | <b>Concessions, patents, licenses, trademarks, rights and similar assets</b> | <b>Other intangible assets</b> | <b>Advance payments for intangible assets</b> | <b>TOTAL</b>      |
|----------------------------------|-------------------------------|-----------------------------|--|--------------------------------|---|-------------------|
| Cost 01.01.2022                  | 2.150                         | 3.458.495                   | 1.051.808  | 12.766.180                     | 27.820  | <b>17.306.453</b> |
| ACQUISITIONS                     |                               | 234.049                     | 7.387  | 354.048                        |   | <b>595.484</b>    |
| - from which, by transfer        |                               | 234.049                     |  |                                |   | <b>234.049</b>    |
| Outflows                         |                               | 234.049                     |  |                                |   | <b>234.049</b>    |
| - from which, by transfer        |                               | 234.049                     |  |                                |   | <b>234.049</b>    |
| <b>Balance at 30.06.2022</b>     | <b>2.150</b>                  | <b>3.458.495</b>            | <b>1.059.195</b>   | <b>13.120.228</b>              | <b>27.820</b>                                 | <b>17.667.888</b> |
| <b>Depreciation losses</b>       |                               |                             |  |                                |   |                   |
| Balance on 01.01.2022            | 2.150                         | 620.920                     | 691.262  | 6.697.606                      | -   | <b>8.011.938</b>  |
| Amortization during the exercise |                               | 40.048                      | 37.151   | 611.573                        |   | <b>688.772</b>    |
| Recognized impairment losses     |                               |                             |  |                                |   | -                 |
| Amortization related to outputs  |                               |                             |  |                                |   | -                 |
| <b>Balance at 30.06.2022</b>     | <b>2.150</b>                  | <b>660.968</b>              | <b>728.413</b>   | <b>7.309.179</b>               | <b>-</b>                                      | <b>8.700.710</b>  |
| Balance 01.01.2022               | -                             | 2.837.575                   | 360.546  | 6.068.574                      | 27.820  | 9.294.515         |
| Balance 30.06.2022               | -                             | 2.797.527                   | 330.782  | 5.811.049                      | 27.820  | 8.967.178         |

## **8. INTANGIBLE ASSETS (continued)**

The component of the balance of intangible assets is made up of software and software licenses. The significant value in the total of the intangible assets is represented by the Tradis back office system.

The useful lives used for the calculation of intangible assets are on average 3 years, amortized on a straight-line basis.

Expenses with the amortization of intangible assets during the year are included in the statement of comprehensive income in the Impairment of tangible and intangible assets line.



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**9. TANGIBLE ASSETS**

*In lei*

| <b>Cost</b>                      | <b>Lands and buildings</b> | <b>Technical installations and means of transport</b> | <b>Furniture, office equipment</b> | <b>Fixed assets in progress</b> | <b>IFRS 16 Assets</b> | <b>TOTAL</b>      |
|----------------------------------|----------------------------|---|------------------------------------|---------------------------------|-----------------------|-------------------|
| Cost 01.01.2022                  | 7.951.863                  | 3.252.563   | 809.573                            | 22.343                          | 220.930               | 12.257.272        |
| ACQUISITIONS                     | 7.736                      | 250.381   | 55.488                             |                                 |                       | 313.605           |
| - from which, by transfer        |                            |   |                                    |                                 |                       | -                 |
| Outflows                         |                            | 22.985  |                                    |                                 |                       | 22.985            |
| - from which, by transfer        |                            |   |                                    |                                 |                       | -                 |
| <b>Balance at 30.06.2022</b>     | <b>7.959.599</b>           | <b>3.479.959</b>                                      | <b>865.061</b>                     | <b>22.343</b>                   | <b>220.930</b>        | <b>12.547.892</b> |
| <b>Depreciation losses</b>       |                            |   |                                    |                                 |                       |                   |
| Balance on 01.01.2022            | 351.354                    | 1.423.039   | 604.496                            |                                 | 110.945               | 2.489.834         |
| Amortization during the exercise | 165.846                    | 216.305   | 133.025                            |                                 | 119.413               | 625.161           |
| Recognized impairment losses     |                            |   |                                    |                                 |                       | -                 |
| Amortization related to outputs  |                            | 22.985  |                                    |                                 |                       | 22.985            |
| <b>Balance at 30.06.2022</b>     | <b>517.200</b>             | <b>1.616.359</b>                                      | <b>737.521</b>                     | <b>-</b>                        | <b>230.358</b>        | <b>3.092.010</b>  |
| Balance 01.01.2022               | 7.600.509                  | 1.829.524   | 205.077                            | 22.343                          | 109.985               | 9.767.438         |
| Balance 30.06.2022               | 7.442.399                  | 1.863.600   | 127.540                            | 22.343                          | -                     | 9.446.454         |

## **9. TANGIBLE ASSETS (continued)**

On 30.06.2022 the company uses its registered office in Cluj-Napoca, Str. Motilor nr. 119, as well as the real estate owned in Bucharest, Suceava and Iasi, where the brokerage agencies operate.

On 30.06.2022, the Company did not own land, and the ones related to the buildings used are included in the value of the building.

Expenses with depreciation for the year are included in comprehensive income under the Impairment of tangible and intangible assets line.

### **Mortgaged or pledged property, plant and equipment**

Also, on 18.04.2022, a credit agreement was signed with CEC Bank for obtaining a credit line in the amount of 22,000,000 lei, for a period of 12 months from the date of signing the financing agreement, with the possibility of its extension. The loan is guaranteed with a real estate and movable mortgage. The credit facility obtained will be used by the company to refinance the credit line held by the company at Libra Bank in the amount of 723,000, refinancing the credit line held by the company at TECHVENTURES BANK in the amount of 4,500,000, financing the current activity in the amount of 16,777,000 lei.

### **Re-evaluation presentations**

Fixed assets representing buildings were revalued on 31.12.2021. The evaluation was performed by an expert evaluator, the company Neoconsult Valuation SRL In accordance with the International Evaluation Standards and the working methodology recommended by ANEVAR.

## 11. FINANCIAL INVESTMENTS

*In lei*

### Financial assets at fair value through profit or loss

Financial assets measured at fair value through other comprehensive income

### Total financial assets designated at fair value through other comprehensive income

### Financial assets designated at fair value through profit or loss

#### Financial assets at fair value through profit or loss

Shares

listed shares

listed fund units

unlisted fund units

listed bonds

unlisted bonds

unlisted shares

other financial instruments

Shares

**June-22**

**December-21**

15.565.068

9.536.911

-

-

**15.565.068**

**9.536.911**

47.038.513

40.352.696

-

-

8.825.638

9.085.967

1.277.851

738.050

816.216

167.400

3.227.972

15.372.172

-

-

**61.186.191**

**65.716.284**

### Total financial assets designated at fair value through profit or loss

### Total financial investments

**76.751.259**

**75.253.195**

## **11. FINANCIAL INVESTMENTS (continued)**

Listed securities: shares, bonds and fund units are evaluated at the exchange rate of June 30st 2022, published by the Bucharest Stock Exchange.

