



Board of Directors' Annual Report 2022

Individual and Consolidated Financial Statements



31.12.2022

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

Content

<i>Identification data</i>	3
<i>Management message</i>	4
<i>Individual statement of financial position as at 31.12.2022</i>	5
<i>Individual global statement of comprehensive income at 31.12.2022</i>	6
<i>About BRK</i>	8
<i>Presentation of the core activity</i>	8
<i>Intermediation segment</i>	8
<i>Market making and portfolio management segment</i>	9
<i>Market-making operations and provision of liquidity</i>	9
<i>Issuance of structured products and liquidity</i>	9
<i>Activity in 2022 – Important events</i>	10
<i>Important events after the end of 2022</i>	10
<i>Dynamics and structure of total revenue</i>	10
<i>Intermediation activity</i>	11
<i>Market making activity</i>	11
<i>Own portfolio management activity</i>	12
<i>Company staff</i>	12
<i>Corporate governance & Investor relation</i>	12
<i>Board of Directors</i>	13
<i>Committees of the Board</i>	13
<i>The internal auditor</i>	14
<i>The external auditor</i>	14
<i>Internal control</i>	14
<i>Risk management</i>	14
<i>Transparency and financial reporting</i>	15
<i>Avoidance of conflicts of interests</i>	15
<i>Social responsibility</i>	16
<i>Financial calendar 2023</i>	16
<i>BRK Share</i>	16
<i>Shareholders</i>	17
<i>Stock market context</i>	17
<i>Consolidated performance</i>	18
<i>Consolidated situation</i>	21
<i>Consolidated statement of financial position as of 31.12.2022</i>	21
<i>Consolidated statement of comprehensive income as of 31.12.2022</i>	22
<i>Declaration of responsible persons in the company</i>	24
<i>Statement on the application of corporate governance principles</i>	25

Identification data

Report date	31 December 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	office@brk.ro
Website	www.brk.ro
Securities	337.429.952 ordinary shares with a par value of 0,15 RON/share
Regulated market	Bucharest Stock Exchange, Main Segment, Premium Category
BVB symbol	BRK
ISIN	ROBRKOACNOR0
Audit	The financial statements as of December 31, 2022 are audited

Management message



Dear shareholders,

BRK Financial Group publishes today the financial results for the year 2022 and reports a **profit from the core activity in the amount of 2,57 million lei** (2021: 7,94 million lei), a negative result from the investment activity in the amount of -16,1 million lei (2021: +15,5 million lei), recording a **total loss of 15,1 million lei** (2021: +22 million lei). In the following, we will briefly explain the main developments at each business segment level.

The total revenues of the core activity in the amount of 19,1 million lei are down 31% compared to 2021 revenues (27,7 million lei), and at segment level we report a 46% decrease in total revenues from intermediation activity (from 20,5 million in 2021 to 11 million in 2022) and a **13% increase** (from 7,2 million lei in 2021 to 8,1 million lei in 2022)

in revenues from market making activity (structured products and issuer market making).

This overall decrease in revenue is massively influenced by the corporate segment revenue, where we report revenue of 475 thousand RON, down 95% from the same segment revenue in 2021. BRK Financial Group remained competitive in this segment, being the market leader of this segment (**8 listings out of the 17 conducted** in 2022, were intermediated by BRK), but the value of the transactions concluded is incomparably lower than the similar amounts intermediated in 2021. Moreover, the market positioning was recently recognized at the BVB Awards, where BRK Financial Group received the **"Intermediary of Entrepreneurial Companies on the AeRO Market in 2022"** award.

Regarding the traditional business segment - transaction brokerage, **in 2022 we brokered transactions worth 1,9 billion lei**, with a market share of 7%, above the organic target set at 5%. Brokered volumes are down compared to those recorded in 2021 (2,8 billion lei), but it should be taken into account in the 2021 figures, a few significant corporate transactions brokered (~70 mil euro) had a high incidence in the total brokered volumes. The decrease in intermediated volumes also led to a 33% decrease in commission income, from 10,7 million lei in 2021 to 7,2 million lei in 2022.

On the market **making segment of the issuer** (shares listed on the BVB) we report revenues of 4,8 million lei, up 50% compared to 2021, an evolution explained by a combination of factors:

- (i) new contracts concluded during 2021 and which in 2022 generated revenues every month, and in 2021 they generated revenues only after the moment of conclusion;
- (ii) BRK's commercial policies towards this segment.

In terms of market positioning in this segment, **we have a 70% market share**, with BRK being the undisputed leader in this segment since its development in 2019. We would like to mention that BRK received for the fourth consecutive year in the BVB Awards **"Most Active Intermediary for Liquidity Growth in 2022"**.

Regarding the structured products issuance and liquidity provision segment, we report revenues of 3,37 million lei, down 16% compared to 2021 (4,03 million lei) against the background of the slight decrease in turnover (2022: 635 million lei and 2021: 699 million lei), but also on the profit margin (spread) required to maintain the competitiveness of the products. In terms of market positioning, we maintained our leading position with a market share of 38,66%, slightly down from 2021 (market share: 40,14%). As regards core activity expenses, they amounted to 14 million lei, down 12% compared to 2021 (15,8 million lei), and at the level of types of expenses, salaries increased by 6%, while the others (with the market, external services, suppliers, etc.) recorded relative decreases of between 10 and 35%, in line with the contraction of the volume of activity in some segments.

The result of the investment activity consists of a loss of 16,1 million lei (2021: +15,5 million lei) mainly composed of the result of the revaluation (marking to market) of portfolio holdings in the amount of -10,68 million lei (2021: +11,41 million lei), interest expenses and exchange rate differences in the amount of 3,38 million lei (2021: +686 thousand lei), marked result (-640 thousand lei in 2022 vs +4,9 million lei in 2021).

Monica IVAN, Chief Executive Officer

Individual statement of financial position as at 31.12.2022

<i>Lei (RON)</i>	31.12.2022	31.12.2021
Assets		
Intangible assets	351.065	304.263
Tangible fixed assets	8.658.073	9.062.918
Real estate investments	-	-
Financial assets measured at fair value through other comprehensive income	44.770.110	42.044.539
Financial assets measured at fair value through profit or loss	47.098.012	59.659.013
Financial assets at amortized cost	-	-
Loans and advances granted	4.143.848	8.588.612
Trade and other receivables	1.923.530	1.390.340
Other financial assets	68.220.116	63.751.161
Client bank accounts	50.505.061	63.316.765
Cash and cash equivalents	1.424.003	881.285
Total assets	227.093.818	248.998.896
Liabilities		
Bond liabilities	24.432.138.000	24.303.570
Financial leasing liabilities	457.273	515.978
Provisions	-	-
Total non-current liabilities	25.457.273	24.819.548
Interest Bonds	322.708	221.666
Deferred income tax liabilities	978.691	978.691
Current income tax liabilities	-	558.690
Dividend payment	365.271	-
Short-term bank debt	20.329.411	5.041.915
Current part of financial leasing liabilities	166.638	161.953
Amounts owed to customers	104.770.215	115.962.249
Trade and other payables	14.003.511	10.804.515
Provisions	521.882	1.022.068
Total current liabilities	141.458.327	134.751.748
Total liabilities	166.915.600	159.571.296
Equity		
Share capital	50.614.493	54.039.987
Treasury shares	(1.285.077)	(24.047)
Benefits to be granted to employees, directors and officers in the form of equity instruments	697.762	
Share premiums	5.355	5.355
Other reserves	13.501.013	13.608.320
Total reserves	6.680.773	13.368.340
Current result	(15.161.073)	22.000.682
Retained earnings	15.122.256	(4.034.307)
Total shareholders' equity	60.746.080	89.427.600
Total equity and liabilities	227.093.818	248.998.896

Individual global statement of comprehensive income at 31.12.2022

	31.12.2022	31.12.2021
Income from core activity	<u>19.183.884</u>	<u>27.782.933</u>
Income from intermediation	<u>11.009.151</u>	<u>20.551.978</u>
Intermediation commission income	7.227.128	10.778.426
Corporate income	475.849	8.424.707
Other income from core activity	3.306.174	1.348.846
Commission expenses Intermediation	(2.168.419)	(3.777.726)
Net commission income	8.840.732	16.774.252
Income from market making activity	<u>8.174.733</u>	<u>7.230.954</u>
Net trading income	3.373.723	3.362.768
Income from market making services provided to issuers	4.801.010	584.720
Expenses with licenses and issuance of structured products	(483.478)	(259.642)
Net income from market making activity	7.691.255	6.971.312
Total Expenditure core activity, of which:	(13.957.858)	(15.799.424)
Salary expenses and employee benefits	(7.100.102)	(6.705.252)
Expenses market commissions and intermediaries	(1.157.887)	(1.825.549)
Expenditure on external benefits	(2.581.734)	(3.037.173)
Expenses with collaborators	(215.802)	(585.097)
Other expenditure core activity	(1.974.302)	(2.505.950)
Value adjustments of intangible and tangible assets	(928.031)	(1.140.403)
Profit/(loss) from basic activity	<u>2.574.129</u>	<u>7.946.139</u>
Net realised gains/(losses) on financial instruments	<u>(640.243)</u>	<u>4.920.787</u>
Dividend income	1.732.562	863.006
Income from realised share and bond transactions	2.408.907	7.435.192
Realised losses on equity and bond transactions	(4.781.712)	(3.377.411)
Net gains/(losses) on valuation of financial assets measured at fair value through profit and loss	<u>(10.689.111)</u>	<u>11.418.981</u>
Income from valuation of financial assets measured at fair value through profit and loss	8.631.294	21.279.497
Losses on valuation of financial assets measured at fair value through profit and loss	(19.320.405)	(9.860.517)
Net income/(expense) provisions for non-current financial assets	<u>(1.733.375)</u>	<u>(800.000)</u>
Income cancellation of provisions for non-current financial assets	-	300.000
Expenditure on provisions for non-current financial assets	(1.733.375)	(1.100.000)
Other net interest and exchange rate income/(expenses)	<u>(3.382.474)</u>	<u>686.527</u>
Interest income on loans and bonds	331.351	589.559
Interest income loans margin	241.238	289.102
Interest income - other	71.336	31.997
Interest expenses	(3.753.316)	(919.267)
(Expenses)/Income different exchange rate house	(273.083)	695.136

Individual statement of comprehensive income (continued)

Net income/(expenses) provisions for risks and expenses		
	500.186	(762.368)
Expenditure on provisions for risks and expenses	-	-
Income cancellation of provisions for risks and charges	931.521	169.153
Other net provisions	(431.335)	(931.521)
Other income/(expenses), net	(195.056)	73.737
Net gains/(losses) on sale of assets	23.500	169.405
Other operating expenditure	(402.951)	(153.281)
Other operating income	184.395	57.613
Result of investment activities	(16.140.073)	15.537.664
Result of operating activities	(13.565.944)	23.483.803
Expenditure on other long-term employee benefits	(1.595.131)	-
Profit before tax	(15.161.073)	23.483.803
Income tax expense	-	(1.483.121)
Profit from continuing operations	(15.161.073)	22.000.682
Discontinued activities	-	-
Loss from discontinued operations (after tax)	-	-
Profit for the period	(15.161.073)	22.000.682
Other comprehensive income	(6.580.260)	(239.980)
Net change in fair value of financial assets at fair value through other comprehensive income (FVTOCI) not transferred to profit or loss	(6.580.260)	(239.980)
Positions that can be reclassified to profit and loss	-	-
Net change in fair value of available-for-sale financial assets	-	-
Free shares received classified as available for sale	-	-
Changes in value of fixed assets available for sale	-	-
Positions that cannot be reclassified to profit or loss	-	-
Changes in value of fixed assets used	-	-
Changes in the value of real estate investments	-	-
Creation/renewal of profit reserves for granting free shares to employees	-	-
Tax relating to other comprehensive income	-	-
Total other comprehensive income for the period	(6.580.260)	(239.980)
Total profit and loss account and other comprehensive income for the period	(21.741.333)	21.760.702
Attributable profit:	(15.161.073)	22.000.682
Shareholders of the Company	(15.161.073)	22.000.682
Non-controlling interests	-	-
Profit of the period	(15.161.073)	22.000.682
Total comprehensive income attributable to:		
Shareholders of the Company		-
Non-controlling interests		-
Total comprehensive income attributable to:	(21.741.333)	21.760.702
Earnings per share		
Basic earnings per share (RON)	(0.0449)	0.0651
Diluted earnings per share (RON)	(0.0449)	0.0651
Continuing operations		
Basic earnings per share (RON)	(0.0449)	0.0651
Basic earnings per share (RON)	(0.0449)	0.0651
31.12.2022		
Weighted average number of shares in the balance:	337.429.952	337.749.919

Chairman of the Board,
Robert Dănilă

CEO,
Monica Ivan

CFO,
Sandu Mircea 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, BRK issued in August 2021 a first series of bonds with a nominal value of RON 25 million maturing in August 2026, and these bonds are traded on the main segment under the symbol BRK26. The head office of the company is located in Cluj-Napoca, while the national presence is ensured through agencies in Bucharest, Timisoara, Iasi and Suceava.

