



Revenue and Expenditure Budget Investment Plan 2023



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ORDINARY GENERAL MEETING OF SHAREHOLDERS
SSIF BRK FINANCIAL GROUP S.A.
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INVESTMENT PLAN AND REVENUE AND EXPENDITURE BUDGET 2023
(item 7 on the agenda)

| The income and expenditure budget 2023 | The amount (RON) |
|--|-------------------|
| 1 Intermediation segment revenues | 10,400,000 |
| 1.1 Revenues segment intermediation of transactions | 8,900,000 |
| 1.2 Revenues from corporate/consulting operations | 1,500,000 |
| 2 Intermediation segment expenses | 6,400,000 |
| 2.1 Expenses related to internal market transactions | 5,900,000 |
| 2.2 Expenses associated with the corporate segment | 500,000 |
| Intermediation segment result | 4,000,000 |
| 3 Revenue from own portfolio management | 12,200,000 |
| 3.1 Net revenues House Transactions segment | 6,250,000 |
| 3.2 Revenues from Market Making operations (Structured Products & MME) | 9,800,000 |
| 3.3 Dividend income | 250,000 |
| 3.4 Interest expenses (bonds and bank loans) | -4,100,000 |
| 4 Expenses related to own portfolio transactions | 3,600,000 |
| 4.1 Market expenses related to the issuance of structured products | 400,000 |
| 4.2 House department operating expenses | 3,200,000 |
| Own Portfolio Management segment result | 8,600,000 |
| 5 General operating expenses | 6,700,000 |
| 6 Depreciation expenses | 900,000 |
| 7. Income tax expense | 0 |
| 8. Net result | 5,000,000 |

In the projection of the budget of revenues and expenses for the year 2023, we used the following assumptions:

- ✓ Revenues from *the brokerage of transactions segment* in the amount of 8.9 million lei include the revenues from the commissions related to the brokerage of transactions on the internal and external market to which other revenues are added. We designed this revenue target, based on the market context (volumes, liquidity) and achieving an overlap with the appetite of the organic customer base of BRK. This figure could be influenced by a radical change in the market context (in either direction). In 2022, the revenues of this segment were 10.5 million lei, but the incidence of the months of February and March 2022 in the annual total was significant. The value of 8.9 million lei was projected on account of the achievements of 2022, from which we excluded certain peaks.
- ✓ Revenues from *corporate/consulting operations*, estimated at 1.5 million lei, include the revenues forecasted to achieve from the revenues provided to issuers for market operations. By comparison in 2022, we reported revenues of 475k RON, in the context in which we brokered 8 listings, generally of lower values than in 2021, having to adapt to the market context, respectively to the decreasing risk appetite of investors. We expect that the increase for 2023 is based on our intention to try to orient ourselves towards larger transactions.
- ✓ The expenses *related to the internal market trading segment*, in the amount of 5.9 million lei, mainly include the expenses with the personnel directly allocated to this segment and the expenses with the commissions required to markets institutions that BRK activates on. In 2022, the expenses of this segment were 5.8 million lei. The expenses related to the corporate segment are 500k RON and include the salary costs of the staff assigned to this segment, the market costs associated with these operations and the expenses with third parties that could be called upon, as the case may be.
- ✓ In substantiating the Revenue from *market making operations* (9.8 million lei), we started from the value in 2022 (8.1 million lei), to which we applied a growth rate of 20%. We justify the increase based primarily on the incidence of income from the newly signed contracts with issuers within the *Issuer's Market Making program*, in October 2022 and January 2023. Regarding the *Issuance of Structured Products and liquidity provision sub-segment*, revenues that are included in this total, we expect volumes to be maintained. Looking back, the revenues of this sub-segment were strongly correlated with market volatility, and in the year 2022, in the first quarter we recorded certain peaks in revenues, and subsequently a slightly downward trend.
- ✓ The projection regarding "*Trading House segment net revenue*" (6.25M RON) and "*Dividend income*" (250k RON) was made in accordance with the structure of the portfolio of financial instruments and income-generating investments, starting from an optimistic scenario, respectively a growing market. For the avoidance of any doubt, the BVC subject to approval did not include the effects of marking to market the participations in BRK subsidiaries (where the group holds the controlling position, regardless of whether they are listed or not), these being classified as *investments and valued at the fair value through other elements of the global result starting with the year 2021*. I also budgeted interest expenses in the amount of 4.1 million lei, which represents the payment coupon related to the bonds issued (25 million lei, coupon 7.6%/year) and the interest on the credit lines.
- ✓ *The operating expenses of the House department* (3.6 million lei in total) include the costs of the salaries of the staff assigned to this segment, the market costs associated with these operations and the expenses with third parties that could be used, as the case may be, licenses and the costs related to issuing products.
- ✓ *The general operating expenses are represented* by expenses that are not directly allocated to the operation of the productive departments (Intermediation and House) and amount to 6.7

million lei. This value was substantiated on the basis of known or estimated fixed costs (salaries, marketing budget, expenses with third parties, expenses with the operation of the headquarters, expenses with auditors, local taxes and fees, etc.).

Investment plan 2023

| Category | Suma (RON) |
|--|-------------------|
| Improvement offices | 300.000 |
| Digital initiatives | 650.000 |
| Other unforeseen investments | 50.000 |
| Total investments with VAT included | 1.000.000 |

The investment plan for the year 2023 foresees 650,000 RON in the chapter of digital initiatives, where we propose to launch the trading platform for derivative instruments (in general, CFDs with assets supporting international financial instruments), an investment that will be made by purchasing a license from a dedicated supplier of such solutions and/or of adjacent hardware/software solutions, necessary to put the platform into operation.

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