The listed units of held funds are valued at the value of the net unitary asset, and the unlisted bonds at amortized cost.

The structured products held are valued at the quotation from 30.06.2022.

Financial instruments traded on international markets are futures, options and contracts for difference (CFDs) and are used for speculative and hedging purposes for market maker operations. They are evaluated at the exchange rate of 30.06.2022.

## **12. LOANS AND ADVANCES GRANTED**

| <i>In lei</i>                                  | <b>June-22</b>   | <b>December-21</b> |
|--|------------------|--------------------|
| Gross margin loans                             | 1.933.027        | 6.639.626          |
| Loans to affiliated parties                    | -                | -                  |
| Interest on loans granted                      | 97.071           | 44.266             |
| Other loans granted                            | 1.233.375        | 1.233.375          |
| Depreciation of loans granted                  | -                | -                  |
| <b>Net value of loans and advances granted</b> | <b>3.263.473</b> | <b>7.917.267</b>   |

In the first semester of 2022, the company Brk Financial Group SA granted loans to affiliated companies as follows: to the company Romlogic Technology SA - 1,000,000 lei. In order to determine the fair value, the management of the Company took into account the future net cash flows related to these Loans, these loans having a maturity of more than 1 year on June 30, 2022. For each loan, 3 scenarios were defined regarding the recoverability of the amounts granted in the interval of time until the maturity of the loan contract.

The loans granted to affiliated companies are included in stage 2 according to the policy described in Note 3 of these financial statements.

The loans granted to the company's clients in the form of margin loans are classified at stage 1 according to the policy described in Note 3.

For the loans granted to Romlogic Technology SA, the management of BRk Financial Group, based on the accounting policy described in the present financial statements in Note 3, considers that these loans are in stage 2 of default, so that a 100% impairment of the total value of the loan in the absolute amount of 1,600,000 lei for determining the fair value.

The company maintained the service offered to clients to carry out margin transactions. The creditor balance in the margin granted to clients on 30.06.2022 was 1,933,027 lei.

For the loans in the margin, the clients bring the securities purchased with these loans as guarantees. Therefore, there are no indications of impairment and this represents the fair value on June 30, 2022.

### 13. INVESTMENTS IN ASSOCIATES

The affiliates and associates (where there is significant influence) are mentioned below.

The percentage of ownership and the amount of the RON holding in the associates are as follows:

| <b>Company</b>         | <b>Stake %-<br/>June 2022</b> | <b>Value of stake<br/>June 2022</b> | <b>Stake %<br/>December<br/>2021</b> | <b>Value of stake -<br/>December 2021</b> |
|------------------------|-------------------------------|-------------------------------------|--------------------------------------|---|
| SAI Broker             | 99,98%                        | 9.340.502                           | 99,98%                               | 9.340.502                                 |
| REIT CAPITAL SA        | 0,00%                         | -                                   | 77,14%                               | 427.765                                   |
| Firebyte Games SA      | 37,74%                        | 8.087.609                           | 37,94%                               | 7.831.978                                 |
| Gocab Software         | 49,71%                        | 5.662.272                           | 32,53%                               | 5.733.663                                 |
| Romlogic Technology SA | 90,75%                        | 6.283.985                           | 90,75%                               | 6.283.985                                 |
| <b>Total</b>           |                               | <b>29.374.369</b>                   |                                      | <b>29.617.894</b>                         |

SSIF BRK FINANCIAL GROUP SA owns SAI Broker SA (99,98%), and has a significant stake in Romlogic Technology SA (90,75%).

In the first semester of 2022, dividends were recorded to be collected from associated companies in the amount of 499,900 lei.

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In primul semestru al anului 2022, tranzactiile cu partile afiliate se prezinta in felul urmator:

| Company                | The nature of affiliation | The nature of activity                    | Volume and weight of the activity                          |
|------------------------|---------------------------|---|--|
| SAI Broker             | Ownership<br>99.98%       | Asset management                          | -Fee income 342 Lei  |
|                        |                           |   | -Intermediation income 1.469 lei                           |
|                        |                           |   | - Rental income 17.100 lei                                 |
|                        |                           |   |  |
| Romlogic Technology SA | Ownership<br>90.75%       | Manufacturing of hardware and peripherals | -Interest income 73.146 lei<br>-Loan granted 1.000.000 lei |
|                        |                           |   |  |
| Gocab Software         | Ownership<br>49,71%       | Software development                      | Not applicable   |
|                        |                           |   |  |
| Firebyte Games SA      | Ownership<br>37,74%       | Game development                          | -Rental income 8.033 lei                                   |

Transactions with related parties were made at market value.

### 13. INVESTMENT IN ASSOCIATES (continued)

On 30.06.2022 and 31.12.2021 the balances of the company's receivables from the relations with the affiliated parties were the following:

| <i>In RON</i>          | <b>June-22</b>   | <b>December-21</b> |
|------------------------|------------------|--------------------|
| SAI Broker             | 1469             | 1.510              |
| REIT CAPITAL SA        | -                | -                  |
| Firebyte Games SA      | 4.058            | -                  |
| Romlogic Technology SA | 2.844.492        | 1.771.345          |
| <b>Total</b>           | <b>2.850.019</b> | <b>1.772.855</b>   |

### 14. NON-CURRENT ASSETS HELD FOR SALE

| <i>In RON</i>                                 | <b>June-22</b> | <b>December-21</b> |
|---|----------------|--------------------|
| <b>Balance January 1<sup>st</sup></b>         | <b>-</b>       | <b>303.389</b>     |
| Transfers of property during the year         | -              | -                  |
| Inflows of guarantees                         | -              | -                  |
| Inflows during the year (exchanges of assets) | -              | -                  |
| Disposals                                     | -              | (303.389)          |
| Plus re-evaluation                            | -              | -                  |
| Minus re-evaluation                           | -              | -                  |
| <b>Balance June 30 2022</b>                   | <b>-</b>       | <b>-</b>           |

### 15. TRADE RECEIVABLES

| <i>In lei</i>                 | <b>June-22</b>   | <b>December-21</b> |
|-------------------------------|------------------|--------------------|
| Receivables                   | 824.652          | 2.455.555          |
| Receivables (state budget)    | -                | -                  |
| Net debtor receivables        | 196.306          | 79.997             |
| Employees engaged in payables | 150.173          | 28.698             |
| Debtors (previous employees)  | 46.133           | 51.298             |
| Others                        | 1.355.318        | 584.688            |
| <b>Total receivables</b>      | <b>2.422.409</b> | <b>3.171.538</b>   |

## 15. TRADE RECEIVABLES (continued)

Debtors from the trading of the company's financial instruments come from transactions concluded in June 2022, which have the first two days of July 2022 as the settlement date.