BRK Financial Group S.A. is a founding member of the Bucharest Stock Exchange, the Romanian Commodities Exchange and the Investor Clearing Fund. In 2019, BRK Financial Group became 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 offers a range of specialised services to issuers and potential issuers. In the past, BRK has been involved in the listing of 11 of the 12 companies initially listed on the Bucharest Stock Exchange. Over time, BRK has listed a significant number of companies. Among these, we mention: ONE United Properties, AROBS Transilvania Software, DN Agrar Group, Antibiotice Iași, Azomureș Târgu-Mureș, Terapia Cluj-Napoca, Artrom Slatina, Astra Vagoane Arad and others. Over time the company has acquired a wealth of experience in corporate transactions: advisory services on primary and secondary public offerings, takeover bids, buy-outs, delistings, advice on admission to trading on a regulated market, bond issues and public offerings, mandatory tender offers, share buy-backs, company demergers, etc.

Presentation of the core activity

The core 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 refers to all transaction intermediation services offered to individual investors and companies, as well as specialised services offered to institutional clients. Intermediation services comprise the following:

(A) Transaction intermediation services for investors:

- Intermediation of transactions for the sale and purchase of securities traded on the Bucharest Stock Exchange (BVB). For this type of services, clients may choose to be assisted by a broker in carrying out transactions, or they may choose online trading on their own account. Within this segment, BRK also offers clients the possibility to trade on margin (based on a credit line granted by the company to the client), liquid shares listed on the Bucharest Stock Exchange.
- Brokerage of trades on international markets, with the company's clients having access to over 100 foreign markets in Europe, North America and Asia. The range of financial instruments is varied (equities, 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.
- Brokerage of corporate, municipal and government bonds on the BSE and OTC, respectively brokerage of structured products on the dedicated market segment of the Bucharest Stock Exchange.
- Brokerage of domestic and international market transactions for institutional clients.

(B) Specialised services for issuers and potential issuers:

- Capital market financing through public issues of shares and bonds.
- Intermediation of takeover bids or takeovers of companies listed on the BSE.
- Listing of companies and investment funds on the capital market through initial public offerings or on the basis of

listing prospectuses.

- Advising on financing through share and bond issues or capital market promotion.

In 2022, BRK Financial Group brokered transactions in the equities segment for a total amount of RON 1,65 billion on the BSE (vs. RON 2,4 billion in 2021). In terms of market positioning, BRK ranks sixth in the top of intermediaries on the BSE (transactions in the equity segment), with a market share of 6,35% in 2022.

Trading on international markets was also an important source of commission income in 2022, with increased client interest in trading on international markets.

In terms of issuer services, BRK brokered 8 listings in 2022 (out of a total of 17), 4 series of shares (DN Agrar Group, STK Properties, Sipex Company and Meta Estate Trust) and 4 series of bonds issued by Life is Hard, Inox SA, Crama la Salina and Golden Food Snacks SA. The market positioning was recently recognized at the BVB Awards, where BRK Financial Group received the "Intermediary of Entrepreneurial Companies on the AeRO Market in 2022" Award.

Market making and portfolio management segment

Alongside the intermediation segment, the management of the company's own portfolio of financial assets is another important branch of BRK Financial Group's business that contributes a significant proportion to the company's results. On the other hand, it is also a risk factor considering that BRK Financial Group is obliged to revalue at the end of each year all its positions in closed companies, and value adjustments of securities affect the result for the year and may change the picture of the company's financial performance. At the end of each month, the company adjusts the value of listed companies in its portfolio by marking them to market.

Within the own portfolio we find the following types of placements:

- Tradable portfolio (shares and bonds listed on the stock exchange - usually short or medium term placements, portfolio of financial instruments listed on international markets usually speculative placements);
- Fund units;
- Holdings in private companies and loans to subsidiaries;
- Capital allocated to the business segment - "Margin loans";
- Capital allocated to the business segment "Structured product issuance and market making operations" and "Market making for equities" under the Issuer Market Making programme.

We note that the operations of issuance of structured products as well as the provision of liquidity for its own structured products is carried out on a fully hedged basis through hedging operations in the underlying asset market and as such we consider it to be in the nature of core business. The other operations carried out on own account (including market making operations on domestic equities and bonds where there are no hedging instruments) we do not include them in what we call "core business", as they are exposed and correlated to market risk and are included in the operating activity and presented as a separate segment.

Market-making operations and provision of liquidity

Since 2012, the company has been carrying out market-maker activities (displaying and maintaining firm buy/sell quotes) for various financial instruments. The profit from this type of operation is the spread (difference) between the bid and ask quotes.

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

In 2019, BRK obtained the status of market-maker in the regulated spot market of the BSE, signing a first contract under the Issuer Market Maker program, whereby an intermediary concludes a contract with an issuer to support its liquidity. An important feature of this programme is that the market maker assumes much improved values of the listing parameters (minimum volume, maximum spread, market presence) compared to traditional market making activity.

In 2022, BRK Financial Group provided market-making services for Aages, Arobs Transilvania Software, Agroland Business System, Aquila Part Prod Com, Antibiotice Iași, Bursa de Valori București, Holde Agri Invest, Impact Developer & Contractor (both stocks and bonds), MedLife, Purcari Wineries, One United Properties, Romcarbon, Nuclearelectrica, Sphera Franchise Group, TeraPlast and Transport Trade Services.

Issuance of structured products and liquidity

Starting with May 2012, the first structured products have been launched, in the form of Turbo Certificates with the

Dow Jones Industrial Average as underlying asset. Over time, BRK has diversified the type of structured products issued (issuing structured products with protected capital) and also the range of instruments that constitute the underlying assets of the products issued (international equities, domestic equities or commodities).

In 2022, BRK Financial Group recorded a turnover of 635 million RON in the structured products segment, maintaining its status as market leader (market share 38,6%), while BRK traditionally occupies the 2nd or 3rd positions in the top of the most active intermediaries in the Structured segment of the BSE.

In 2022, BRK listed 74 new structured products, as follows: 31 Turbo Long and Turbo Short certificates with Mini Sized Dow Jones Industrial Average futures underlying asset, 13 with Gold Futures underlying asset, 20 with Light Sweet Crude Oil futures contract, 5 with Silver Futures underlying asset and 5 series of products with Copper Futures underlying asset.

As of December 31, 2022, BRK had a total of 58 product series admitted to trading as follows:

- 11 Turbo Longs and 12 Turbo Shorts with underlying asset Mini Sized Dow Jones Industrial Average futures contract,
- 3 Turbo Longs and 6 Turbo Shorts with Gold Futures underlying support,
- 2 Turbo Long and 1 Turbo Short with Silver Futures underlying support,
- 4 Turbo Longs and 3 Turbo Shorts with Copper Futures underlying support,
- 5 Turbo Longs and 8 Turbo Shorts with Light Sweet Crude Oil futures contract underlying support,
- 1 Turbo Long and 2 Turbo Shorts with E-mini S&P 500 futures contract underlying support.

Activity in 2022 – Important events

On 25 January 2022, BRK initiated a share buyback programme, the size of the buyback programme being 3.377.499 shares, in accordance with the EGSM Resolution no.6/26.05.2022. The buyback programme was completed on 10 March 2022.

On 18 April 2022, BRK informed about the signing of a credit agreement with CEC Bank, amounting to RON 22 million, whereby it refinanced its existing credit lines at that time (approximately RON 5,2 million) and increased its working capital. The credit facility is secured by mortgages on the head office and agency premises, chattel mortgage on a number of shares held on own account and assignment of income from market making service contracts.

At the GSM of April 26, 2022, the distribution of dividends (0,0211 lei/share) is approved and the implementation of a stock option plan of the Company's own shares to the Company's directors, officers and employees is approved by allocating a maximum of 6.000.000 shares, and at the GSM of April 26, 2022, the repurchase of 6.000.000 shares is approved.

On 15 May 2022, the second share buyback programme starts and runs until 8 June 2022, and 6 million own shares are purchased.

On 20 June 2022, the Central Depository confirmed the completion of the share capital reduction operation by cancelling 319.967 shares and reducing the nominal value of one share from RON 0,16 to RON 0,15.

The Board of Directors approved, in its meeting on 12 July 2022, the convening of the Ordinary General Meeting of Shareholders for 17 / 18 August 2022, for the election of a member of the Board of Directors, considering the expiration of the administrator mandate of Mr. Constantin Sorin-George on 29.11.2022.

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

On 18 August 2022, BRK informs investors that it has completed all steps associated with the project "Listing of structured products on regional markets" so that on 22 August 2022, the listing of the first series of products on the Wiener Borse and the start of liquidity provision operations on these certificates took place.

On September 30, 2022, the company informs investors that Mr. Sorin George Constantin was authorized on September 29, 2022 by the Financial Supervisory Authority as a member of the Board of Directors for a 4-year mandate.

On 08 December 2022, BRK informs investors about the implementation of the stock option plan and the allocation of the company's own shares to the company's directors, officers and employees. BRK Financial Group S.A. informs investors of the completion on 12 December 2022 of the direct transfer of shares included in the stock option plan programme for 2020 and approved by Resolution No. 5 of the Extraordinary General Meeting of 26 April 2021.

Important events after the end of 2022

On 16.01.2023, SSIF BRK Financial Group SA signed a credit agreement with TechVentures Bank SA.

Dynamics and structure of total revenue

Intermediation activity

Capital markets trading services are offered by BRK Financial Group nationally and internationally to both retail, professional and institutional clients.

	31.12.2022	31.12.2021
Commission income on the local market	5,471,767	7,451,599
Commission income on the external market	955,393	2,610,778
Income from related activities	799,968	716,048
Intermediation commission income	7,227,128	10,778,426
Corporate income	475,849	8,424,707
Other intermediation income	3,306,174	1,314,236
Total intermediation income	11,009,151	20,517,369
Salaries and employee benefits	(2,658,067)	(2,359,869)
Market and intermediary commission expenses	(2,168,419)	(4,077,028)
External benefits expenses	(311,158)	(1,129,256)
Expenses with collaborators	(215,802)	(585,097)
Other expenses core business	(790,111)	(983,006)
Total intermediation expenses	(6,143,557)	(9,134,256)
Result of intermediation activity	4,865,594	11,383,113

The intermediation segment generated revenues of RON 11 million in 2022 (vs RON 20,5M in 2021), this decrease is influenced by the revenues of the corporate segment, where we report revenues of RON 475 thousand, down 95% compared to the revenues of the same segment in 2021. BRK Financial Group remained competitive in this segment, being the market leader in this segment (8 listings out of the 17 conducted in 2022 were brokered by BRK), but the value of the transactions concluded is incomparably lower than the similar values brokered in 2021. Moreover, the market positioning was recently recognized at the BVB Awards, where BRK Financial Group received the "Intermediary of Entrepreneurial Companies on the AeRO Market in 2022" award.

BRK brokered transactions worth a total of 2,71 billion lei on the BSE in 2022 (vs 3,76 billion lei in 2021). In terms of market positioning, BRK maintained its 6th position in the top of intermediaries on the BSE, with a market share of 5,65% in 2022 (vs. 8,70% at the end of 2021).

The result of the intermediation segment was positive in 2022, totalling 4,8 million lei (vs. 11,3 million in 2021). In line with the decrease in revenues, some direct expenses also decreased (commissions paid to stock exchanges and capital market institutions in line with the decrease in turnover).

Market making activity

	31.12.2022	31.12.2021
Net gains from structured products trading	3,373,723	4,035,266
Income from market making services provided to issuers	4,801,010	3,195,688
Total income from market making activity	8,174,733	7,230,954
Salaries and employee benefits	(1,021,280)	(1,857,235)
Expenses - market commissions and intermediaries	(1,023,857)	(933,012)
External services expenses	(233,751)	(328,866)
Other expenses - core activity	(297,975)	(409,345)
Total expenses from Market Making activity	(2,576,864)	(3,528,458)
Result of Market Making activity	5,597,869	3,702,496

The market making activity generated revenues of 8,1 million lei in 2022 (vs 7,2 million lei in 2021). Revenues from partnerships under the Issuer Market Maker program generated revenues of 4,8 million lei in 2022, compared to 3,2 million lei in the same period last year (+50%). The increase is explained by the fact that BRK's client portfolio for this service increased to a total of 17 issuers, as well as by some new contracts concluded during 2021, which in 2022 generated revenues every month, while in 2021 they generated revenues only after the moment of conclusion.

As for the Structured Product Issuance and Liquidity Provision segment, we report revenues of RON 3,37 million,

down 16% compared to 2021 (RON 4,03 million) on the back of a slight decrease in turnover (2022: RON 635 million, and 2021: RON 699 million), but also on the margin (spread) required to maintain the competitiveness of the products. In terms of market positioning, we maintained our leading position with a market share of 38,66%, slightly down from 2021 (market share: 40,14%).

Own portfolio management activity

	31.12.2022	31.12.2021
Dividend income	1,732,562	863,006
Realised gains/(losses) on equity and bond transactions	(2,372,805)	4,057,781
Net gains/(losses) on valuation of financial assets measured at fair value through profit or loss	(10,689,111)	11,418,981
Net income/(expenses) on provisions for non-current financial assets	(1,733,375)	(800,000)
Other net interest and exchange rate income/(expense)	(3,382,474)	686,527
Other net income/(expenses)	(195,056)	73,737
Net income/(expense) from provisions for risks and charges	500,186	(762,368)
Result of portfolio management activity	(16,140,073)	15,537,665

Operations carried out on own account (other than operations providing liquidity on certificates) brought us a negative result of -16,2 million lei, where the revaluation of portfolio positions (-10,7 million lei), interest expenses and exchange rate differences (-3,3 million lei) and marked losses (-2,3 million lei) had the highest incidence.

