

Preliminary Financial Statements

Individual and Consolidated 2021

Message to Shareholders



Dear Shareholders,

We are pleased to present the preliminary results for 2021, a year in which we set out with ambitious goals, and the quarterly and annual results confirm the excellent track

that BRK has had.

We report a net profit of **RON23.2 million** to the formation of which contributed the result of core activities (intermediation and market making) with the amount of **RON7.9 million**, the result of the activity of managing our own account which was worth **RON16.2 million** and an expense of RON0.9 million with the profit tax. We could look at the result from 3 angles: (i) by comparison with the result of 2020 (which was RON1.9 million) (ii) **by comparison with the budget projection which provided an initial tax result of RON16 million** (iii) through the evolution of the quarterly results, **with a result of RON3.9M in the fourth quarter of 2021**, BRK is in line with the last 6 consecutive quarters, in which it comfortably fulfills its financial and operational objectives.

In the following, we mention each of the 4 segments of the core activity:

Revenues from the activity of intermediation of transactions are of RON10.77 million, increasing by 68% without the year 2020 on the background of tripling the volumes traded on the shares segment (from RON855M to RON2.4 billion), meaning the increase of the market share of at 3.5% to 10.9% and a jump of 3 positions in the top of the intermediaries from BVB, from the 7th place to the 4th place.

The revenues from corporate services are of RON 8.42M, compared to RON1.04M in 2020, bringing a consistent contribution to the annual result. 2021 was the busiest year for the IPO market in the last 20 years, with global volumes up 64%. This trend was favorable for such operations in the local market as well, so BRK was a major player. on this segment. BRK was the intermediary of the IPO carried out by One United Proprieties, marking in this sense a premiere, being the first retail broker to close a large IPO (over EUR50 million) on the regulated market. BRK was also very active on the AeRo market, where BRK brokered 8 listings, where Arobs Transilvania Software stands out through its private placement size (EUR15 million).

The operations of issuing structured products and providing liquidity brought us a net profit from transactions of RON4 million, increasing by 19% compared to 2020, given the doubling of the traded volume (from RON346M in 2020 to at RON699M in 2021) and the acquisition of the market leader status, given that, traditionally, BRK occupies the 2nd or 3rd positions in the

top of the most active intermediaries in the Structured segment from BVB.

The market making services provided to issuers, a business segment launched in 2019 with a first client, brought us total revenues of **RON3.2M in 2021** (2020: RON0.59M), amid the growth of the client portfolio at the end of the year 2020, 6 issuers had accessed this service, and at the end of 2021 we had 13 clients for whom we provide this service). This performance was recognized at the BVB Awards ceremony where BRK won the award for *Most Active Intermediate for Increasing Liquidity in 2021*.

Aggregating the results of the 4 segments, it results in **total revenues of RON27.7 million** (2020: RON12.24 million) and total expenditures of RON19.8 million (2020: RON11.2 million) and a **profit from the core activity of RON7.94M** (2020: RON1.1M). The result of the own account administration activity was in the amount of **RON16.2 million** and is composed of: RON +4.9M marked result (including dividends received), RON +11.4M net result from the valuation of assets (mark to market) from tradable portfolio, net expenses with provisions (RON 800k), interest income and exchange rate differences (net RON +685k) and other income or expenses with a total residual impact.

The share price of BRK increased by **245% in 2021**, from RON0.082 (30/12/2020) to RON0.283 on 30/12/2021, and for this fact, during the BVB Awards ceremony, BRK Financial Group was the winner of the section **The highest return for investors of a BET-XT company in 2021**. Investor confidence in BRK financial Group was also confirmed by the successful closing of the bond placement, through which BRK attracted RON25 million. At the annual revaluation in December 2021 conducted by the Association for Investor Relations on the Romanian Stock Exchange (ARIR), **BRK obtained the maximum score (10 out of 10)** on the Vektor indicator, confirming the fulfillment of all 15 criteria included in the calculation methodology of this indicator.

We thank you for your trust!

