



Revenue and Expenditure Budget Investment Plan 2024



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ORDINARY GENERAL MEETING OF SHAREHOLDERS
SSIF BRK FINANCIAL GROUP S.A.
APRIL 24/25, 2024

INVESTMENT PLAN AND REVENUE AND EXPENDITURE BUDGET 2024

No.	Description	Amount (RON) 2024	Realised Amount (RON) 2023
1	Intermediation segment revenues	13,000,000	15,119,737
1.1.	Revenue intermediation commissions	7,700,000	8,247,011
1.2.	Corporate income	2,800,000	765,320
1.3.	Other intermediation segment revenue	2,500,000	6,107,406
2	Intermediation segment expenses	6,600,000	5,965,855
	<u>Intermediation segment result</u>	<u>6,400,000</u>	<u>9,153,882</u>
3	Market making segment revenue	10,000,000	8,370,649
3.1.	Net earnings from transactions with structured products	3,000,000	2,379,240
3.2.	Revenue market making services provided to issuers	7,000,000	5,991,409
4	Expenditure segment market making	3,000,000	3,799,034
	<u>Result segment market making</u>	<u>7,000,000</u>	<u>4,571,615</u>
5	General operating expenses	6,000,000	6,548,888
6	Expenses with depreciation	900,000	878,022
	<u>Result of the basic activity</u>	<u>6,500,000</u>	<u>6,298,587</u>
7.1.	Interest expenses (bond & bank loans)	3,700,000	3,376,114
7.2.	Result account house (marked, dividend, revaluation, reverso)	2,200,000	-1,953,039
	<u>Result of investment activity</u>	<u>-1,500,000</u>	<u>-5,329,153</u>
	<u>Net result</u>	<u>5,000,000</u>	<u>382,119</u>

In the projection of the revenue and expenditure budget for 2024 we used the following assumptions:

- ✓ The income of the **intermediation segment**, in the amount of 13 million lei, includes the income from the commissions related to the intermediation of transactions on the domestic and foreign market, the income of the corporate segment (corporate operations/consulting issuers), to which other incomes are added. We have designed this revenue target, based on the market context (volume, liquidity, investor appetite for trading) and realizing an overlap with the appetite of the organic customer base that BRK has. This figure could be influenced by a radical change in the market context (in any sense). In 2023, the revenues of this segment were 15.2 million lei, but the incidence of Hidroelectrica IPO months in the annual total was significant. The revenues of the **sub-segment corporate operations/consulting**, estimated at 2.8 million lei, include the revenues we forecast to realize from the revenues provided to issuers for primary market operations. In comparison, in 2023 we reported revenues of 765k RON, but in 2024 we estimate a significant increase in revenues from this segment, based on the *pipeline* of projects in progress, as well as the fact that we estimate an increase in the appetite of customers for primary market operations, in the context of the expectations regarding the decrease of interest rates in the second half of 2024. The growth for 2024 is based on the intention to try to orient ourselves towards larger transactions.
- ✓ The expenses related to the **domestic market trading segment**, in the amount of 6.6 million lei, include mainly the expenses related to the staff allocated directly to this segment and the expenses related to the commissions owed to the institutions of the markets on which BRK operates. In 2023 the expenses of this segment were 6.4 million lei.
- ✓ In substantiating the **Revenue from market making operations** (10 million lei), we started from their value in 2023 (8.4 million lei), to which we applied a growth rate of 20%. We base the growth based primarily on the incidence of income from newly signed contracts with issuers within the Market Making of the Issuer program in March 2024, as well as the intention to renegotiate contracts with some clients. Regarding the **Sub-segment Issue of Structured Products and liquidity provider**, we aim to increase revenues by introducing new product typologies. The operating expenses of the Operations House department (total 3 million lei) include the costs of staff salaries allocated to this segment, the market costs associated with these operations and the third-party expenses that may be resorted to, as the case may be, licenses and the costs related to the issuance of the products. In 2023 the expenses of this segment were 2.7 million lei.
- ✓ Projection on „**The result of the house account**” (2.2 M RON) was made in accordance with the structure of the portfolio of financial instruments and income-generating placements, starting from an optimistic scenario, a growing market. This section of the budget includes our estimates of the profit marked, dividends received, the revaluation result of *financial assets measured at fair value through the profit and loss account*, incomes/expenditures on constitution/cancellation of provisions on financial assets, exchange rate differences, etc. For the avoidance of doubt, there have not been included in the proposed REB the market-marking effects of BRK holdings, which are measured at *fair value through other comprehensive income*. We have also budgeted interest expenses in amount of 3.4 million lei, which represents the payment coupon related to the issued bonds (25 million lei, coupon 7.6%/year) and the interest rates on the credit lines.

- ✓ *The general operating expenses are those expenses* that are not directly allocated to the functioning of the productive departments (Intermediation and House) and are in amount of the 6 million lei. In 2023, the value of these expenses was of RON 7.2M. This value was based on known or estimated fixed costs (salaries, marketing budget, third-party expenses, headquarters expenses, auditor expenses, local taxes and fees, etc.)

Investment plan 2024

<u>Category</u>	<u>Amount (RON)</u>
Central headquarters arrangement	800.000
Other unforeseen investments	200.000
<u>Total investments with VAT included</u>	<u>1.000.000</u>

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