Company staff

As of 31.12.2022, the actual number of employees of the company was 39.

The company's development strategy involves expanding the business, i.e. increasing the number of employees in the future, both in administrative and support roles and in directly productive segments (expanding the sales force), in correlation with the volume of business. The company encourages and supports the continuous professional development and specialisation of its staff in their specific areas of competence, through participation in vocational training programmes and continuous professional training. There is also an operational continuity plan for each of the posts in the organisation chart.

Corporate governance & Investor relation

The company operates according to sound corporate governance principles. These principles underpin the governance framework. BRK Financial Group operates according to internal procedures that determine the effectiveness of control mechanisms, with the aim of protecting and harmonising the interests of all categories of participants in the activity carried out within the company.

In the most recent assessment carried out by the Association for Investor Relations at the Romanian Stock Exchange (ARIR), using the indicator VEKTOR, BRK Financial Group obtained a score towards the maximum (9.5 out of 10) on the Vektor indicator, confirming that all the criteria included in the methodology for calculating this indicator were met. This indicator assesses the quality of communication and transparency towards investors, and BRK Financial Group makes every effort to align itself with best practices in the area of investor relations.

BRK Financial Group respects the rights of its shareholders to carry out activities undertaken by the company in their best interests. The company is constantly striving to improve communication and relations with its shareholders, aiming to ensure fair treatment. The Company's Articles of Association regulate the rights of shareholders in respect of their shares and the exercise of these rights through participation in the General and Extraordinary Shareholders' Meetings. The Articles of Association also regulate the company's governing body and the way in which it is managed. Relations with shareholders are ensured at the level of executive directors and the Board of Directors.

BRK Financial Group's website provides concise information on the organisation and conduct of business, products and services offered, financial statements, Ordinary and Extraordinary General Meetings, litigation involving the company and

other items that may be of interest to shareholders, employees or clients. The company's website also contains the CVs of the members of the Board of Directors and audit reports. All information for shareholders is available in the "Investor Relations" and "About Us" sections, both in Romanian and English. For potential questions, opinions or suggestions that shareholders may have, the company provides the e-mail address ir@brk.ro to facilitate easy and appropriate communication. In addition to the information available on the company's website, shareholders can consult the reports and press releases issued by BRK Financial Group. These can be consulted on the website of the Bucharest Stock Exchange (BSE). The company provides annually the financial reporting calendar, the convocations of GSMs and, where applicable, EGSMs, their resolutions and current reports.

Board of Directors

The management of BRK Financial Group has been ensured in 2022 by a three-member Board of Directors. Following the elections held at the GSM in April 2020, a new Board of Directors was elected, consisting of three members: Mr. Robert Dănilă, Mr. Gabriel Goia and Mr. Sorin Constantin.

During 2022, the Board of Directors of BRK Financial Group SA met 16 times, either by attendance at the company's headquarters or by remote communication means, and its activity complied with the legal and statutory provisions. Important topics and projects relevant to the company's activity were debated, and resolutions were issued concerning the multiple functional aspects of the company. Among the topics on the agenda of the Board of Directors, which had a particular impact on the current activity, were the approvals of internal policies and procedures that were updated to correspond to the changes made at the company level.

The Board of Directors operates under its own rules of procedure, which set out the actual working procedures of the Board, how it is convened and meets, the company's staff who are required to present activity reports (Executive Directors, 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 the shareholders and potential investors of any professional commitments, including executive and non-executive positions on the Board of non-profit companies and/or institutions, and through the declarations provided to the Financial Supervisory Authority, all information regarding direct or indirect shareholdings, individual shareholdings or as a result of concerted action with third parties is disclosed.

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

The BRK Financial Group Board of Directors has four committees: Nomination Committee, Audit Committee, Risk Committee and Remuneration Committee. The committees established 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 composition of the Board Committees was determined on the basis of the expertise of the Board members and the need to make the best use of their experience in different areas of activity.

The three directors are members of all committees.

Risk Committee - the role of this committee is primarily to monitor risks that may impact the company and to review and evaluate reports submitted by the company's designated risk manager. The Risk Committee is periodically informed by the designated person in charge of risk management, through a comprehensive activity report, on the situation of the company in terms of liquidity indicators and other risk indicators that are calculated in accordance with the regulations of the Financial Supervisory Authority.

Audit Committee - its role is to review and audit the company's financial statements. The Audit Committee evaluates the company's periodic financial statements, the fairness of their preparation and the auditors' opinions on the financial statements.

Remuneration Committee - its task is to evaluate the remuneration policies within the company and to propose for the approval of the Board of Directors to amend and update them.

Nomination Committee - is responsible for assessing the persons proposed for management and key positions within the company and also for considering proposals for persons who may represent the company on the Boards of Directors of other entities.

The internal auditor

During 2022, the internal audit was provided by Asconcor SRL, operating independently in accordance with corporate governance recommendations. The internal audit reports were presented to the Board of Directors of the company and the measures proposed in the audit reports were implemented by decisions of the Board of Directors. The internal audit reports cover verification of the correlation of client balances with analytical records, verification of capital adequacy reports, sample verification of client cash holdings and other relevant aspects of the company's business.

The external auditor

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

At the GSM held on 26.04.2021, the election of the financial auditor JPA Audit&Consultanță SRL for the years 2022 and 2023 was approved.

Internal control

In accordance with the legal provisions in force, BRK Financial Group has organised an Internal Control and Compliance Department (ICC) composed and coordinated by staff authorised by the FSA.

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

The Internal Control and Compliance Department reports monthly to the company's Board of Directors, executive management and the internal auditor on the work carried out and issues raised, if any. The ICC proposes to the management measures to remedy the reported issues and the decision on the implementation of the proposed measures is taken by the members of the Board of Directors and/or the executive management. The decision will be communicated to those concerned by representatives of the Executive Management.

The ICC also verifies the submission to the capital market institutions of the mandatory reports in accordance with 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 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 the company's management. The control reports were duly reported. As a result of the proposals made in the control reports prepared in 2022, the company's management took remedial measures by amending certain procedures, adopting 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 risk monitoring duties at company level. The monitoring of risks specific to the activity carried out is carried out in accordance with the Risk Management Policies - Rules and Mechanisms for Risk Assessment and Management, approved by the Board of Directors. In the process of identification and assessment of financial risks, as well as the indicators used in risk management, the EU Regulation 575/2013 on prudential requirements for credit institutions and investment firms, EU Regulation 2033/2019 on prudential requirements for investment firms, as well as the regulations and legislation of the Financial Supervisory Authority were taken into account.

With regard to the assessment of operational risks generated by IT systems, the aspects set out in Norm No 4/2018 on the management of operational risks generated by IT systems used by entities regulated, authorised/licensed and/or supervised by the Financial Supervisory Authority were also considered.

The risk management system, built in accordance with the above regulations, includes a set of appropriate risk management mechanisms and procedures, analysis and presentation of the results of the financial risk identification and assessment activity, as well as proposals for appropriate management and mitigation of 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 have been analysed and assessed:

- Liquidity risks, with the following sub-categories: the risk of failure to meet current liquidity requirements and the risk related to the liquidity of the portfolio of financial assets held by SSIF BRK Financial Group SA;
- Market risks, with the following sub-categories: position risk, currency risk, commodity risk and long-term interest rate risk;
- Credit risks, with the following sub-categories: credit risk (related to equity and debt securities), counterparty credit risk, credit risk arising from loans granted by the company to affiliated entities, legal risk.
- Operational risks, analysed in terms of quantitative and qualitative approach. Under this category are analysed all operational risks generated by processes, systems and human resources that SSIF BRK Financial Group SA uses in its current activity;
- Concentration risk, with the following sub-categories: large exposures to one borrower/issuer and large exposures to one sector of economic activity. In addition, within the concentration risk, the exposures recorded by BRK Financial Group to different categories of assets and financial operations are also analysed from the perspective of the requirements provided for by the legislation in force;
- Currency risks, which deals with positions held by BRK Financial Group on cash and deposits in foreign currency, financial instruments denominated in foreign currency, derivative financial instruments with underlying assets in foreign currency;
- Valuation of positions and inclusion of instruments in BRK Financial Group's portfolio.

At the level of SSIF BRK Financial Group SA financial, investment and operational risks have been assessed/quantified, monitored and treated in order to reduce their impact according to the classification presented above. In establishing this risk classification structure, the magnitude of the impact of the respective 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 were taken into account when establishing quantitative limits for financial risks:

Principles:

As a general principle, in setting the current quantitative levels of financial risks, the risk profile of SSIF BRK Financial Group SA, the current portfolio structure, possible asset dynamics, as well as ensuring prudent levels of liquidity and capital adequacy ratios so as to include buffers for possible crisis situations established by the European regulator were taken into account.

Issues considered:

The level of liquidity of the assets in the portfolio has been set according to the characteristics of the portfolio, as well as ensuring a minimum level of liquidity to meet any need for reorientation of the business policy;

The liquidity requirement has been sized so that the company has liquidity reserves of at least one third of the requirement based on fixed overheads, so that the company can operate without having to hold cash specifically for times of crisis;

The level of own funds held by the company must cover the higher of the minimum ongoing capital requirement, one quarter of the previous year's fixed overheads or the sum of the requirements calculated on the basis of the set of risk factors ('K-factors').

Thus, as of 31.12.2022, the level of own funds of SSIF BRK Financial Group amounted to 40.187.045,47 RON.

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 persons, by means of communications sent to the BSE and via its own website, the annual, half-yearly and quarterly reports prepared in accordance with the applicable accounting standards (IFRS). The annual financial reports are presented at both individual and consolidated level, both preliminary and audited, together with the explanatory accounting notes. The company also publishes other current reports on all significant events that have or may have an impact on the company's image and activity. The company has published its articles of association and the names of the members of the Board of Directors on its website.

Avoidance of conflicts of interests

In order to avoid conflicts of interest, the company applies clear procedures that set out the methods, operations and controls required.

BRK Financial Group has reasonably taken the required measures to avoid conflicts of interest and through operational segregation. Information flows are managed by applying 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, supporting common values for the development of society as a whole, has been a constant concern for BRK Financial Group over the years. The aim of the actions undertaken is to stay connected with society and actively engage in protecting the environment, contribute to raising awareness and encourage social change. We are constantly improving our workflows, whereby we establish ways to recover and recycle the waste resulting from our day-to-day operations.

Financial calendar 2023

April 28, 2023	Annual Ordinary GSM 2023
April 28, 2023	Annual Report 2022
May 15, 2023	Financial results first quarter 2023
August 16, 2023	Half-year financial results 2023
November 9, 2023	Financial results third quarter 2023

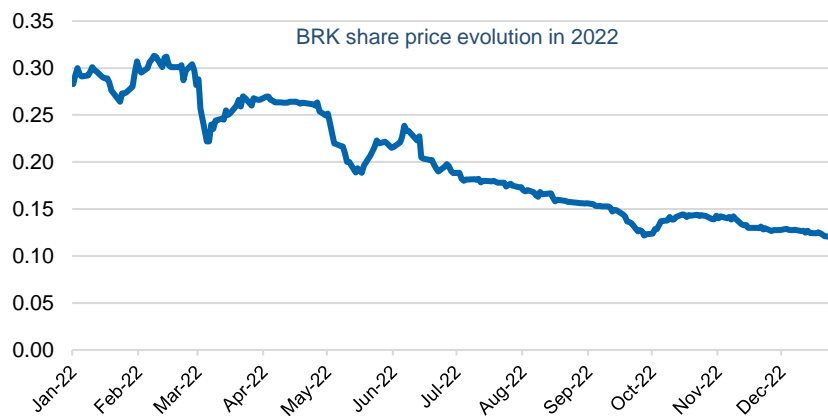
BRK Share

BRK Financial Group shares are issued in dematerialized form, ordinary, indivisible and freely negotiable from the date of admission to trading on the Bucharest Stock Exchange (BSE). BRK Financial Group's shares were admitted to trading on the main market administered by the Bucharest Stock Exchange on 5 February 2005 under the symbol BRK. BRK shares are listed in the Premium category of the Bucharest Stock Exchange and are included in the basket of BETPlus, BET-BK, BET-XT, BET-XT-TR and BET-XT-TRN indices.

The company is subject to capital market legislation, namely Law no. 297/2004 on the capital market, Law 24/2017 on issuers of financial instruments and market operations, as well as secondary regulations issued by the Financial Supervisory Authority (FSA) and the BSE.

The share register is kept by the Central Depository, an independent registrar authorised 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 0,15 lei.

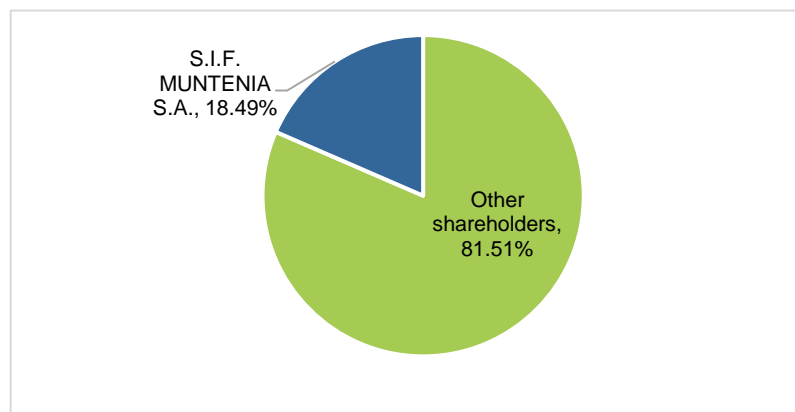
BRK's share price fell by 32,7% in the first half of 2022, from 0,283 (3 January 2022) to 0,191 on 30 June 2022, amid declines in international markets and macroeconomic conditions. At the same time, a gross dividend per share of RON 0,0211 was paid, with a reference date of 16 June 2022. The second half of 2022 brought further corrections to BRK's share price, so that it fell to 0,1132 lei/share on 31 December 2022, marking a 60% decline compared to the end of 2021.