Monica IVAN,

Chief Executive Officer

Individual Statement of Financial Position on 31.12.2021

RON	31.12.2021	31.12.2020
Assets		
Intangible assets	193.346	600.354
Tangible fixed assets	9.062.918	8.019.937
Real estate investments	-	-
Financial assets measured at fair value through other comprehensive income	42.044.539	-
Financial assets measured at fair value through profit or loss	59.659.013	48.761.259
Financial assets at amortized cost	-	-
Loans and advances granted	8.588.612	7.772.861
Trade and other receivables	813.543	914.854
Other financial assets	64.327.957	72.450.030
Client bank accounts	63.316.765	51.746.125
Cash and cash equivalents	881.285	4.931.596
Assets classified as held for sale	-	-
Total assets	248.887.979	195.197.016
Liabilities		
Bond liabilities	24.303.570	-
Financial leasing liabilities	515.978	-
Provisions	-	-
Total non-current liabilities	24.819.548	-
Interest on bonds	221.666	-
Current bank liabilities	5.041.915	2.443.700
Current portion of financial leasing liabilities	161.953	-
Amounts due to customers	115.962.249	111.752.738
Trade and other payables	10.693.599	12.109.024
Provisions	319.068	246.033
Total current liabilities	132.400.450	126.551.495
Total liabilities	157.219.998	126.551.425
Equity		
Share capital	54.039.987	54.039.987
Share capital adjustments	4.071.591	4.071.591
Treasury shares	(24.047)	(24.047)
Share premiums	5.355	5.355
Reserves from the revaluation of financial assets valued at fair value through other elements of comprehensive income	(239.980)	-
Other reserves	14.634.947	13.715.384
Total reserves	14.394.966	13.715.384
Current result	23.262.372	1.879.074
Retained earnings	(4.082.244)	(5.041.820)
Total shareholders' equity	91.667.981	68.645.523
Total equity and liabilities	248.887.979	195.197.016

Individual Statement of Comprehensive Income on 31.12.2021

RON	31.12.2021	31.12.2021
Core activity		
Intermediation activity	20.517.368	8.305.226
Commission income from intermediation	10.778.426	6.399.427
Income from corporate services	8.424.707	1.041.523
Other intermediation income	1.314.236	864.276
Market making activity	7.230.954	3.947.487
Net gains from transactions with structured products	4.035.266	3.362.768
Revenues from market making services provided to issuers	3.195.688	584.720
Other operating income	34.610	44.680
Total operating expenses	(19.836.793)	(11.166.969)
Salary expenses and employee benefits	(6.705.252)	(4.098.965)
Market commissions and intermediary expenses	(5.603.276)	(2.550.132)
Expenditures on external services	(3.296.815)	(2.236.385)
Expenses with collaborators	(585.097)	(526.979)
Other expenses	(2.505.950)	(837.194)
Depreciation and amortization	(1.140.403)	(917.313)
Profit / (loss) from core activities	7.946.139	1.130.425
Net gains / (losses) realized from financial instruments	4.920.787	(2.618.570)
Dividend income	863.006	2.249.099
Income from transactions with shares and bonds	7.435.192	4.285.779
Losses from transactions with shares and bonds	(3.377.411)	(9.153.448)
Net gains / (losses) from the measurement of financial assets measured at fair value through profit or loss	11.418.981	(243.874)
Income from the valuation of financial assets measured at fair value through profit or loss	21.279.497	13.441.681
Losses from the measurement of financial assets measured at fair value through profit or loss	(9.860.517)	(13.685.556)
Net income / (expenses) provisions for financial assets	(800.000)	3.146.502
Revenue cancellation of provisions for fixed financial assets	300.000	5.349.752
Provisions for fixed assets. financial assets	(1.100.000)	(2.203.250)
Other net income / (expenses) from interest and exchange rate differences	685.433	383.077
Interest income on loans and bonds	589.559	481.917
Interest income on margin loans	289.102	232.752
Other interest income	30.903	106.642
Interest expenses	(919.267)	(205.946)
(Expenses) / Income from exchange rate differences	695.136	(232.287)
Net income / (expenses) provisions for risks and expenses	(59.368)	(161.433)
Expenses with provisions for risks and expenses	0	(2.885.324)
Provisional cancellation income for risks and expenses	169.153	2.807.845
Other net provisions	(228.521)	(83.954)
Other net income / (expenses)	74.831	242.911
Net gains / (losses) from the sale of assets	169.405	190.009
Other operating expenses	(152.187)	(30.243)
Other operating income	57.613	83.145
Operating profit	24.186.803	(2.614.590)
Profit before tax	24.186.803	1.879.037
Income tax expense	(924.431)	-
Profit from continuing operations	23.262.372	1.879.037