Similarly, debtors from financial instruments settled by customers come from transactions concluded in June 2022, which have as the settlement date the first two days of July 2022.

|   | <b>June-22</b>    | <b>December-21</b> |
|---|-------------------|--------------------|
| Debtors from the trading of the Company's financial instruments | 8.574.858         | 6.012.981          |
| Debtors from financial instruments traded by clients            | 52.895.499        | 57.738.180         |
| <b>Other financial assets</b>                                   | <b>63.170.146</b> | <b>65.968.966</b>  |

The entity's exposure to credit risk and foreign exchange risk, as well as impairment losses related to trade receivables are presented in note number 4.

The gross balances and the depreciations of the debtors are the following:

| <i>In RON</i>                               | <b>June-22</b> | <b>December-21</b> |
|---|----------------|--------------------|
| Borrowers (ex-employees) – Stage 3          | 1.929.773      | 1.934.938          |
| Depreciation                                | (1.773.455)    | (1.773.455)        |
| <b>Net value – borrowers (ex-employees)</b> | <b>156.318</b> | <b>161.483</b>     |

Changes in the fair values for receivable depreciation against borrowers was the following:

| <i>In RON</i>                            | <b>June-22</b>   | <b>December-21</b> |
|--|------------------|--------------------|
| <b>Balance January 1<sup>st</sup></b>    | <b>1.773.455</b> | <b>1.783.747</b>   |
| Additional provisions                    | -                | -                  |
| Cancelling of provisions                 | -                | (10.292)           |
| <b>Balance June 30<sup>th</sup> 2022</b> | <b>1.773.455</b> | <b>1.773.455</b>   |

In the first semester of 2022, adjustments related to debt recoveries were not resumed..

## 16. DEFERRED TAXES

### Deferred income tax not recognized

| <i>In lei</i>   | <b>June-22</b>   | <b>December-21</b> |
|---|------------------|--------------------|
| Differences from revaluation of fixed assets  | 3.488.688        | 3.488.688          |
| Differences from revaluation of financial assets evaluated by other elements of the Global result | 2.628.133        | 2.628.133          |
|   | <b>6.116.816</b> | <b>6.116.816</b>   |
| Tax rate  | 16%              | 16%                |
| <b>Unrecognized deferred tax receivables</b>  | <b>978.690</b>   | <b>978.690</b>     |



## **17. CASH AND EQUIVALENTS**

| <i>In lei</i>                            | <b>June-22</b>    | <b>December-21</b> |
|--|-------------------|--------------------|
| Client accounts                          | 86.706.785        | 63.316.765         |
| Cash and equivalents                     | 7.567.581         | 8.010.900          |
| <b>Balance June 30<sup>th</sup> 2022</b> | <b>94.274.366</b> | <b>71.327.665</b>  |

The cash and cash equivalents position also includes short-term deposits.

Client balances in bank accounts are highlighted and managed separately from those of the company and can be used on the basis of clients' trading orders.

The Company performed an analysis of the impairment of cash and cash equivalents as per IFRS 9 and considers that the resulting impact is immaterial for the financial statements considered overall. This impact was not reflected in these financial statements.

The exposure of the entity to interest rate risk and a sensitivity analysis of financial assets and liabilities are disclosed in Note 4.

## **18. EQUITY AND RESERVES**

The share capital and reserves are as follows:

| <i>In lei</i> | <b>Share capital value</b> | <b>Nominal value/share</b> | <b>Number of ordinary shares</b> |
|---------------|----------------------------|----------------------------|----------------------------------|
| Jan 1 2021    | 54.039.987                 | 0,16                       | 337.749.919                      |
| Dec 31 2021   | 54.039.987                 | 0,16                       | 337.749.919                      |
| Jan 1 2022    | 54.039.987                 | 0,16                       | 337.749.919                      |
| June 30 2022  | 50.614.493                 | 0,15                       | 337.429.952                      |

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| <i>In lei</i>  | <b>June-22</b>   | <b>December-21</b> |
|--|------------------|--------------------|
| Re-evaluation differences of property, plant and equipment | 5.697.872        | 5.742.690          |
| Deferred taxes   | (978.691)        | (978.691)          |
| Legal reserves   | 6.095.560        | 6.095.560          |
| Fair value reserves  | (855,310)        | (239,980)          |
| Other reserves   | 2.748.760        | 2.748.760          |
| Legal reserves from own shares                             | -                | -                  |
| <b>Total reserves and re-evaluation differences</b>        | <b>9.055.265</b> | <b>13.368.339</b>  |

**18. EQUITY AND RESERVES (continued)**

In the first semester of 2022, there were changes in the share capital and the number of issued shares. The share capital was reduced by the amount of 3,425,494.24 lei by canceling a number of 319,967 own shares at the nominal value of 0.16 lei/share and covering some reporting losses in the amount of 3,374,299.52 lei.

Own shares held by the company on June 30, 2022 are 7,088,692 shares.

| <b>Own shares</b>   | <b>Balance Jan 1<br/>2022</b> | <b>Acquisitions<br/>during the<br/>period</b> | <b>Balance<br/>30.06.2022</b> |
|---|-------------------------------|---|-------------------------------|
| The redemption program approved by AGEA on April 26, 2022   | -                             | 6.000.000                                     | 6.000.000                     |
| The redemption program approved by AGEA on January 20, 2021 | -                             | 1.088.692                                     | 1.088.692                     |
| <b>Total number of shares repurchased</b>                   | -                             | 7.088.692                                     | 7.088.692                     |
| <b>Total value of redeemed shares (RON)</b>                 | -                             | <b>2.182.446</b>                              | <b>2.182.446</b>              |

| <b>Actiuni Proprii</b>                                      | <b>Balance Jan 1<br/>2021</b> | <b>Acquisitions<br/>during the<br/>period</b> | <b>Balance<br/>30.06.2021</b> |
|---|-------------------------------|---|-------------------------------|
| The redemption program approved by AGEA on April 26, 2022   | -                             | -   | -                             |
| The redemption program approved by AGEA on January 20, 2021 | -                             | -   | -                             |
| <b>Total number of shares repurchased</b>                   | -                             | -   | -                             |
| <b>Total value of redeemed shares (RON)</b>                 | -                             | -   | -                             |

| <i>In lei</i>               | <b>June-22</b>    | <b>December-21</b> |
|-----------------------------|-------------------|--------------------|
| Share capital               | 50.614.493        | 54.039.987         |
| Adjustment of share capital | 4.871.591         | 4.071.591          |
| Own shares                  | (2.288.813)       | (130.414)          |
| Premiums                    | 13.682.722        | 13.682.722         |
| <b>Total</b>                | <b>66.879.993</b> | <b>71.663.886</b>  |

## **19. RESERVES AND RE-EVALUATION DIFFERENCES**

### **Legal reserves**

The legal reserves represent the sums constituted annually from the gross profit in the rate of 5%, until reaching the level of 20% of the social capital and are recognized as a deduction when calculating the profit tax.