Source: BSE

Shareholders

On 31 December 2022, the ownership structure of BRK Financial Group is as follows:



Source: BSE, Central Depository.

Stock market context

Romania's gross domestic product grew by 4,6% on a gross basis and 4,9% on a seasonally adjusted basis in the fourth quarter of 2022 compared to the fourth quarter of 2021, according to the National Institute of Statistics. According to a first estimate by Eurostat for annual GDP growth in 2022, GDP grew by 3,5% in the euro area and 3,6% in the EU (seasonally and calendar adjusted). According to the European Commission, Romania's GDP could grow by 2,5% in 2023, an upward revision (from 1,8%: autumn 2022 economic forecast).

According to the NIS, the annual inflation rate at national level increased by 16,4% in December 2022, compared to December 2021. The annual inflation rate in December 2022 compared to the same period of the previous year, calculated on the basis of the Harmonised Index of Consumer Prices (HICP), was 14,1%.

At the European level, most market indices recorded declines in 2022, with the only index with a positive development during the year being the FTSE 100 in the UK. Among the top decliners, the Polish WIG20 index fell 22% and the Prague index fell 15,5%.

Region	Index	Symbol	Last price (28 dec. 2022)	Change since the beginning of the year (%)
CEE & EU	Bucuresti (BET)	BET Index	11,729	-10.2
	Prague (PX)	PX Index	1,205	-15.5
	Budapest (BUX)	BUX Index	44,156	-12.9
	Warsaw (WIG20)	WIG Index	1,768	-22.0
	Deutsche Boerse (DAX)	DAX Index	13,926	-12.3
	Euronext Paris (CAC)	CAC Index	6,510	-9.0
	FTSE 100 (UKX)	UKX Index	7,497	1.5
USA	EURO STOXX 50	SX5E Index	3,809	-11.4
	Dow Jones Industrial (INDU)	INDU Index	32,876	-9.5
	S&P 500 (SPX)	SPX Index	3,783	-20.6
Asia	NASDAQ (CCMP)	CCMP Index	10,213	-34.7
	Hong Kong Hang Seng (HIS)	HIS Index	19,704	-15.8
	Shanghai (SHCOMP)	SHCOMP Index	3,079	-15.4
	Shenzhen (SZCOMP)	SZCOMP Index	1,973	-22.0
	Korea (KOSPI)	KOSPI Index	2,236	-24.9
	Taiwan (TWSE)	TWSE Index	14,085	-22.7
	Japan Nikkei 225 (NKY)	NKY Index	26,094	-9.4
	Singapore (STI)	STI Index	3,241	3.8

Source: Bloomberg

As for the evolution of the Bucharest Stock Exchange market indices, they recorded decreases in 2022. The most significant decline belongs to the BETAeRO and BET-BK indices in the year 2022. The market capitalisation of issuers traded on the regulated market reached RON 197,18 billion at the end of 2022, down from RON 229,07 billion at the beginning of the year. This trend was also similar on the Multilateral Trading Segment of the BSE, where the market capitalisation of issuers decreased in 2022 to 13,5 billion lei, from 19,8 billion in 2021 (thus 31,8% less).

Index	Year 2022 (%)	Year 2021 (%)
BET	-11%	33%
BET-BK	-13%	35%
BET-FI	-4%	21%
BET-NG	-4%	29%
BET-TR	-2%	40%
BET-XT	-11%	31%
BET-XT-TR	-3%	37%
BETAeRO	-23%	-
BETPlus	-10%	33%
ROTX	-7%	36%

Source: BSE

Consolidated performance

BRK Financial Group's direct shareholdings in the Group's subsidiaries refer to the shareholdings in the companies shown in the table below.

Group company	Main field of activity	Number of shares held	Nominal value of the share	Shareholding 31.12.2022 (%)
SAI BROKER SA	Fund management activities	220.581	10	99,98%
Firebyte Games SA	Custom software development activities	16.650.000	0,1	48,93%
Gocab Software SA	Custom software development activities	42.250.000	0,1	49,12%
Romlogic Technology SA	Manufacture of computers and peripheral equipment	1.061.484	10	90,74%
BRK POWER ENERGY	Electricity production	2.500.000	0,1	50,00%

Legal requirements require reporting entities to consolidate their financial statements with those of the entities in which they have invested and which they control.

SAI Broker – General information

SAI Broker SA was established in the second half of 2012 and aims to offer investors viable investment alternatives through the products it intends to launch, so that through proper management of the portfolio of financial assets it aims to optimize the ratio between potential return and investment risk assumed. The company has the dynamism and tenacity required for such a challenge, as well as the experience accumulated over the years, which together constitute the prerequisites for the success of a policy focused on the client's needs.

The company's main field of activity is: 663 - 'Fund management activities'. The company's main object of activity classified according to the Classification of Activities in the National Economy (C.A.E.N.) is: 6630 "Fund management activities": (1) management of undertakings for collective investment in transferable securities (UCITS) established in Romania or in another EU Member State; (2) in addition to the management of UCITS, the company may manage alternative investment funds (AIF).

SAI Broker S.A. manages 9 investment funds (as of 31 December 2022), as follows:

- open-ended funds (FIX INVEST Open-ended Investment Fund, Prosper Invest Open-ended Investment Fund, Fortuna Classic Open-ended Investment Fund, Fortuna Gold Fund)
- closed funds, aimed at retail investors (FIAIR BET-FI Index Invest) or at professional investors (FIAIP SMART Money, FIAIP Optim Invest, FIAIP H.Y.B. Invest and FIAIP Alpha Invest).

Firebyte Games SA – General information

Firebyte Games S.A., was founded in December 2017, specialized in mobile game development. The company operates in a very dynamic and competitive environment given that access to the global market is quite easy. The Firebyte Games project was defined and initiated by Mr. Ovidiu Stegaru, who has served as CEO since its inception until today. The financial backing of the company was provided by BRK Financial Group and Mr. Andrici Adrian. The expertise of Mr. Ovidiu Stegaru, 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 global gaming industry, 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 throughout 2018 and the first part of 2019. Since 2019, the company has perfected partnerships with globally renowned publishers. This strategic option was adopted mainly due to the fact that the marketing budget for launching a game on the global market is significant and the success of a game depends largely on the marketing budget used in the publishing campaign. In its first 3 years of operation the company developed 45 games or game prototypes for mobile devices, most of which were Hypercasual games in revenueshare partnerships. The company listed on the BVB, AeRo segment starting April 6, 2021.

Since its establishment, the company has set a bold medium and long-term goal to become a major 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 executive management's monitoring and project management processes.

The main factors behind the success of a company in the mobile games industry are:

- Setting up and managing development teams;
- Management of specifications and key product elements;
- Game architecture;
- Game marketing.

The company's business model is focused on two directions:

- Game development in collaboration with external partners through revenue-share agreements.
- Development and publishing of casual games on its own

In April 2022, the company's Board of Directors approved the company's participation through its subsidiary in Turkey in the development of a GameFi metaverse called Age of Battles in the blockchain technology sphere.

On June 28, 2022, the Company convened the General Meeting of Shareholders, by which it requested approval of the Company's participation by offering product development services in a project in the sphere of blockchain technology and the empowerment of the Board of Directors to represent the Company.

In October 2022, the company announced the conclusion of a significant contract with the French company Voodoo SAS, which is one of the leading publishers of mobile games globally.

Gocab Software SA – General information

GoCab Software is a company that has developed and operates an app dedicated exclusively to taxi drivers, which numbers over 5.000 taxi driver partners throughout the country, and is already available in 19 cities (Bucharest, Cluj-Napoca, Brasov, Oradea, Baia Mare, Craiova, Tulcea, Buzău, Iași, Sibiu, Arad, Timișoara, Deva, Reșița, Galați, Brăila, Alexandria,

Giurgiu, Constanța) Through the GoCab app, passengers can order a taxi online, simply and quickly from any city in the country, and the process is intuitive. The app offers a pleasant user experience, with transparency in terms of the price of the journey and full flexibility in terms of payment methods: by card directly in the app, by physical card, cash or through vouchers offered free of charge by the app developers. In addition, all drivers are verified and journeys are geo-tagged for added safety.

The modules developed and integrated into the GoCab app cover:

- Controls,
- Dispatchers/Carriers,
- Corporate,
- Fleets,
- Collections and Payments,
- Bonus,
- Partners,
- Notifications,
- Users.

The company aims to:

- To develop the most appreciated and used app in Romania, among taxi drivers,
- To increase the quality of the urban taxi transport service,
- To increase revenue or benefits for taxi drivers through partnerships and additional services.

The company's two main investment directions are:

- The development of the application suite, by implementing modules to facilitate and/or automate the processes used in the taxi business,
- Marketing campaigns aimed at customers and drivers using the GoCab application.

Monetization model adopted/adopted:

- GoCab Pro service whereby customers will receive a guarantee that their order will be honoured and taxi drivers will be guaranteed a minimum number of orders for a predefined period,
- Related services, through partnerships, developed by the company for the benefit of GoCab affiliates, which will generate a significant component of operational revenue,
- Monetisation of orders submitted as part of the standard service will be an alternative source of operational revenue.

Romlogic Technology SA – General information

The company started its work with a technical blog to support several projects. One of them involved a long-term collaboration with a taxi dispatcher in Bucharest. Growing very quickly and reaching a high level, it turned into a complete and efficient transport service solution.

The company provides software support for various projects, hardware maintenance and IT infrastructure implementation. Innovation is a key element of the company's business. It is constantly concerned with discovering new developments in the market and implementing them in the services it offers, in order to become more efficient and to expand its knowledge area. A very good example of innovation is the Equinox device, which incorporates a radio transceiver, GPS, dedicated ordering software and, of course, the classic taxi.

BRK Power Energy SA – General information

BRK Power Energy proposes to build and commission a gas-fired power plant consisting of 4 engines each with an electrical capacity of 3,36 MWh (total 13,44 Mwh). The power plant will supply electricity mainly to the system services market (balancing market - tertiary system). At the same time the power plant will also produce heat energy that can be delivered to third parties established in the vicinity of the plant.

The total value of the investment amounts to approx. 8,5-9 million (depending on location), of which 4,75 million will be a supplier credit from the electric motor manufacturer. The company intends to acquire the land necessary for the investment and is in the process of due diligence for a possible location. Following the acquisition of the land, the company will start the process of obtaining the necessary approvals and authorisations for the investment, and will also initiate a private placement fundraising.

Consolidated situation

Consolidated statement of financial position as of 31.12.2022.

<i>In lei</i>	31.12.2022	31.12.2021
Assets		
Intangible assets	9.593.319	9.294.515
Tangible fixed assets	9.265.243	9.767.438
Investment property	-	-
Financial assets at fair value through other comprehensive income	52.781.155	65.716.284
Financial assets at fair value through profit and loss	17.470.539	9.536.911
Financial assets at amortised cost	7.907.347	11.928.432
Loans and advances granted	1.787.182	7.917.268
Trade and other receivables	14.356.070	10.003.138
Other financial assets	58.483.263	59.137.366
Customer accounts with banks	50.505.061	43.999.952
Cash and cash equivalents	2.750.760	27.327.713
Bond premiums	245.154	-
Stocks	8.794.331	5.016.065
Total assets	233.939.424	259.645.082
Liabilities		
Borrowing from Bonds	28.000.000	28.000.000
Finance lease liabilities	84.843	648.179
Provisions	-	-
Total long-term liabilities	28.084.843	28.648.179
Deferred income tax liabilities	917.638	6.728
Current income tax liabilities	-	558.690
Deferred income	50.313	-
Short-term bank debts	20.329.411	5.041.915
Current portion of finance lease liabilities	746.742	184.103
Amounts owed to customers (customer cash)	104.894.047	116.083.554
Trade and other payables	16.349.110	13.183.940
Provisions	827.930	822.755
Total current liabilities	144.115.191	134.848.231
Total liabilities	172.200.034	163.496.410
Equity capital		
Share capital	50.614.493	54.039.987
Adjustment of share capital	4.769.353	4.071.591
Own shares	(1.391.444)	(130.414)
Capital premiums	13.682.722	13.682.722
Reserves from revaluation of financial assets at fair value through other comprehensive income	5.459.473	(2.514.578)
Other reserves	19.197.552	17.643.276
Current result	(23.295.659)	15.911.956
Retained earnings	(12.747.417)	(11.237.397)
Total equity attributable to equity holders of the Company	56.289.073	91.467.143
Non-controlling interests	5.450.316	4.681.529
Total equity and liabilities	233.939.424	259.645.082

Consolidated statement of comprehensive income as of 31.12.2022.