Discontinued operations	-	-
Loss from discontinued operations (after tax)	-	-
Profit for the period	23.262.372	1.879.037

Statement of comprehensive income (continued)

Reported on 31.12.2021

RON

Other elements of comprehensive income	-	-
Net change in the fair value of available-for-sale financial assets transferred to profit or loss	(239.980)	-
Positions that can be reclassified to profit and loss	-	-
Net change in fair value of financial assets measured at fair value through other comprehensive income (FVTOCI)	-	-
Received free shares classified as financial assets measured at fair value through other comprehensive income (FVTOCI)	-	-
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	-	2.353.092
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 comprehensive income	-	-
Total other elements of comprehensive income for the period	(239.980)	2.353.092
Total profit and loss account and other elements of comprehensive income for the period	23.022.392	4.232.129
Profit attributable to:	23.262.372	1.879.037
Shareholders of the Company		
Non-controlling interests		
Profit for the period	23.262.372	1.879.037
Total comprehensive income attributable to:		
Shareholders of the Company		
Non-controlling interests		
Total comprehensive income attributable to:	23.262.372	2.353.092
Earnings per share		
Basic earnings per share (RON)	0.0689	0.0056
Diluted earnings per share (RON)	0.0689	0.0056
Continuing operations		
Basic earnings per share (RON)	0.0689	0.0056
Diluted earnings per share (RON)	0.0689	0.0056
31.12.2021		
Weighted average number of shares in the balance:	337.749.919	337.749.919

Consolidated Statement of Financial Position on 31.12.2021

RON	31.12.2021	31.12.2020
Assets		
Intangible assets	9.663.665	1.681.040
Tangible fixed assets	8.664.213	8.035.979
Real estate investments	-	-
Financial assets measured at fair value through other comprehensive income	65.702.528	45.510.488
Financial assets measured at fair value through profit or loss	9.536.911	-
Goodwill	11.928.432	-
Loans and advances granted	1.277.642	7.772.861
Trade and other receivables	9.897.568	1.184.648
Other financial assets	66.110.130	72.450.110
Client bank accounts	43.999.952	51.746.125
Cash and cash equivalents	27.327.712	5.350.843
Assets classified as held for sale	-	-
Inventories	5.848.981	-
Total assets	259.957.734	193.732.095
Liabilities		
Non-current liabilities		
Financial leasing liabilities	648.179	-
Provisions	-	-
Bond liabilities	28.000.000	-
Total non-current liabilities	28.648.179	-
Current liabilities		
Trade and other payables	13.303.501	12.278.953
Deferred tax liabilities	9.865	-
Amounts due to customers	116.083.554	111.693.643
Current portion of financial leasing liabilities	184.103	-
Current bank liabilities	4.567.151	2.443.700
Provisions	647.400	493.033
Total current liabilities	134.795.574	126.909.329
Total liabilities	163.443.753	126.909.937
Equity		
Share capital	54.039.987	54.039.987
Share capital adjustments	4.071.591	4.071.591
Share premiums	13.682.722	5.355
Treasury shares	(130.414)	(24.047)
Earnings from equity instruments	-	-
Reserves from the revaluation of financial assets valued at fair value through other elements of comprehensive income	(2.514.578)	-
Other reserves	17.643.276	14.604.757
Retained earnings	(11.237.397)	(7.368.801)
Current result	16.277.265	1.493.317
Total shareholders' equity	91.832.452	66.822.158
Non-controlling interests	4.681.529	608
Total equity	96.513.981	66.822.767
Total equity and liabilities	259.957.734	193.732.095