### **Fair value reserves**

The fair value reserve includes the net cumulative change in the fair value of financial assets available for sale until the investments are derecognized or depreciated.

### **Other reserves**

"Other reserves" include adjustments to the historical cost of share capital in accordance with IAS 29 "Financial reporting in hyperinflationary economies".

### **Dividende si alte distribuiiri catre actionari**

In 2022, dividends were granted to shareholders in the amount of 6,642,694 lei according to the AGEA decision of 04/27/2022.

## 20. Retained earnings

| <i>In lei</i>   | <b>June-22</b>      | <b>December-21</b> |
|---|---------------------|--------------------|
| Profit carried forward as a result of IFRS transition             | 2.713.367           | 2.713.367          |
| Retained earnings as a result of IFRS9 application                | 3.392.306           | 3.392.306          |
| Retained earnings according to IAS 29                             | (6.880.234)         | (6.880.234)        |
| Retained earnings from recycling current results of prior periods | 15.596.481          | (2.159.712)        |
| Retained earnings   | (6.241.009)         | 15.911.956         |
| Current result  | -                   | (1.100.034)        |
| Reported profit   | 800.000             | -                  |
| <b>Total Retained earnings</b>                                    | <b>(17.897.084)</b> | <b>4.674.559</b>   |

### Retained earnings by transitioning to IFRS

The reported result from the transition to IFRS dates back to 2008.  
The reported result from the application of IFRS 9 dates back to 2018.

### Retained earnings IAS 29

The financial statements and corresponding amounts of prior periods have been restated to reflect the change in the overall purchasing power of the functional currency and are therefore expressed in relation to the measuring unit existing at the end of the reporting period. This position of capital includes the influence of the share capital restatement on inflation for the period 1994 - 2002.

| <b>Year</b>    | <b>2003</b> | <b>2002</b> | <b>2001</b> | <b>2000</b> | <b>1999</b> | <b>1998</b> | <b>1997</b> | <b>1996</b> | <b>1995</b> |
|----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Discount index | 1.00        | 1.15        | 1.41        | 1.90        | 2.77        | 4.04        | 6.42        | 16.36       | 22.71       |

Following the application of this discount index, the company registered as follows:

| <b>Account</b>                             | <b>Debit</b>     | <b>Credit</b>    |
|--|------------------|------------------|
| Share capital adjustments                  | -                | 4.071.591        |
| Re-evaluation differences*                 | -                | 59.884           |
| Other reserves**                           | -                | 2.748.760        |
| Reported result from first adopting IAS 29 | 6.880.234        | -                |
| <b>Total</b>                               | <b>6.880.234</b> | <b>6.880.234</b> |

\* Incorporated re-evaluation reserves from 2011.

\*\*Incorporated in 2007 upon merger with Investco.

## 21. TRADE AND OTHER PAYABLES

| <i>In lei</i>  | <b>June-22</b>    | <b>December-21</b> |
|--|-------------------|--------------------|
| Payables   | 10.214.623        | 3.249.100          |
| Liabilities to employees   | 84.922            | 147.912            |
| Liabilities with state budget  | 506.239           | 331.156            |
| Sundry creditors from house transactions                               | 2.627.607         | 2.548.603          |
| Sundry creditors from clients' transactions                            | 6.863.155         | 4.924.163          |
| Various creditors result from financial instruments on foreign markets | 4.890.747         | 2.104.311          |
| <b>Total trade debts and other debts</b>                               | <b>25.187.293</b> | <b>13.305.245</b>  |

## **21. TRADE AND OTHER PAYABLES (continued)**

The entity's exposure to foreign currency risk and liquidity risk related to trade and other payables is presented in note 4.

Sundry creditors represent settlements with the Bucharest Stock Exchange, which are in progress, performed from the time of the transactions carried out on behalf of the entity and / or the clients. Also, sundry creditors include sundry creditors from trading and refer to the debt for products with protected capital and Turbo certificates issued by the Company and listed on the Bucharest Stock Exchange.

Starting with 2016, for customers who have opened accounts with external intermediaries, only their funds held by the intermediary mentioned above are reflected in the bookkeeping. The accounts held by these clients are Margin type, and RegTMargin type, meaning that they can use the margin call, case in which the external intermediary offers clients the possibility to contract margin loans. Clients also bring as collateral financial instruments from their own trading portfolio.

## **22. BORROWINGS**

The loans contracted by The Company are as follows:

*In RON*

| <b>Long-term debt</b>       | <b>June-22</b>    | <b>December-21</b> |
|-----------------------------|-------------------|--------------------|
| Bond borrowings             | 24.367.854        | 24.303.570         |
| Financial lease liabilities | 467.595           | 515.978            |
| <b>Total long-term debt</b> | <b>24.835.449</b> | <b>24.819.548</b>  |

The shareholders of BRK Financial Group approved through the Decision of the Extraordinary General Meeting of Shareholders of 26.04.2021. making a corporate bond issue with a maturity of 5 years and empowered the CA to issue any decision and perform all the necessary legal acts and deeds. useful and/or opportune for the implementation of the decisions to be adopted by the Company's AGM in relation to the issue of non-convertible bonds by the Company. The management of the BRK Financial Group Company has decided. by the Decision of the Board of Administration no. 1/23/07/2021. to carry out between 02.08.2021 - 13.08.2021 the Private Placement regarding the issue of bonds for a number of **250,000 bonds**. worth **25,000,000 lei**.

By the same decision. the management of the BRK Financial Group company was appointed to carry out the steps necessary for the Private Placement and the admission to trading of the Bonds issued on the regulated market of BVB.

Between 02.08.2021 and 05.08.2021, the Private Placement took place and subscriptions were collected from a number of 59 natural and legal persons. it closing early by the Issuer's decision. according to the decisions of the Board of Directors dated 23.07.2021 regarding oversubscription. registering a degree of oversubscription of 106,283%. The sale price of the Notes was 100% of principal. and for subscriptions made between 02.08.2021 - 06.08.2021. 97% of the principal. according to the decisions of the Board of Directors dated 23.07.2021. therefore the settlement of all transactions is carried out at a price of 97% of the principal.