	31.12.2022	31.12.2021
Income basic activity	<u>30.798.236</u>	<u>28.621.310</u>
Income from intermediation	<u>11.766.515</u>	<u>19.198.490</u>
Intermediation commission income	7.227.128	10.064.629
Fund management income	2.925.545	3.138.034
Corporate income	475.849	8.424.707
Other core business income	3.306.174	1.348.846
Intermediary commission expenses	(2.168.419)	(3.777.726)
Net commission income	11.766.515	19.198.490
Income from market making activity	<u>8.174.733</u>	<u>6.971.312</u>
Net trading income	3.373.723	4.035.266
Income from market making services provided to issuers	4.801.010	3.195.688
Expenses with licenses and issuance of structured products	(483.478)	(259.642)
Net income from market making activity	7.691.255	6.971.312
Other income basic activity	<u>10.856.988</u>	<u>2.191.866</u>
Income from services rendered	7.372.853	884.459
Income from the sale of finished products and goods	36.078	1.930.662
Income from changes in stocks	(693.029)	(643.857)
Other income from basic activity	4.141.086	20.602
Total Expenditure core activity of which:	<u>(31.044.095)</u>	<u>(13.467.975)</u>
Salaries and employee benefits expenses	(12.885.747)	(5.151.435)
Expenses market commissions and intermediaries	(1.175.414)	(1.542.075)
Expenditure on external services	(8.323.255)	(1.842.703)
Expenses with collaborators	(418.064)	(425.689)
Other basic activity expenses	-	(607.764)
Value adjustments of intangible and tangible assets	(5.895.311)	(2.980.144)
Profit/(loss) from basic activity	<u>(729.338)</u>	<u>14.893.693</u>
Net realised gains/(losses) on financial instruments	<u>(628.156)</u>	<u>2.654.797</u>
Dividend income	1.732.562	392.400
Realised income from equity and bond transactions	3.477.661	3.190.535
Realised losses on transactions in shares and bonds	(5.838.379)	(928.138)
Net gains/(losses) on valuation of financial assets measured at fair value through profit and loss	<u>(10.632.729)</u>	<u>6.982.270</u>
Income from valuation of financial assets measured at fair value through profit and loss	8.687.676	11.357.597
Losses on valuation of financial assets measured at fair value through profit and loss	(19.320.405)	(4.375.327)
Net income/(expense) on provisions for non-current financial assets	<u>(1.233.375)</u>	<u>(573.353)</u>
Income from cancellation of provisions for non-current financial assets	-	300.000
Expenses on provisions for non-current financial assets	(1.233.375)	(873.353)
Other net interest and exchange rate income/(expenses)	<u>(3.715.025)</u>	<u>426.968</u>
Interest income on loans and bonds	381.309	51.547
Interest income on margin loans	241.238	99.914
Interest income other	(114.021)	13.659
Interest expense	(3.919.888)	(204.203)
(Expenses)/Exchange differences income house	(913.501)	
Net income/(expenses) provisions for risks and charges	<u>598.696</u>	<u>30.514</u>
Expenditure on provisions for risks and charges	(551.937)	-
Income reversal of provisions for risks and charges	1.682.888	7.608
Other net provisions	(532.255)	22.906
Other income/(expenses), net	<u>(1.100.149)</u>	<u>(101.099)</u>
Net gains/(losses) on sale of assets	23.500	(64.725)
Other operating expenses	(1.649.183)	(72.115)

Other operating income	525.534	35.741
Result of investment activities	(16.710.738)	9.420.097
Result from operating activities	(17.440.076)	17.272.070
Expenditure on other long-term employee benefits	(1.595.131)	-
Impairment charges on Goodwill	(4.021.085)	-
Profit before tax	(23.056.292)	24.313.790
Income tax expense	(239.367)	(277.128)
Profit from continuing operations	(23.295.659)	24.036.662
Discontinued operations	-	-
Loss from discontinued operations (after tax)	-	-
Profit for the period	(23.295.659)	24.036.662
Other comprehensive income	-	(239.980)
Net change in fair value of financial assets measured at fair value through other comprehensive income (FVTOCI) not transferred to the income statement	-	(239.980)
Items available for reclassification to profit or loss	-	-
Net change in fair value of available-for-sale financial assets	-	-
Bonus shares received classified as available-for-sale	-	-
Changes in value of fixed assets available for sale	-	-
Items that cannot be reclassified to profit and loss	-	-
Changes in value of fixed assets in use	-	-
Changes in value of investment property	-	-
Creation/withdrawal of reserves from profit for the grant of free shares to employees	-	-
Tax relating to other items of comprehensive income	-	-
Total other comprehensive income for the period	-	-
Total profit and loss account and other comprehensive income for the period	-	-
Attributable profit:	(23.295.659)	16.277.265
Equity holders of the Company	(20.888.004)	18.799.838
Non-controlling interests	(2.407.656)	5.236.824
Profit for the period	(23.295.660)	24.036.662
Total comprehensive income attributable to:		
Shareholders of the Company		-
Non-controlling interests		-
Total comprehensive income for the period	-	-
Earnings per share		
Basic earnings per share (lei)	(0.0690)	0.04819
Diluted earnings per share (lei)	(0.0690)	0.04819
Continuing operations		
Basic earnings per share (lei)	(0.0690)	0.04819
Diluted earnings per share (lei)	(0.0690)	0.04819
31.12.2022		
Weighted average number of shares outstanding:	337.429.952	337.749.919

Chairman of the Board,
Robert Dănilă

CEO,
Monica Ivan

CFO,
Sandu Mircea Pali

Declaration of responsible persons in the company

We, Robert Dănila, Chairman of the Board of Directors, Monica Ivan, General Manager, Sandu Mircea Pali, Economic Director, declare on our own responsibility that, to the best of our knowledge, the individual and consolidated financial statements as at 31.12.2022, prepared in accordance with the applicable accounting standards, give a true and fair view 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 fair analysis of the development and performance of the Company 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 on a going concern basis.

Chairman of the Board
Robert Dănilă

CEO
Monica Ivan

CFO
Sandu Mircea Pali

Statement on the application of corporate governance principles

	Provisions of the Corporate Governance Code	Complies	Does not comply	Partially complies	Reasons for not complying
A1	The Company must have internal Board bylaws that include terms of reference/responsibilities of the Board and key management functions of the Company, and that apply, among other things, the General Principles in Section A.	X			
A2	Provisions for the management of conflicts of interest should be included in the Council Regulation. Council members must notify the Council of any conflicts of interest that have arisen or may arise and refrain from participating in discussions (including by not attending, unless failure to attend would prevent the formation of a quorum) and from voting on a decision on the matter giving rise to the conflict of interest in question.	X			
A3	The Management Board or Supervisory Board must consist of at least 5 members.		X		
A4	The majority of the members of the Board of Directors must be non-executive. At least one member of the Board of Directors or the Supervisory Board must be independent in the case of Standard Category companies. In the case of companies in the Premium Category, not less than two non-executive members of the Board of Directors or the Supervisory Board must be independent. Each independent member of the Management Board or Supervisory Board, as the case may be, must make a declaration at the time of his/her nomination for election or re-election, as well as at the time of any change in his/her status, indicating the basis on which he/she is deemed to be independent in character and judgement.	X			
A5	Other relatively permanent professional commitments and duties of a Board member, including executive and non-executive positions on the boards of not-for-profit companies and institutions, must be disclosed to shareholders and potential investors prior to nomination and during his or her term of office.	X			
A6	Any member of the AC must disclose to the AC any relationship with a shareholder who directly or indirectly holds shares representing more than 5% of all voting rights. This obligation relates to any relationship that may affect the member's position on matters decided by the Board.	X			

A7	The Company must appoint a Secretary to the Board responsible for supporting the work of the Board.	X			
A8	The corporate governance statement will inform whether an evaluation of the Board has taken place under the leadership of the Chairman or the nominating committee and if so will summarise the key actions and changes resulting from it. The company should have a policy/guideline on Committee evaluation including the purpose, criteria and frequency of the evaluation process.	X			
A9	The corporate governance statement should include information on the number of board and committee meetings held during the past year, directors' attendance (in person and in absentia) and a report by the Board and committees on their activities.	X			
A10	The corporate governance statement must include information on the exact number of independent members of the Board of Directors or the Board of Supervisory.	X			
A11	The Board of companies in the Premium Category must establish a nominating committee of non-executives to lead the process of nominating new Board members and make recommendations to the Board. A majority of the members of the must be independent.	X			
B1	The Board must establish an audit committee of which at least one member must be an independent non-executive director. A majority of the members, including the chairperson, must have demonstrated that they have appropriate qualifications relevant to 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 Category companies, the audit committee must consist of at least three members and a majority of the members of the audit committee must be independent.	X			
B2	The chairman of the audit committee must be an independent non-executive member.	X			
B3	As part of its responsibilities, the audit committee must carry out an annual assessment of the internal control system.	X			
B4	The assessment should consider the effectiveness and comprehensiveness of the internal audit function, the adequacy of risk management and internal control reports presented to the Board's audit committee, the timeliness and effectiveness with which executive management addresses deficiencies or weaknesses identified through internal control, and the presentation of relevant reports to the Board.	X			
B5	The Audit Committee should assess conflicts of interest in relation to transactions the company and its subsidiaries with related parties.	X			
B6	The Audit Committee should assess the effectiveness of the internal control system and the risk management system.	X			

B7	The Audit Committee shall monitor the application of legal standards and generally accepted internal auditing standards. The Audit Committee shall receive and evaluate the reports of the internal audit team.	X			
B8	Whenever the Code mentions reports or reviews initiated by the Audit Committee, they should be followed by regular (at least annual) or ad hoc reports to be subsequently submitted to the Council.	X			
B9	No shareholder may be given preferential treatment over other shareholders in relation to 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 its closely held companies the value of which equals or exceeds 5% of the Company's net assets (as per the latest financial report) is approved by the Board following a binding opinion of the Board's audit committee and properly disclosed to shareholders and potential investors, to the extent that such transactions fall within the category of events subject to reporting requirements.	X			
B11	Internal audits must be carried out by a structurally separate division (internal audit department) within the company or by engaging an independent third party.	X			
B12	In order to ensure that the internal audit department fulfils its core functions, it must report functionally to the Board through the audit committee. For administrative purposes and as part of management's obligations to monitor and reduce risks, it should report directly to the Chief Executive Officer.	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 period annual report.	X			
C1	The remuneration policy should be formulated in such a way that shareholders understand the principles and rationale behind the remuneration of Board members and the CEO and members of the Executive Board in the dual system. It should describe how the remuneration process and decisions are managed, detail the components of executive remuneration (such as salary, annual bonus, long-term incentives linked to share value, benefits in kind, pensions and others) and describe the purpose, principles and assumptions underlying each component (including the general performance criteria attached to any form of variable remuneration). In addition, the remuneration policy should specify the length of the executive director's contract and the notice period set out in the contract, as well as any compensation for unfair dismissal.	X			
C1	The remuneration report should present the implementation of the remuneration policy for the persons identified in the remuneration policy during the annual period under review.	X			

C1	Any material changes to the remuneration policy must be published in good time on the company's website	X			
D1	The company must organise an Investor Relations service - made known to the general public through the person(s) responsible or as an organisational 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 the information relevant information of interest to investors, including:	X			
D1.1	Main corporate regulations: articles of association, procedures for general meetings of shareholders;	X			
D1.2	Professional CVs of members of the company's governing bodies, other professional commitments of Board members, including executive and non-executive positions on boards of companies or non-profit institutions;	X			
D1.3	urrent reports and periodic reports (quarterly, half-yearly and annual) - at least those referred to in point D.8 - including current reports with detailed information on non-compliance with this Code;	X			
D1.4	Information relating to general meetings of shareholders: agenda and information materials; procedure for electing Board members; arguments in support of proposed candidates for election to the Board, together with their professional CVs; shareholders' questions on agenda items and company responses, including resolutions adopted;	X			
D1.5	Information on corporate events, such as the payment of dividends and other distributions to shareholders, or other events leading to the vesting or limitation of a shareholder's rights, including deadlines and principles applied to such transactions. That information will be applied within a timeframe that enables investors to make investment decisions.	X			
D1.6	The name and contact details of a person who will be able to provide relevant information on request;	X			
D1.7	Company presentations (e.g. investor presentations, quarterly results 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 Chief Executive Officer or the Board of Directors and adopted by the Board, in the form of a set of guidelines that the Company intends to follow with respect to the distribution of net income. The principles of the annual shareholder distribution policy will be published on the company.	X			
D3	The Company will adopt a policy in relation to forecasts whether or not they are made public. Forecasts refer to quantified conclusions of studies aimed at determining the overall impact of a number of factors over a future period (so-called assumptions): by its very nature, this projection has a high level of uncertainty, and actual results may differ significantly from the forecasts initially presented. The forecasting policy will determine the frequency, time period and content of the forecasts. If published, forecasts may only be included in annual, half-yearly or quarterly reports. The forecasting policy will be published on the company's website.		X		Criteriaul nu se aplică.

D4	The rules of general meetings of shareholders must not limit the participation of shareholders in general meetings and the exercise of their rights. Amendments to the rules shall enter into force at the earliest with effect from the next shareholders' meeting.	X			
D5	The external auditors will be present at the general meeting of shareholders when their reports are presented at such meetings.		X		
D6	The Board shall present to the annual general meeting of shareholders a brief assessment of internal control and significant risk management systems, as well as opinions on matters to be decided by the general meeting.	X			
D7	Any specialist, consultant, expert or financial analyst may attend the shareholders' meeting on the basis of a prior invitation from the Board. Accredited journalists may also attend the general meeting of shareholders, unless the Chairman 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.