Consolidated Statement of Comprehensive Income on 31.12.2021

RON	31.12.2021	31.12.2020
Core activity		
Intermediation activity	22.941.606	11.542.292
Commission income from intermediation	13.202.663	9.636.492
Income from corporate services	8.424.707	1.041.523
Other intermediation income	1.314.236	864.276
Market making activity	7.230.954	3.947.487
Net gains from transactions with structured products	4.035.266	3.362.768
Revenues from market making services provided to issuers	3.195.688	584.720
Other operating income	6.860.928	286.580
Revenue from services rendered	1.745.503	-
Revenues from the sale of finished products and goods	2.025.497	-
Changes in inventories	2.050.106	-
Other income from core activities	1.039.822	-
Salary expenses and employee benefits	(11.665.843)	(5.320.149)
Market commissions and intermediary expenses	(6.757.492)	(2.550.132)
Expenditures on external services	(4.844.835)	(2.392.814)
Expenses with collaborators	(963.710)	(526.979)
Raw materials	(5.209.250)	-
Other expenses related to core activities	(5.929.119)	(923.755)
Depreciation and amortization	(2.083.514)	(955.553)
Profit / (loss) from core activities	(420.275)	3.106.976
Net gains / (losses) realized from financial instruments	5.808.698	(3.682.930)
Dividend income	1.396.216	763.788
Income from transactions with shares and bonds	7.131.328	4.706.730
Losses from transactions with shares and bonds	(2.718.846)	(9.153.448)
Net gains / (losses) from the measurement of financial assets measured at fair value through profit or loss	11.800.719	(1.360.014)
Income from the valuation of financial assets measured at fair value through profit or loss	21.691.309	12.325.541
Losses from the measurement of financial assets measured at fair value through profit or loss	(9.890.590)	(13.685.556)
Net income / (expenses) provisions for financial assets	(803.196)	3.146.502
Revenue cancellation of provisions for fixed financial assets	300.000	5.349.752
Provisions for fixed assets. financial assets	(1.103.196)	(2.203.250)
Other net income / (expenses) from interest and exchange rate differences	1.511.718	520.158
Interest income on loans and bonds	635.646	481.917
Interest income on margin loans	289.102	232.752
Other interest income	900.994	243.723
Interest expenses	(1.244.631)	(205.946)
(Expenses) / Income from exchange rate differences	930.607	(232.287)
Net income / (expenses) provisions for risks and expenses	(86.812)	(408.433)
Expenses with provisions for risks and expenses	-	(3.132.324)
Provisional cancellation income for risks and expenses	432.178	2.807.845
Other net provisions	(518.990)	(83.954)
Other net income / (expenses)	(538.782)	201.209
Net gains / (losses) from the sale of assets	(313.197)	190.009
Other operating expenses	(248.708)	(37.745)
Other operating income	23.123	48.945
Operating profit	17.272.070	1.523.468
Profit before tax	17.272.070	1.523.468
Income tax expense	(994.805)	(30.151)
Profit from continuing operations	16.277.265	1.493.317

Discontinued operations	-	-
Loss from discontinued operations (after tax)	-	-
Profit for the period	16.277.265	1.493.317

Statement of comprehensive income (continued)

Reported on 31.12.2021

RON

Other elements of comprehensive income		
Net change in fair value of financial assets measured at fair value through other comprehensive income not transferred to profit or loss	(2.514.578)	
Positions that can be reclassified to profit and loss		
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		
Positions that cannot be reclassified to profit and loss		
Changes in the value of fixed assets used		2.353.092
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 comprehensive income		
Total other elements of comprehensive income for the period		2.353.092
Total profit and loss account and other elements of comprehensive income for the period		4.232.129
Profit attributable to:		
Shareholders of the Company	18.799.838	1.493.018
Non-controlling interests	(2.522.573)	299
Profit for the period	16.277.265	1.493.317
Total comprehensive income attributable to:	16.277.265	2.353.092
Shareholders of the Company		2.353.092
Non-controlling interests		-
Total comprehensive income attributable to:	16.277.265	2.353.092
Earnings per share		
Basic earnings per share (RON)	0.04819	0.0044
Diluted earnings per share (RON)	0.04819	0.0044
Continuing operations		
Basic earnings per share (RON)	0.04819	0.0044
Diluted earnings per share (RON)	0.04819	0.0044
31.12.2021		
Weighted average number of shares in the balance:	337.749.919	337.749.919



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