On 05.08.2021, the private placement of BRK Financial Group SA bonds was concluded. the bond issue amounting to **25,000,000 RON**.

The transaction date related to the Bonds issued was 06.08.2021. and the Settlement Date through the Central Depository was 10.08.2021.

In the placement, orders were collected that reflected a subscription of 106,283%. the allocation rate will be 94.08%. The purpose of the obtained funds is to ensure the working capital for the expansion of the market-making activity and the diversification of the portfolio of structured products. other investment activities.

**Characteristics of bonds subject to admission to trading:**

- **Bond type:** corporative. negarantate. neconvertibile
- **Currency:** RON
- **Value of emission:** 25.000.000 RON
- **Number of bonds issued:** max 250.000
- **Nominal value of 1 bond:** 100 RON
- **Emission date:** 10.08.2021
- **Maturity:** 5 ani
- **Coupon:** 7.6% pe an
- **Coupon payment:** trimestrial
- **Principal payment:** la maturitate
- **Destination of funds:** asigurarea capitalului de lucru pentru extinderea activității de market-making și diversificarea portofoliului de produse structurate. alte activități de investiții.
- **ISIN code:** ROSYZVBBKKI6
- **CFI:** DBFUFR
- **FISN:** BRK FG/7.6 BD 20260813 UNSEC

*In RON*  
*In lei*

| <b>Datorii pe termen scurt</b>                | <b>June-22</b>    | <b>December-21</b> |
|---|-------------------|--------------------|
| Guaranteed credit lines                       | 13.162.287        | 5.041.915          |
| Current part of financial leasing liabilities | 146.788           | 161.953            |
| <b>Current liabilities</b>                    | <b>13.309.074</b> | <b>5.203.868</b>   |

In the first semester of 2021, a credit facility was contracted to finance the current activity - credit line - with a maximum ceiling of 22,000,000 lei. The credit facility will be used to refinance the existing facilities (Techventures Bank and Libra Bank, approx. 5.2M RON) and increase the working capital (16.8M RON). Real estate guarantees (headquarters and agency offices), mortgage on some share packages owned in own account, assignment of income from market making contracts.

## **22. BORROWINGS (continued)**

The amounts owed to clients are in fact amounts paid in advance by them in the bank accounts on the domestic market or in the accounts held with external brokers, which are available either for trading, or for withdrawal, depending on client's future options. They originate in:

| <i>In RON</i>                            | <b>June-22</b>     | <b>December-21</b> |
|--|--------------------|--------------------|
| <b>Payable to clients</b>                |                    |                    |
| Creditors (domestic market)              | 81.885.761         | 64.210.882         |
| Creditors (international markets)        | 50.873.031         | 51.751.367         |
| Corporate creditors                      | -                  | -                  |
| <b>Balance June 30<sup>th</sup> 2022</b> | <b>132.758.792</b> | <b>115.962.249</b> |

## **23. PROVISIONS**

| <i>In RON</i>                    | <b>June-22</b>   | <b>December-21</b> |
|----------------------------------|------------------|--------------------|
| <b>Provisions</b>                |                  |                    |
| <b>Balance January 1st</b>       | <b>1.022.068</b> | <b>246.033</b>     |
| Cancelled during the period      | (403.794)        | (155.486)          |
| Established during the period    | -                | 931.521            |
| <b>June 30<sup>th</sup> 2022</b> | <b>618.275</b>   | <b>1.022.068</b>   |

During the year 2022, 403,794 lei were added to income from provisions.

## 25. INTERMEDIATION INCOME

### Venituri Activitatea de intermediere

| <i>In lei</i>   | Ongoing activities |                   | Ongoing activities | Halted activities | Total             |                   |
|---|--------------------|-------------------|--------------------|-------------------|-------------------|-------------------|
|   | June 2022          | June 2021         | June 2022          | June 2021         | June 2022         | June 2021         |
| Income from commissions on the domestic market                                | 2.969.238          | 2.271.804         |                    |                   | 2.969.238         | 2.271.804         |
| Income from commissions on the foreign market                                 | 485.370            | 1.310.951         | -                  | -                 | 485.370           | 1.310.951         |
| Income from related activities  | 331.782            | 210.887           | -                  | -                 | 331.782           | 210.887           |
| <b>Subtotal revenues from intermediary commissions and related activities</b> | <b>3.786.389</b>   | <b>3.793.641</b>  | -                  | -                 | <b>3.786.389</b>  | <b>3.793.641</b>  |
| Income from corporate operations  | 523.593            | 4.515.451         | -                  | -                 | 523.593           | 4.515.451         |
| Other intermediate income   | 1.040.160          | 639.046           | -                  | -                 | 1.040.160         | 1.314.236         |
| Income from fund management   | 1.597.543          | 1.512.306         |                    |                   | 1.597.543         | 1.512.306         |
| Revenues of the production segment peripheral equipment and software services | 5.197.857          | 2.171.173         |                    |                   | 5.197.857         | 2.171.173         |
| <b>Total revenue</b>  | <b>12.145.542</b>  | <b>12.631.708</b> | -                  | -                 | <b>12.145.542</b> | <b>12.631.708</b> |

The Company's revenue recognition policy is to reflect such revenues at gross value. Gross revenues include market costs, commissions charged by the Stock Exchange, and ASF respectively.

In order to diversify revenues from commissions, the Company sought to permanently extend the product range and the markets where the transactions are carried out. The level of commissions earned for the operations carried out by the Company also comprised commissions related to operations on foreign markets, as presented above.

Customers are generally allocated to a broker, with the possibility to perform operations both traditionally, and on online.

Revenues from commissions also include transactions for other non-banking financial institutions, called contracts with custodians, for which SSIF BRK FINANCIAL GROUP SA collects transaction fees, but the funds related to sales and purchases do not pass through the accounts of the company, but are settled through the custodian's accounts.



## 26. INCOME FROM MARKET MAKING

| <i>In RON</i>                        | <b>June-22</b>   | <b>June-21</b>   |
|--------------------------------------|------------------|------------------|
| Net gains from spot market           | 11.462.957       | (3.267.005)      |
| Net gains from international markets | (9.056.035)      | 5.143.499        |
| Other revenue MM                     | 2.420.230        | 839.342          |
| <b>Market Making Result</b>          | <b>4.827.152</b> | <b>2.715.836</b> |

## 27. PERSONNEL EXPENSES

| <i>In RON</i>  | <b>June-22</b>     | <b>June-21</b>     |
|--|--------------------|--------------------|
| Staff  | (7.044.331)        | (4.115.031)        |
| Social contributions   | (165.327)          | (929.733)          |
| Employee profit sharing                                      | -                  | -                  |
| BoA remunerations  | (105.664)          | (106.671)          |
| BoA profit sharing   | -                  | -                  |
| <b>Total personnel expenses through comprehensive income</b> | <b>(7.315.322)</b> | <b>(5.151.435)</b> |

The remuneration of the general managers is established by the Decision of the Board of Directors of the Company, and other benefits granted are in accordance with the collective labor contract at unit level, During 2022, the management of the company was ensured by General Director Monica-Adriana Ivan and by Deputy General Director Razvan Rat,

During the first semester of 2022, the allowances granted to members of the Board of Directors amounted to 105,664 lei.