📍 Cluj-Napoca, Calea Moșilor 119

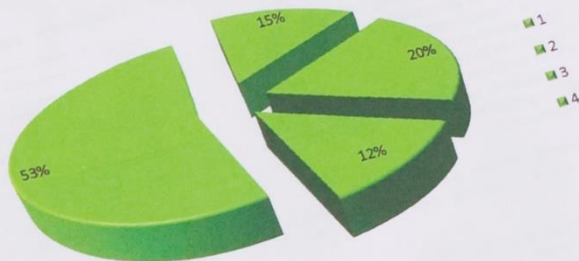
☎ (+4) 0364 401 709

✉ office@brk.ro



www.brk.ro





100,57	30,35	37,29	0,52	0,2	38,46	7,13	1,94	69,93
3,79	30,35	37,29	1,93	1,4	72,54	7,13	1,94	27,18
71,73	26	36,2	1,94	1,52	78,35	37,03	19,49	16,93
25,05	26	38,84	2,02	1,75	86,63	52,37	19,49	66,67
169,88	284,56	55,7	6,2	3,97	64,03	16,76	8,81	85,64
16,74	9,33	31,85	100,57	38,89	64,03	0,2	1,19	1,06
3,8	86,89	6,82	20,27	1,95	38,67	1,4	38,46	69,78
69,94	127,51	4,42	38,4	38,89	51,45	1,52	72,54	14,8
57,35	1,2	4,42	38,4	25,9	36,11	1,75	78,35	48,35
48,4	0,84	-1,92	-8,63	11,04	44,07	3,97	86,63	48,35
8,95	58,68	-1,92	-15,08	45,22	26,62	3,97	64,03	3,47
43,91	0,11			1,17	6,99		64,03	3,47



31.12.2022

Individual Financial Statements

in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union ("IFRS")

CONTENT

Individual statement of financial position as at 31.12.2022	4
Individual global statement of comprehensive income at 31.12.2022	5
Individual statement of changes in equity for 31.12.2022	8
Individual statement of changes in equity for 2021	9
Individual cash flow statement for the year 2022	10
1. THE REPORTING ENTITY	11
2. BASIS OF THE DRAFTING	11
a) Declaration of compliance	11
b) Basis of evaluation	11
d) Foreign currency	13
e) Use of professional estimates and rationales	13
3. SIGNIFICANT ACCOUNTING POLICIES	13
a) Implementation of IFRS 9	13
a) Financial instruments	14
b) Tangible assets	15
d) Real estate investments	16
f) Leasing payments	16
h) Non-deducted financial liabilities	17
i) Share capital	17
j) Employee benefits	17
k) Provisions	17
l) Selling goods and providing services	17
m) Rental income	17
n) Financial income and expenses	17
o) Profit tax	18
p) Earning per share	18
q) Reporting by segments	18
r) Standards and interpretations issued by the IASB but not yet adopted by the EU	19
4. FINANCIAL RISK MANAGEMENT	20
General framework for risk management	20
Risk categories	21
5. CAPITAL MANAGEMENT	26
6. OPERATIONG SEGMENTS	26
The intermediary segment	26
Own portfolio management segment	27
Information on reportable segment	28
7. INTANGIBLE ASSETS	29
8. CORPORATE FIXED ASSETS	30
9. REAL ESTATE INVESTMENTS	32
10. FINANCIAL INVESTMENTS	32
11. LOANS AND ADVANCES GRANTED	33
12. INVESTMENTS IN ASSOCIATED ENTITIES	33
13. FIXED ASSETS HELD FOR SALE	34
14. COMMERCIAL AND SIMILAR RECEIVABLES	34

15. RECEIVABLES AND DEBTS REGARDING DEFERRED TAX	35
16. CASH AND CASH EQUIVALENTS	36
17. CAPITAL AND RESERVES	36
18. RESERVES AND REVALUATION DIFFERENCES	36
19. REPORTED RESULT	37
20. COMMERCIAL DEBTS AND OTHER DEBTS	38
21. LOANS	38
22. PROVISIONS FOR RISKS AND EXPENSES	40
23. ASSETS AND CONTINGENT LIABILITIES	40
24. INCOME FROM INTERMEDIATION ACTIVITY	40
25. INCOME FROM MARKET MAKING ACTIVITY	41
26. STAFF COSTS	41
27. COMMISSION AND INTERMEDIARY EXPENSES	41
28. EXPENSES WITH THE PROVISION OF SERVICES	42
29. OTHER EXPENSES OF THE BASIC ACTIVITY	42
30. GAIN/(LOSS) OF TRADING ACTIVITY	42
31. PROFIT TAX EXPENDITURE	45
32. THE RESULT PER SHARE	45
33. THE HIERARCHY OF FAIR VALUES	46
34. AFFILIATED PARTIES	50
35. EVENTS AFTER THE BALANCE SHEET DATE	50

Individual statement of financial position as at 31.12.2022

<i>In lei</i>	Note	31.12.2022	31.12.2021
Assets			
Intangible assets	7	351.065	304.263
Tangible fixed assets	8	8.658.073	9.062.918
Real estate investments	9	-	-
Financial assets measured at fair value through other comprehensive income	10	44.770.110	42.044.539
Financial assets measured at fair value through profit or loss	10	47.098.012	59.659.013
Financial assets at amortized cost	10	-	-
Loans and advances granted	11	4.143.848	8.588.612
Trade and other receivables	14	1.923.530	1.390.340
Other financial assets	14	68.220.116	63.751.161
Client bank accounts	16	50.505.061	63.316.765
Cash and cash equivalents	16	1.424.003	881.285
Total assets		227.093.818	248.998.896
Liabilities			
Bond liabilities	21	24.432.138	24.303.570
Financial leasing liabilities	21	457.273	515.978
Provisions		-	-
Total non-current liabilities		24.889.411	24.819.548
Interest Bonds		322.708	221.666
Deferred income tax liabilities		978.691	978.691
Current income tax liabilities		-	558.690
Dividend payment		365.271	-
Short-term bank debt	21	20.329.411	5.041.915
Current part of financial leasing liabilities	21	166.638	161.953
Amounts owed to customers	21	104.770.215	115.962.249
Trade and other payables	20	14.003.511	10.804.515
Provisions	22	521.882	1.022.068
Total current liabilities		141.458.327	134.751.748
Total liabilities		166.915.600	159.571.296
Equity			
Capital social	17	50.614.493	54.039.987
Adjustment of share capital	17	4.071.591	4.071.591
Treasury shares	17	(1.285.077)	(24.047)
Benefits to be granted to employees, directors and officers in the form of equity instruments		697.762	
Equity premiums	17	5.355	5.355
Reserves from revaluation of financial assets at fair value through other comprehensive income	18	(6.820.240)	(239.980)
Other reserves	18	13.501.013	13.608.320
Total reserves	18	6.680.773	13.368.340
Current result	19	(15.161.073)	22.000.682
Retained earnings	19	15.122.256	(4.034.307)
Total shareholders' equity		60.746.080	89.427.600
Total equity and liabilities		227.093.818	248.998.896

Individual global statement of comprehensive income at 31.12.2022

	Note	31.12.2022	31.12.2021
Income basic activity		19.183.884	27.782.933
Income from intermediation activity		11.009.151	20.551.978
Intermediation commission income	24	7.227.128	10.778.426
Corporate income	24	475.849	8.424.707
Other core business income	24	3.306.174	1.348.846
Commission expenses Intermediation	24	(2.168.419)	(3.777.726)
Net commission income		8.840.732	16.774.252
Income from market making activity		8.174.733	7.230.954
Net trading income	25	3.373.723	3.362.768
Income from market making services provided to issuers	25	4.801.010	584.720
Expenses with licenses and issuance of structured products	25	(483.478)	(259.642)
Net income from market making activity		7.691.255	6.971.312
Total Expenditure core activity of which:		(13.957.858)	(15.799.424)
Salaries and employee benefits	26	(7.100.102)	(6.705.252)
Market and intermediary commission expenses	27	(1.157.887)	(1.825.549)
Expenses related to external benefits	28	(2.581.734)	(3.037.173)
Expenses with collaborators	26	(215.802)	(585.097)
Other expenses core activity	29	(1.974.302)	(2.505.950)
Value adjustments of intangible and tangible assets	29	(928.031)	(1.140.403)
Profit/(loss) from basic activity		2.574.129	7.946.139
Net realised gains/(losses) on financial instruments		(640.243)	4.920.787
Dividend income	30	1.732.562	863.006
Income from realised share and bond transactions	30	2.408.907	7.435.192
Losses on realised share and bond transactions	30	(4.781.712)	(3.377.411)
Net gains/(losses) on valuation of financial assets measured at fair value through profit and loss		(10.689.111)	11.418.981
Income from valuation of financial assets measured at fair value through profit and loss	30	8.631.294	21.279.497
Losses on valuation of financial assets measured at fair value through profit and loss	30	(19.320.405)	(9.860.517)
Net income/(expense) provisions for non-current financial assets		(1.733.375)	(800.000)
Income cancellation of provisions for non-current financial assets	30	-	300.000
Expenditure on provisions for non-current financial assets	30	(1.733.375)	(1.100.000)
Other net interest and exchange rate income/(expenses)		(3.382.474)	686.527
Interest income on loans and bonds	30	331.351	589.559
Interest income on margin loans	30	241.238	289.102
Interest income other	30	71.336	31.997
Interest expenses	30	(3.753.316)	(919.267)
(Expenses)/Income from exchange rate differences house	30	(273.083)	695.136

**Individual statement of comprehensive income
(continued)**

Net income/(expenses) provisions for risks and charges		500.186	(762.368)
Expenditure on provisions for risks and charges	30	-	-
Income for cancellation of provisions for risks and charges	30	931.521	169.153
Other net provisions	30	(431.335)	(931.521)
Other income/(expenses), net		(195.056)	73.737
Net gains/(losses) on sale of assets	30	23.500	169.405
Other operating expenses	30	(402.951)	(153.281)
Other operating income	30	184.395	57.613
Result of investment activities		(16.140.073)	15.537.664
Result from operating activities		(13.565.944)	23.483.803
Expenditure on other long-term employee benefits		(1.595.131)	-
Profit before tax		(15.161.073)	23.483.803
Income tax expense		-	(1.483.121)
Profit from continuing operations		(15.161.073)	22.000.682
Discontinued operations		-	-
Loss from discontinued operations (after tax)		-	-
Profit for the period		(15.161.073)	22.000.682
Other comprehensive income		(6.580.260)	(239.980)
Net change in fair value of financial assets at fair value through other comprehensive income (FVTOCI) not transferred to profit or loss		(6.580.260)	(239.980)
Positions that can be reclassified to profit and loss		-	-
Net change in fair value of available-for-sale financial assets		-	-
Free shares received classified as available for sale		-	-
Changes in value of fixed assets available for sale		-	-
Positions that cannot be reclassified to profit and loss		-	-
Changes in value of fixed assets used		-	-
Changes in value of investment property		-	-
Creation/renewal of reserves from profit for granting free shares to employees		-	-
Tax relating to other items of comprehensive income		-	-
Total other comprehensive income for the period		(6.580.260)	(239.980)
Total profit and loss account and other comprehensive income for the period		(21.741.333)	21.760.702
Attributable profit:		(15.161.073)	22.000.682
Shareholders of the Company	32	(15.161.073)	22.000.682
Interests without control	32	-	-
Profit for the period		(15.161.073)	22.000.682
Total attributable comprehensive income:			
Shareholders of the Company	32		-
Interests without control	32		-
Total comprehensive income for the period		(6.580.260)	21.760.702

Individual statement of comprehensive income (continued)

Earnings per share			
Result per basic share (lei)	32	(0.0449)	0.0651
Diluted earnings per share (lei)	32	(0.0449)	0.0651
Continuing activities			
Result per basic share (lei)	32	(0.0449)	0.0651
Diluted earnings per share (lei)	32	(0.0449)	0.0651
31.12.2022			
Weighted average number of shares in the balance:		337.429.952	337.749.919

These financial statements were approved today, 24.03.2023.

Chairman of the Board
Robert Danila

CEO
Monica Ivan

CFO
Sandu Mircea Pali

Individual statement of changes in equity for 31.12.2022

<i>In lei</i>	Share capital	Capital adjustments	Own shares	Revaluation differences	Legal and statutory reserves	Reserves from revaluation of financial assets FVTOCI	Other reserves	Reported result	Total equity	Other comprehensive income	Total equity
Balance on 1 January 2022	54.039.986	4.071.590	(24.048)	5.742.690	6.095.560	(239.980)	2.748.759	14.754.318	88.208.929	(978.691)	89.427.600
Profit for the period	-	-	-	-	-	-	-	(15.161.073)	(15.161.073)	-	(15.161.073)
Other comprehensive income	-	-	-	-	-	-	-	-	-	697.762	697.762
Gain transferred to income statement	-	-	-	-	-	-	-	290.181	290.181	(369.540)	(79.359)
Changes in value of fixed assets available for sale	-	-	-	-	-	-	-	-	-	-	-
Changes in value of fixed assets in use	-	-	-	(134.454)	-	-	-	-	(134.454)	-	(134.454)
Changes in value of investment property	-	-	-	-	-	-	-	-	-	-	-
Other changes in equity	-	-	-	-	-	-	-	-	-	-	-
Deferred income tax on fixed assets	-	-	-	-	-	-	-	-	-	-	-
Reserves from revaluation of financial assets at fair value through other comprehensive income	-	-	-	-	-	(6.580.260)	-	-	(6.580.260)	-	(6.580.260)
Decreases in share capital	(3.425.493)	-	-	-	-	-	27.148	3.374.300	(24.045)	-	(24.045)
Transfer of revaluation differences on assets sold to reserves	-	-	-	-	-	-	-	782.846	782.846	-	782.846
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income	(3.425.493)	-	-	(134.454)	-	(6.580.260)	27.148	(11.362.138)	(20.826.804)	328.221	(20.498.583)
Transactions with shareholders recognised in equity	-	-	-	-	-	-	-	-	-	897.369	-
Cancellation of own shares	-	-	24.047	-	-	-	-	-	24.047	-	51.195
Repurchase of own shares	-	-	(1.285.077)	-	-	-	-	-	(1.285.077)	-	(2.182.446)
Dividends payable for 2021	-	-	-	-	-	-	-	(6.921.908)	(6.921.908)	-	(6.921.908)
Total transactions with shareholders recognised in equity	-	-	(1.261.030)	-	-	-	27.148	(6.921.908)	(8.182.938)	897.369	(8.182.938)
Balance on 30 December 2022	50.614.493	4.071.590	(1.261.030)	5.608.236	6.095.560	(6.820.240)	2.775.907	648.393	59.199.187	246.899	60.746.080

Individual statement of changes in equity for 2021

<i>In lei</i>	Share capital	Capital adjustments	Own shares	Capital premium	Revaluation differences	Legal and statutory reserves	Other reserves	Reported result	Total equity
Balance on 1 January 2021	54.039.986	4.071.590	(24.048)	5.354	5.877.144	4.995.526	2.748.759	(2.388.183)	68.645.589
Profit for the period	-	-	-	-	-	-	-	-	22.000.682
Other comprehensive income	-	-	-	-	-	-	-	-	(239.980)
Gain transferred to income statement	-	-	-	-	-	1.100.034	-	(1.100.034)	-
Changes in value of fixed assets available for sale	-	-	-	-	-	-	-	-	-
Changes in value of fixed assets in use	-	-	-	-	-	-	-	-	-
Changes in value of investment property	-	-	-	-	-	-	-	-	-
Other changes in equity	-	-	-	-	-	-	-	-	-
Deferred income tax on fixed assets	-	-	-	-	-	-	-	-	(978.690)
Movements in the comprehensive income account	-	-	-	-	-	-	-	-	-
Decreases in share capital	-	-	-	-	-	-	-	-	-
Transfer of revaluation differences for assets sold to reserves	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	1.100.034	-	-	(1.218.671)
Total comprehensive income for the period	-	-	-	-	-	1.100.034	-	20.852.712	90.646.271
Operations with own shares	-	-	-	-	-	-	-	-	-
Repurchase of own shares	-	-	-	-	-	-	-	-	-
Total transactions with own shares	-	-	-	-	-	-	-	-	-
Balance at 31 December 2021	54.039.986	4.071.590	(24.048)	5.354	5.877.144	6.095.560	2.748.759	16.915.403	89.427.600

Individual cash flow statement for the year 2022

In RON	31.12.2022	31.12.2021
Operational activities:		
Gross Result	(15.161.073)	23,483,803
Adjustments to reconcile net income to net cash used in operating activities:		
Adjustment of the value of tangible and intangible fixed assets	928.031	1.140.403
Income from repurchase of own shares	-	-
Unrealised(-)/(+)gains on valuation of financial assets	10.689.112	(11.718.981)
Adjustment to value of short-term investments	-	-
Income tax	-	1.483.121
Provisions for current and non-current assets	1.733.375	(13.668)
Provisions for risks and charges	(500.186)	-
Interest expenses	2.069.423	919.267
Interest income	(3.682.858)	(1.968.971)
Dividend income	(1.734.585)	(876.582)
Gains on turbo certificates	(2.646.260)	(4.156.899)
Gain/(loss) on sale of property, plant and equipment	(23.500)	(169.405)
Income from exchange rate differences	(727.463)	64.575
Increase/(decrease) in cash from operating activities before changes in working capital	(9.055.987)	8.186.665
Changes in working capital:		
(Increase)/Decrease in other receivables balances	533.190	475.485
Increase/(Decrease) in trade and other payables balances	2.170.337	(3.273.266)
Increase/(Decrease) in balances of assets available for sale	-	-
Net cash flow from operating activities	(6.352.460)	5.388.884
Cash flows from operating activities:		
Corporation tax paid	-	(1.483.121)
Interest income	41.194	288.343
Interest paid	(1.261.018)	(653.117)
Net cash flow from operating activities	(7.572.284)	3.540.988
Cash flows from investing activities:		
Cash payment for purchase of tangible and intangible fixed assets and investment property	(545.533)	(1.294.209)
Cash payment for purchase of financial instruments	(27.084.106)	(31.632.421)
Cash proceeds from sale of land and buildings, plant and equipment, intangible assets and other long-term assets	23.500	182.892
Dividends received/(Dividends paid)	(5.044.760)	876.582
(Loans granted)/reimbursed Advances and customer margin	(1.026.802)	(1.933.375)
Net position from proceeds from sales of turbo certificates and IG payments	10.236.079	10.626.607
Interest income	3.312.852	1.130.946
Effect of exchange rate changes on loans and borrowings	323.600	(64.575)
Net cash flow from investing activities	(19.805.170)	(22.107.554)
Cash flows from financing activities:		
Borrowings Bond issue	-	24.250.000
Lease purchase payments	(179.028)	(184.525)
Short-term bank loan receipts/payments	15.287.496	2.598.215
Net cash flow from financing activities	15.108.468	26.663.690
Cash flows - total	(12.268.986)	8.097.125
Changes in cash and cash equivalents		
Cash and cash equivalents at beginning of period	64.198.050	56.677.722
Increase/(decrease) in cash and cash equivalents	(12.268.986)	8.097.125
Effect of exchange rate changes on opening balance of cash and cash equivalents	-	-
Cash and cash equivalents at end of period	51.929.064	64.198.050
Of which :		
Cash held on behalf of customers	50.505.061	63.316.765
Cash held on behalf of the company	1.424.003	881.285

1. E THE REPORTING ENTITY

1. THE REPORTING ENTITY

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

The Company's shares are listed on the Bucharest Stock Exchange ("BSE"), Premium category, with the stock symbol BRK, since 05 february 2005.

The records of shares and shareholders are kept by the Central Depository S.A., Bucharest, under the terms of the law.

The financial statements of SSIF BRK FINANCIAL GROUP SA represent individual statements ("financial statements") of the Company and have been prepared in accordance with Standard No. 39/2015 for the approval of Accounting Regulations in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), applied by entities authorised, 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 annual financial statements for the financial year 2022 and 2021 have been prepared on the basis of the accounting regulations, standards and policies included in these financial statements.

SSIF BRK FINANCIAL GROUP SA issues for the financial year ending 31.12.2022 and consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), the consolidated financial statements of SSIF BRK FINANCIAL GROUP SA as at 31 December 2022 will be prepared approved and made public on a date subsequent to the publication of these individual financial statements, and compliance with the legal provisions is the responsibility of the Company's management.

2. BASIS OF THE DRAFTING

a) Declaration of compliance

The individual financial statements are prepared by the Company in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), the Company has prepared these individual financial statements in order to comply with the requirements of the updated Rule 39/2015 for the approval of Accounting Regulations in accordance with International Financial Reporting Standards applicable to entities authorised, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector (FSA).

For the purposes of Rule 39/2015, International Financial Reporting Standards, hereinafter referred to as IFRS, are standards adopted in accordance with the procedure laid down 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 amended and supplemented.

b) Basis of evaluation

The financial statements have been prepared on the historical cost basis except for the following significant items in 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;
- investment property is valued according to the revaluation model in accordance with the provisions of IAS 40;
- non-current assets representing buildings and related land are measured at revalued amount in accordance with the provisions of IAS 16;
- non-current assets available for sale are measured at fair value in accordance with IFRS 5;

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 measuring unit current at the balance sheet date (non-monetary items are restated using a general price index at the date of acquisition or contribution).

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

The continued decline in the inflation rate and other factors related to the characteristics of the economic environment in Romania indicate that the economy whose functional currency has been adopted by the Society has ceased to be hyperinflationary, with an effect on the financial periods since 1 January 2004. Therefore, the provisions of IAS 29 have been adopted in the preparation of the separate financial statements up to 31 December 2003.

Thus, amounts expressed in the current unit of measure at December 31, 2003 are treated as the basis for the carrying amounts reported in the individual financial statements and do not represent appraised values, replacement cost, or any other measure of the

current value of assets or the prices at which transactions would occur at that time.

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

Continuity of activity

Based on management's own assessment that the Company will continue to operate for the foreseeable future, the Company's management estimates that the Company will continue to operate for more than 12 months from the date of these financial statements.

Determination of fair values

Certain of the entity's accounting policies and disclosure requirements require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the methods described below. Where appropriate, additional information on the assumptions used in determining fair values is disclosed in the notes specific to the asset or liability concerned.

i. Investments in equity securities

Other forms of fair value that are not based on the last trading price are the following:

1. Trading price: for listed equity holdings, the Company considers the market to be active and liquid and uses as fair value the closing price of the last trading period at the end of the financial year.
2. Fair value determined by applying the DDM (Discounted Dividend Model): if the company has a consistent history of dividend distributions 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 by applying the DCF (Discounted Cash Flow) method: if the company does not distribute dividends and the valuation is made from the perspective of a significant shareholder, the valuation price is considered to be the intrinsic value resulting from the DCF model.
4. Fair value determined by the asset-based method: if the company has valuable redundant assets and the operational activity is small, the valuation price is considered to be the intrinsic value resulting from the application of the adjusted net asset method.
5. Fair value resulting from the application of the comparable-trade method: if in the last year on the local stock market there have been significant transactions (>10% of the capital) with the shares of companies operating in the same field of activity as the analysed company, the valuation price is considered to be the intrinsic value determined by applying the comparative method (using as reference valuation multiples such as: P/E, P/B, P/S, etc. at which the respective transactions took place in relation to the results published by the companies in the previous financial year).

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 market interest rate at the reporting date. This fair value is determined for the purpose of presenting.

iii. Derivative financial instruments

The fair value of closed derivatives at the end of the period is calculated as the minimum of the number of put and call positions multiplied by the difference between the average put and call prices and further multiplied by the number of contracts in the package. The resulting value affects the income statement.

The fair value of open derivatives at the end of the period is calculated, if at the end of the period there are more put contracts than call contracts, as follows: the number of open positions calculated as the number of put positions minus the number of call positions, multiplied by the difference between the average sale price and the quotation price at the end of the period. Symmetrically, if there are more buy contracts than sell contracts at the end of the period, the resulting value corrects for the initial value of the security given the margin built up.

iv. Financial debts

Fair value, determined for presentation purposes, is 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 to related parties are recorded at fair value. Adjustments for loans are calculated based on the stage at which it is classified according to the criteria described in Note 3 of these financial statements.

c) Functional and presentation currency

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

d) Foreign currency

Foreign currency transactions are converted into the entity's functional currency at the exchange rate on the transaction date. Monetary assets and liabilities, which at the reporting date are denominated in foreign currencies, are translated into the functional currency at the exchange rate on the reporting date. Exchange differences are recognised directly in other comprehensive income. The exchange rates of the main foreign currencies published by the National Bank of Romania as at 31 December 2022 are as follows: 4.9474 Lei/EUR; 4.6346 Lei/USD and 5.5878Lei/GBP (31 December 2021: 4.9481 Lei/EUR; 4.3707 Lei/USD and 5.8994 Lei/GBP).

e) Use of professional estimates and rationales

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses; actual results could differ from estimated amounts.

Estimates and underlying assumptions are reviewed periodically, revisions to accounting estimates are recognized in the period in which the estimate was revised and in future periods affected.

Information about critical professional judgements in applying accounting policies that significantly affect the amounts recognized in the individual 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 - impairment losses on available-for-sale securities, which are reclassified from equity to financial expenses;
- Note 16 - Deferred tax assets and liabilities;
- Note 24 - Liabilities and contingent assets;
- Note 33 - Fair value hierarchy.

3. SIGNIFICANT ACCOUNTING POLICIES

The following will outline the significant policies applied by the Company. These individual financial statements (financial statements) have been prepared in accordance with IFRS and the accounting policies of the Company as set out below, these financial statements are the responsibility of the management of BRK Financial Group SA. The accounting policies set out below have been applied consistently for all periods presented in these financial statements.

a) Implementation of IFRS 9

IFRS 9 replaces the existing provisions in IAS 39 'Financial Instruments: Recognition and Measurement' and includes new principles for the classification and measurement of financial instruments, a new credit risk model for the calculation of impairment of financial assets and new general hedge accounting requirements. It also retains similar principles to IAS 39 on the recognition and derecognition of financial instruments..

SSIF BRK FINANCIAL GROUP SA has adopted IFRS 9 with the date of initial application on 1 January 2018, the Company holds the following financial instruments: equity investments, bonds, cash and current accounts, units in closed-end funds, derivative financial instruments, other financial assets and liabilities. Following the analysis performed, from the date of initial application of IFRS 9, BRK has decided to classify all investments at fair value through profit and loss (default option provided by IFRS 9). This approach is in line with the company's business model of managing the performance of its portfolio on a fair value basis with the aim of maximising returns to shareholders and increasing net assets per share by investing mainly in Romanian shares and securities. There were no changes in the carrying amount of financial assets and liabilities on transition to IFRS 9 on 1 January 2018 compared to their previous value determined in accordance with IAS 39, except as shown in the table below.

a) Financial instruments

i. Financial instruments

The Company initially recognises loans, receivables and deposits at the date on which they were initiated. All other financial assets (including assets designated at fair value through profit or loss) are initially recognised at the date the entity becomes party to the contractual terms of the instrument.