## 28. COMMISSION AND INTERMEDIATE EXPENSES

Fee expenses include expenses with commissions and fees charged by capital market institutions:

| <i>In RON</i>                            | <b>June-22</b>     | <b>June-21</b>     |
|--|--------------------|--------------------|
| Internal Market commission expenses      | (1.783.988)        | (1.191.236)        |
| International Market commission expenses | (308.715)          | (505.751)          |
| <b>Total</b>                             | <b>(2.092.703)</b> | <b>(1.696.987)</b> |

## 29. EXPENDITURE ON SERVICES

| <i>In RON</i>  | <b>June-22</b>   | <b>June-21</b>   |
|--|------------------|------------------|
| Expenses regarding audit fees, lawyers               | (148.411)        | (173.982)        |
| Expenses with computer maintenance software services | (601.724)        | (400.111)        |
| Expenses with consulting and training services       | (30.815)         | (12.910)         |
| Other expenses                                       | (3.407.188)      | (1.255.699)      |
| <b>Total</b>   | <b>4.183.157</b> | <b>1.842.702</b> |

### 30. OTHER OPERATING EXPENSES

Expenses with collaborators refer to expenses with delegate agencies in the amount of 143,238 lei (June 2021: 242,001 lei).

Other expenses with the basic activity refer mainly to:

| In RON                             | June-22            | June-21            |
|------------------------------------|--------------------|--------------------|
| Raw materials expenses             | -                  | 191.475            |
| Expenses with other taxes and fees | 89.315             | 29.001             |
| Expenses with utilities            | 147.838            | 73.180             |
| Expenses with financial services   | 117.858            | 89.363             |
| Expenses with publicity            | 1.453.674          | 68.102             |
| Telecommunication expenses         | 194.901            | 34.983             |
| Insurance expenses                 | 63.136             | 34.191             |
| Maintenance and repair expenses    | 169.426            | 12.688             |
| Transport expenses                 | 22.673             | 43.467             |
| Rent expenses                      | 63.368             | 24.607             |
| Other expenses                     | 651.157            | 17.113             |
| <b>Total</b>                       | <b>(2.973.347)</b> | <b>(2.980.144)</b> |

Value adjustments of intangible and tangible assets include depreciation expenses in the amount of 501,214 lei (2021: 514,640 lei).

### 31. TRADING ACTIVITY INCOME/(LOSSES)

| in lei   | June-22            | June-21          |
|--|--------------------|------------------|
| <b>Net gains/(losses) realized from financial instruments, of which:</b>   | (648.654)          | 2.654.796        |
| Dividend income  | 733.164            | 392.400          |
| Income from transactions with shares and bonds   | 2.610.063          | 3.190.535        |
| Losses from transactions with shares and bonds realized  | (3.991.881)        | (928.138)        |
| <b>Net Gains/(Losses) realized from the Market Making Activity</b>   |                    |                  |
| Net earnings from transactions with Structured Products  | 4.827.152          | 2.715.836        |
| <b>Net gains/(losses) from the valuation of financial assets measured at fair value through profit and loss, of which:</b> | (4.229.782)        | 6.982.270        |
| Income from the valuation of financial assets measured at fair value through profit and loss                               | 5.281.494          | 11.357.597       |
| Losses from the valuation of financial assets measured at fair value through profit and loss                               | (9.511.276)        | (4.375.327)      |
| <b>Net revenues/(expenses) provisions immobilized financial assets, of which:</b>  | -                  | (573.353)        |
| Revenues cancellation provisions fixed financial assets  | -                  | 300.000          |
| Expenses provisions fixed financial assets   | -                  | (873.353)        |
| <b>Other net income/(expenses) from interest and exchange rate differences, of which:</b>                                  | (1.474.995)        | 426.968          |
| Interest income, loans and bonds   | 149.614            | 51.547           |
| Income, interest, credits, margin  | 150.567            | 99.914           |
| Other interest income  | 99.204             | 13.659           |
| Interest expenses  | (1.649.016)        | (204.203)        |
| (Expenses)/Revenues differences house exchange rate  | (225.363)          | 664.735          |
| <b>Net financial result recognized in the profit or loss account</b>   | <b>(6.353.431)</b> | <b>9.490.682</b> |

**Recognized in other elements of the overall result**  
*In lei*

Detailed on the next page

**Recognized in other elements of the overall result**  
in lei

The net change in the fair value of financial assets available  
for sale transferred to the profit or loss account  
related to the titles in the balance at the end of the period

**Financial income recognized in other elements of the  
global result, after taxation**

|   |   |
|---|---|
| - | - |
| - | - |
| - | - |
| - | - |

### **30. TRADING ACTIVITY INCOME/(LOSSES) (continued)**

The unrealized net gains/(Losses) from the valuation of participations at fair value through the profit or loss account for the first half of 2022 were mainly generated by the net change in the fair value of the financial instruments that are part of the trading portfolio for which the Company has analyzed sales opportunities.

The net gains/(losses) from the trading of financial assets recorded at fair value through the profit or loss account represent the income from the sale of securities reduced by the value of the costs for those securities, for transactions for which this difference is positive.

**31a. Dividend income** is recorded in the profit or loss account at net value.

| <i><b>In RON</b></i> | <b>June-22</b> | <b>June-21</b> |
|----------------------|----------------|----------------|
|                      |                |                |
| <b>TOTAL</b>         | <b>733.164</b> | <b>392.400</b> |

### **31. EARNINGS PER SHARE**

#### **Basic earnings per share**

The calculation of the basic result per share on June 30, 2022 is based on the profit attributable to shareholders (totally ordinary shareholders) and the average number of ordinary shares in circulation of 337,429,952 shares. On December 31, 2021, the average number of ordinary shares in circulation was the same, 337,749,919 shares.

#### **Profitul atribuibil actionarilor ordinari**

|  | <b>June-22</b>     | <b>June-21</b>    |
|--|--------------------|-------------------|
| <b>Profit attributable to:</b>                     |                    |                   |
| Company shareholders                               | (5.157.978)        | 10.888.229        |
| Non-controlling interests                          | (1.083.031)        | -                 |
| <b>Profit for the period</b>                       | <b>(6.241.005)</b> | <b>10.888.229</b> |
| <b>Total comprehensive income attributable to:</b> |                    |                   |
| Company shareholders                               | -                  | -                 |
| Non-controlling interests                          | -                  | -                 |
| <b>Total comprehensive income for the period</b>   | <b>(6.241.009)</b> | <b>10.888.229</b> |
| <b>Earnings per share</b>                          | (0.0185)           | 0.0438            |

### 32. EARNINGS PER SHARE (continued)

The result presented follows the calculation of income tax

|  | June-22            | June-21           |
|--|--------------------|-------------------|
| <b>Profit attributable to:</b>                       |                    |                   |
| Shareholders   | (6.241.009)        | 10.888.229        |
| Non-controlling interests                            | (1.083.031)        | -                 |
| <b>Profit for the period</b>                         | <b>(6.241.009)</b> | <b>10.888.229</b> |
| <b>Total comprehensive income for the period to:</b> |                    |                   |
| Shareholders   | -                  | -                 |
| Non-controlling interests                            | -                  | -                 |
| <b>Total comprehensive income for the period</b>     | <b>(6.241.009)</b> | <b>10.888.229</b> |
| <b>Earnings per share</b>                            |                    |                   |
| Basic earnings per share (lei)                       | (0,0185)           | 0,0438            |
| Diluted earnings per share (lei)                     | (0,0185)           | 0,0438            |
| Continuing activities                                |                    |                   |
| Basic earnings per share (lei)                       | (0,0185)           | 0,0438            |
| Diluted earnings per share (lei)                     | (0,0185)           | 0,0438            |

#### Weighted average number of ordinary shares

During the year 2022, 319,967 shares with a nominal value of 0.16 lei were cancelled, and since then there have been no changes in the number of shares issued.

| Anul             | Iunie-2021  | 2020        | 2019        | 2018        | 2017        |
|------------------|-------------|-------------|-------------|-------------|-------------|
| Number of shares | 337.429.952 | 337.749.919 | 337.749.919 | 337.749.919 | 338.681.867 |

### 33. IERARHIA VALORILOR JUSTE

The table below presents the financial instruments carried at fair value depending on the measurement method. The fair value levels have been defined as follows:

- **Level 1:** quoted prices (not adjusted) on active markets. For securities at fair value through profit or loss, the price is the one at the end of the period, on the last trading day
- **Level 2 :** inputs other than the quoted prices included in Level 1. This includes quoted securities for which valuation methods have been applied that contain observable values for assets or liabilities. If the asset or liability has a specific contractual term, the inputs related to Level 2 must have observable values for the entire asset or liability period. Examples: quoted prices for similar assets or liabilities on active markets, quoted prices for identical or similar products on markets that are not active, observable prices other than quoted prices such as interest rates, volatility, and other corroborated input data on the market.
- **Level 3:** inputs other than the quoted prices included in Level 1 and Level 2. This includes unquoted securities for which valuation methods have been applied that contain observable values for assets or liabilities, either directly (e.g., prices) or indirectly (e.g., derived from prices). The fair value of these securities was determined either by applying the Dividend Discount Model (DDM), by applying the Discounted Cash Flow (DCF) method or the asset-based method as presented in the Company's accounting.

**SSIF BRK FINANCIAL GROUP SA**  
**Notes to the consolidated IFRS financial statements**

**33. FAIR VALUE HIERARCHY (continued)**

*In RON*

**June 30<sup>th</sup> 2022**

|   | Level 1           | Level 2           | Level 3           | Total             |
|---|-------------------|-------------------|-------------------|-------------------|
| <b>Fair value assets through profit or loss of which:</b>                           | <b>39.678.556</b> | <b>19.207.845</b> | <b>11.177.984</b> | <b>70.064.385</b> |
|   | 39.017.596        | 1.335.100         |                   | 40.352.696        |
| Quoted shares   |                   |                   |                   |                   |
| Quoted fund units   | -                 | -                 | -                 | -                 |
| Unquoted fund units   | -                 | 9.085.967         | -                 | 9.085.967         |
| Quoted bonds  | 637.872           | 100.178           | -                 | 738.050           |
| Unquoted bonds  | -                 | 167.400           | -                 | 167.400           |
| Unquoted shares   | -                 | 8.519.201         | 3.260.716         | 11.779.917        |
| Loans granted   | -                 | -                 | 7.917.268         | 7.917.268         |
| Other financial instruments   | 23.088            | -                 | -                 | 23.088            |
| <b>Financial assets at fair value through other comprehensive income, of which:</b> | <b>10.106.049</b> | <b>-</b>          | <b>12.427.372</b> | <b>22.533.421</b> |
| Quoted shares   | 10.106.049        |                   | 12.427.372        | 22.533.421        |
| Unquoted shares   | 49.784.604        | 19.207.845        | 23.605.356        | 92.597.806        |
| <b>TOTAL</b>  | <b>39.678.556</b> | <b>19.207.845</b> | <b>11.177.984</b> | <b>70.064.385</b> |

*In RON*

**31 December 2021**

|   | Level 1           | Level 2           | Level 3           | Total             |
|---|-------------------|-------------------|-------------------|-------------------|
| <b>Fair value assets through profit or loss of which:</b>                           | <b>39.678.556</b> | <b>19.207.845</b> | <b>11.177.984</b> | <b>70.064.385</b> |
|   | 39.017.596        | 1.335.100         |                   | 40.352.696        |
| Quoted shares   |                   |                   |                   |                   |
| Quoted fund units   | -                 | -                 | -                 | -                 |
| Unquoted fund units   | -                 | 9.085.967         | -                 | 9.085.967         |
| Quoted bonds  | 637.872           | 100.178           | -                 | 738.050           |
| Unquoted bonds  | -                 | 167.400           | -                 | 167.400           |
| Unquoted shares   | -                 | 8.519.201         | 3.260.716         | 11.779.917        |
| Loans granted   | -                 | -                 | 7.917.268         | 7.917.268         |
| Other financial instruments   | 23.088            | -                 | -                 | 23.088            |
| <b>Financial assets at fair value through other comprehensive income, of which:</b> | <b>10.106.049</b> | <b>-</b>          | <b>12.427.372</b> | <b>22.533.421</b> |
| Unquoted shares   | 10.106.049        |                   | 12.427.372        | 22.533.421        |
| <b>TOTAL</b>  | <b>49.784.604</b> | <b>19.207.845</b> | <b>23.605.356</b> | <b>92.597.806</b> |

### **33. FAIR VALUE HIERARCHY (continued)**

The table below shows the change in the book value of the participations classified within level 3 of the fair value hierarchy in the semesters of 2022 and 2021:

#### **Level 3 fair value change**

*in RON*

|  | <b>30.06.2022</b> | <b>2021</b>       |
|--|-------------------|-------------------|
| On Jan 1   | <b>32.663.881</b> | <b>23.854.358</b> |
| Total gain/loss recognized in the profit and loss account          |                   | 3.090.857         |
| Total gain/loss recognized in other elements of the overall result | (7.632.004)       | -                 |
| Purchases during the period (*)                                    | 16.554.947        | 10.057.290        |
| Sales during the period(**)  |                   | (4.338.624)       |
| Transfers from level 3 of the fair value hierarchy(***)            | (1.929.941)       | -                 |
| <b>On June 30 2022</b>   | <b>39.656.883</b> | <b>32.663.881</b> |



**SSIF BRK FINANCIAL GROUP SA**  
**Notes to the consolidated IFRS financial statements**

**33. FAIR VALUE HIERARCHY (continued)**

| No | Financial assets            | Fair value as of June 30, 2022 in RON | Valuation method                  | Unobservable input ranges   | Relationship between fair value and unobservable inputs  |
|----|-----------------------------|---------------------------------------|-----------------------------------|---|--|
| 1  | Unquoted majority interests | 20,293,724                            | Discounted cash flows             | Weighted average cost of capital: 11,39 %<br>Long-term income growth rate: 2,6%                                       | The lower the weighted average cost of capital, the higher the fair value<br>The higher the long-term income growth rate, the higher the fair value  |
| 2  | Unquoted majority interests | -                                     | Discounted cash flows             | Weighted average cost of capital: 12,75%<br>Lack of liquidity discount: 15,60%<br>Long-term income growth rate: 1,30% | The lower the weighted average cost of capital, the higher the fair value<br>The lower the discount for the lack of liquidity, the higher the fair value<br>The higher the long-term income growth rate, the higher the fair value |
| 3  | Unquoted minority interests | 4.626.819                             | Net asset value                   | Net asset value of the reporting entity<br>Weighted average cost of capital: 10,50%                                   | The book value is identified by equity. The lower the resulting price/accounting value, the lower the fair value.<br>The lower the weighted average cost of capital, the higher the fair value                                     |
| 4  | Unquoted minority interests | 11,458,106                            | Discounted cash flows             | Lack of control discount: 10%<br>Long-term income growth rate: 2%   | The lower the discount for the lack of control, the higher the fair value<br>The higher the long-term income growth rate, the higher the fair value  |
| 5  | Unquoted bonds              | 14,760                                | Net asset value at amortized cost | Return rate of (IRR): 8,23%   | The lower the cash flow discount rate, the higher the fair value   |
| 6  | Loans granted               | 3,263,473                             | Discounted cash flows             | Cash flow discount rate – 5.5%  | The lower the cash flow discount rate, the higher the fair value   |
|    | <b>Total</b>                | <b>39,656,883</b>                     |                                   |   |  |

**33. FAIR VALUE HIERARCHY (continued)**

**SSIF BRK FINANCIAL GROUP SA**  
**Notes to the consolidated IFRS financial statements**

| No | Financial assets            | Fair value as of Dec 31 2021 in RON | Valuation method                  | Unobservable input ranges   | Relationship between fair value and unobservable inputs  |
|----|-----------------------------|-------------------------------------|-----------------------------------|---|--|
| 1  | Unquoted majority interests | 9,044,364                           | Discounted cash flows             | Weighted average cost of capital: 11,39 %<br>Long-term income growth rate: 2,6%                                       | The lower the weighted average cost of capital, the higher the fair value<br>The higher the long-term income growth rate, the higher the fair value  |
| 2  | Unquoted majority interests | -                                   | Discounted cash flows             | Weighted average cost of capital: 12,75%<br>Lack of liquidity discount: 15,60%<br>Long-term income growth rate: 1,30% | The lower the weighted average cost of capital, the higher the fair value<br>The lower the discount for the lack of liquidity, the higher the fair value<br>The higher the long-term income growth rate, the higher the fair value |
| 3  | Unquoted minority interests | 5,489,786                           | Net asset value                   | Net asset value of the reporting entity   | The book value is identified by equity. The lower the resulting price/accounting value, the lower the fair value.  |
| 4  | Unquoted minority interests | 10,197,703                          | Discounted cash flows             | Weighted average cost of capital: 10,50%<br>Lack of control discount: 10%<br>Long-term income growth rate: 2%         | The lower the weighted average cost of capital, the higher the fair value<br>The lower the discount for the lack of control, the higher the fair value<br>The higher the long-term income growth rate, the higher the fair value   |
| 5  | Unquoted bonds              | 14,760                              | Net asset value at amortized cost | Return rate of (IRR): 8,23%   | The lower the cash flow discount rate, the higher the fair value   |
| 6  | Loans granted               | 7,917,268                           | Discounted cash flows             | Cash flow discount rate – 5.5%  | The lower the cash flow discount rate, the higher the fair value   |
|    | <b>Total</b>                | <b>32,663,881</b>                   |                                   |   |  |

### **33. FAIR VALUE HIERARCHY (continued)**

**Price / Book value:** often expressed simply as "price-to-book", this multiple measures a company's market price based on its book value (net assets). It reflects how many times the book value per share investors are ready to pay for a share. The Price / Book value ratio multiple varies significantly based on the industry.

A company that requires more assets (e.g. a manufacturing company with factory space and machinery) will generally post a significantly lower price-to-book than a company whose earnings result from rendering services (e.g. a consulting firm).

**Weighted Average Cost of Capital:** represents the calculation of a company's cost of capital in nominal terms (including inflation), based on the "Capital Asset Pricing Model". All capital sources – shares, bonds and any other long-term debts - are included in the weighted average cost of capital calculation.

**Lack of control discount:** represents the discount applied to reflect the absence of the power of control and it is used within the discounted cash flow method, in order to determine the value of a minority interest in the equity of the revalued company.

**Lack of liquidity discount:** represents the discount applied to the comparable market multiples, in order to reflect the liquidity differences between the revalued company from the portfolio and its comparable peer group. Valuers estimate the discount for lack of marketability based on their professional judgement after considering market liquidity conditions and company-specific factors.

### **34. AFFILIATED PARTIES**

Transactions with related parties, in the form of key management personnel, are limited to the benefits granted to the members of the Board of Directors and the members of the executive management, which were presented in the note Expenses with staff.

#### **Investment in associates.**

Note 13 Investments in Associates in these financial statements presents all associates and transactions that have taken place within the period

These financial statements have been approved today, 16.08.2022.