The entity derecognises a financial asset when the contractual rights to the cash flows generated by the asset expire.

The entity holds the following significant non-derivative financial assets: financial assets at fair value through profit or loss, loans and receivables.

- **Financial assets at fair value through profit or loss**

Following the adoption of IFRS 9, on 1 January 2018 the company classified all portfolio investments at fair value through profit or loss (implicit option provided by IFRS 9). A financial asset is classified at fair value through profit or loss if it is classified as held for trading or if it is so designated on initial recognition. Financial assets are designated as at fair value through profit or loss if the entity manages these investments and makes decisions to buy or sell them at fair value in accordance with its investment and risk management strategy. On initial recognition, attributable transaction costs are recognised in the income statement when incurred. Financial instruments at fair value through profit or loss are measured at fair value and subsequent changes are recognised in the income statement. Financial assets at fair value through profit or loss are not subject to impairment testing. Loans granted to affiliated companies are tested for impairment based on the fulfilment of established scenarios that take into account the probability of repayment of the respective loans in due time.

- **Loans and receivables**

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market, such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method less impairment losses.

Cash and cash equivalents comprise cash balances and demand deposits with original maturities of up to three months.

- **Financial assets and financial liabilities at amortised cost**

Financial assets at amortised cost are tested for impairment in accordance with the requirements of IFRS 9.

In this sense, these instruments are classified into Stage 1, Stage 2 or Stage 3 depending on their absolute or relative credit quality in terms of initial payments, as follows:

Stage 1: includes (i) newly recognised exposures; (ii) exposures for which the credit risk has not significantly deteriorated since initial recognition; (iii) exposures with low credit risk (low credit risk relief).

Stage 2: includes exposures that, although performing, have experienced a significant deterioration in credit risk since initial recognition.

Step 3: includes impaired credit exposures.

For stage 1 exposures, the impairment is equal to the expected loss calculated over a time horizon of up to one year. For exposures in stages 2 or 3, the impairment is equal to the expected loss calculated over a time horizon corresponding to the entire duration of the exposure.

In terms of bank deposits and bonds at amortised cost, the Company has chosen to apply the low credit risk exemption in full compliance with IFRS 9. Impairment adjustments for receivables are based on the present value of expected principal cash flows, for determining the present value of future cash flows, the basic requirement is the identification of expected collections, the timing of payments and the discount rate used.

The company has defined "non-performing" exposures as those claims that meet one or both of the following criteria:

- exposures for which the Company assesses that the debtor is unlikely to pay its obligations in full, regardless of the amount of the exposure and the number of days for which the exposure is past due;
- unpaid amounts.

The Company has applied the Amendments to IFRS 10, IFRS 12 and IAS 27 from 1 January 2015, on which date, after reviewing the criteria set out in the Amendments, the Company's management concluded that the Company meets the conditions for classification as an investment entity.

The Company reviewed during 2021 the criteria for classification as an investment entity and concluded that it does not meet them, which is why it has elected to measure its holdings in subsidiaries at fair value through other comprehensive income.

- **Financial assets designated at fair value through other comprehensive income ("FVTOCI")**

After initial recognition, a financial asset is classified as at fair value through other comprehensive income only if two conditions are met simultaneously:

- the asset is held within a business model whose objective is to hold the financial assets both to collect contractual cash

flows and to sell them;

- the contractual terms of the financial asset give rise, at specified dates, to cash flows representing solely payments of principal and interest.

In addition, on initial recognition of an investment in equity instruments that is not held for trading, the Company may elect irrevocably to present subsequent changes in fair value in other comprehensive income.

The Company has used the irrevocable option to designate these equity instruments at fair value through other comprehensive income as these financial assets are held both for the collection of dividends and for gains from their sale, not for trading.

A gain or loss on an equity instrument measured at fair value through other comprehensive income shall be recognised in other comprehensive income, except for dividend income.

ii. Derivative financial instruments

Derivative financial instruments are initially recognised at fair value, attributable transaction costs are recognised in the income statement when realised, subsequent to initial recognition derivative financial instruments are measured at fair value and subsequent changes are recognised immediately in the income statement.

i. Financial assets (including receivables)

A financial asset that is not carried at fair value through profit or loss is tested for impairment at each reporting date to determine whether there is objective evidence of impairment. A financial asset is considered impaired if there is objective evidence that, subsequent to initial recognition, an event has occurred that has caused a loss and this event has had a negative impact on the asset's expected future cash flows and the loss can be reliably estimated.

Objective evidence indicating that financial assets (including equity instruments) are impaired may include the failure of a debtor to meet payment obligations, the restructuring of an amount owed to the entity on terms that the entity would not otherwise accept, indications that a debtor or issuer will go bankrupt, the disappearance of an active market for an instrument, in addition, for an investment in equity instruments, a significant and prolonged decline below cost in its fair value is objective evidence of impairment under IAS 39 for available-for-sale financial assets, a criterion that no longer applies after the transition to IFRS 9 as the Company has opted for fair value measurement through profit or loss of both equity and debt instruments.

ii. Non-financial assets

The carrying amounts of the entity's non-financial assets, other than investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is evidence of impairment. If such evidence exists, the recoverable amount of the asset is estimated, for goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year.

The recoverable amount of an asset or cash-generating unit is the higher of value in use and fair value less costs to sell. In determining value in use, expected future cash flows are discounted to determine present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

b) Tangible assets

i. Recognition and evaluation

Items included in property, plant and equipment are measured at the date of recognition at cost and subsequently at revalued amount less accumulated depreciation and accumulated impairment losses.

Gains or losses on disposal of property, plant and equipment are determined by comparing the proceeds from the disposal of the asset with the carrying amount of the property, plant and equipment and are recognised on a net basis within other income in the income statement. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings. The revaluation reserve is reduced each financial year by the corresponding amount of depreciation and transferred to retained earnings.

ii. Reclassification as investment real estate

Real estate investments are defined below under *Real estate investments (point e)*.

When the use of a property changes from owner-occupied real estate to investment property, the property is revalued to fair value and reclassified as investment property.

iii. Subsequent costs

The cost of replacing a component of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied in that component will flow to the entity and its cost can be measured reliably. The carrying amount of the replaced component is derecognised, Expenditure on ongoing maintenance of property, plant and equipment is recognised in the income statement as it is incurred.

iv. Depreciation of tangible fixed assets

Depreciation is calculated on the depreciable value, which is the cost of the asset, or another value that replaces cost, less the

residual value.

Depreciation is recognised in the income statement using the straight-line method over the estimated useful life of each component of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and the useful life, unless it is known with reasonable certainty that the entity will obtain ownership at the end of the lease term. Land is not depreciated.

The useful lifetimes for the current period and comparative periods are as follows:

- construction - 40 years
- technical installations and machinery - 2-10 years, with 5 years average total value
- means of transport - 5 years
- other plant, machinery and furniture - 3-10 years, with 5 years average total value

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted accordingly.

c) Intangible fixed assets

a. Commercial fund

Commercial fund resulting from the acquisition of subsidiaries is included in intangible assets. It is valued at cost less accumulated impairment losses.

b. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the value of the future economic benefits embodied in the asset to which it is attributed. All other expenses, including goodwill expenses, are recognised in the income statement when incurred.

c. Amortisation of intangible assets

Depreciation is calculated on the cost of the asset or another value that replaces the cost, less the residual value.

Depreciation is recognised in the income statement using the straight-line method over the estimated useful lives of intangible assets, other than goodwill, from the date they are available for use, which most closely reflects the expected pattern of consumption of the economic benefits embodied in the assets.

The estimated useful lives for the current and comparative periods are as follows: 3 years for all intangible assets except commercial fund.

Depreciation methods, useful lives and residual values are reviewed at the end of each financial year and adjusted if necessary.

d) Real estate investments

Investment property is property held either for rental or for capital appreciation or both, but not for sale in the ordinary course of business, use in production, supply of goods or services or for administrative purposes. Investment property is valued in the same way as used assets, at fair value, any appreciation or depreciation in value being recognised in the income statement.

e) Assets acquired under leasing contracts

Leases under which the entity substantially assumes the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at the lower of fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to the asset.

Other leases are categorised as operating leases.

Celelalte contracte de leasing sunt clasificate ca leasing operational.

f) Leasing payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term. Incentives received in respect of operating leases are recognised as an integral part of the total lease expense over the lease term. Minimum lease payments made under a finance lease are allocated between the finance charge and the reduction of the outstanding debt. The finance charge is allocated to each period over the lease term so as to produce a constant periodic rate of interest on the outstanding balance of the debt.

Determining the extent to which an arrangement contains a lease: at the inception of an arrangement, the entity determines whether the arrangement is or contains a lease transaction.

g) Tangible fixed assets held for sale

Property, plant and equipment or disposal groups containing assets or liabilities whose carrying amount is expected to be recovered principally through sale, rather than through continuing use, are classified as assets held for sale.

Prior to reclassification to property, plant and equipment held for sale, assets or components of a disposal group are revalued in accordance with the entity's accounting policies; in general, assets or disposal groups are subsequently measured at the lower of carrying amount and fair value less costs to sell.

Impairment losses relating to a disposal group are allocated initially to goodwill and then pro rata to the remaining value of assets and liabilities, except that no impairment will be allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the entity's accounting policies. Impairment

losses arising on initial classification as held for sale and subsequent gains or losses as a result of revaluation are recognised in the income statement. Gains in excess of cumulative impairment losses are not recognised.

h) Non-deducted financial liabilities

Liabilities are recognised at the date the entity becomes a party to the contractual terms of the instrument.

The entity derecognizes a financial liability when contractual obligations are discharged, cancelled or expire.

The entity has the following non-derivative financial liabilities: trade payables, payables to customers for cash deposited by them and other payables.

These financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

i) Share capital

Ordinary shares

Ordinary shares are classified as part of equity, Additional costs directly attributable to the issue of ordinary shares are recognised as a reduction of equity net of tax effects.

Buyback of share capital (treasury shares)

When share capital recognised as part of equity is repurchased, the amount of the consideration paid, which includes other directly attributable costs, net of tax effects, is recognised as a reduction of equity. The repurchased shares are classified as treasury shares and are presented as a reduction of equity, when the treasury shares are subsequently sold or reissued, the amount received is recognised as an increase in equity and the surplus or deficit on the transaction is transferred to/reported in retained earnings.

j) Employee benefits

Short-term benefits

Short-term employee benefits are measured on an undiscounted basis and the expense is recognized as the related services are rendered.

A liability is recognised at the amount expected to be paid under short-term cash bonus or profit-sharing plans if the entity has a legal or constructive obligation to pay this amount for services previously provided by employees and the obligation can be reliably estimated.

k) Provisions

A provision is recognised if, as a result of a past event, the entity has a present legal or constructive obligation that can be measured reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting expected future cash flows using a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the debt. Amortisation of discounting is recognised as a financial expense.

l) Selling goods and providing services

Revenue from sales during the current period is measured at the fair value of the consideration received or receivable. Revenue is recognised when the risks and rewards of ownership of the goods are transferred significantly and the amount of revenue can be measured reliably. The timing of the transfer of risks and rewards varies according to the individual terms of the sales contracts.

In the case of intermediation, commission income is recognised on the date of the transaction. In the case of dividend income, it is recognised when the right to receive it arises.

m) Rental income

Rental income from investment property is recognised in the comprehensive income statement on a straight-line basis over the lease term.

n) Financial income and expenses

Financial income includes:

- interest income on bank deposits,
- dividend income,
- gains on sale: assets recorded at fair value through profit or loss,
- gains on the revaluation of shares held in own portfolio.

Dividend income is recognised in the income statement on the date on which the entity's right to receive dividends is established, which in the case of listed instruments is the ex-dividend date.

Financial expenditure includes:

- impairment losses recognised on financial assets carried at fair value through profit or loss;
- foreign exchange gains and losses are reported on a net basis.
- Bank interest expenses;
- Interest expenses on bonds.

o) Profit tax

Income tax expense includes current tax and deferred tax. Current tax and deferred tax are recognised in the income statement unless they relate to business combinations or items recognised directly in equity or other comprehensive income.

Current tax is the tax expected to be paid or received on taxable income or deductible loss realized in the current year, using tax rates enacted or substantially enacted at the reporting date, as well as any adjustments to prior years' income tax liability.

Deferred tax is recognised for temporary differences arising between the carrying amount of assets and liabilities used for financial reporting purposes and the tax base used for the calculation of tax.

Deferred tax is not recognised on temporary differences arising on initial recognition of goodwill.

Deferred tax assets and liabilities are set off only if there is a legal right to set off current tax assets and liabilities and if they relate to taxes levied by the same tax authority for the same taxable entity or for different taxable entities, but which intend to settle current tax assets and liabilities on a net basis or whose tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences only to the extent that it is probable that future profits will be available against which the tax loss can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised. Note 15 on deferred tax assets and liabilities mentions cases where deferred tax assets have not been recognised as assets.

p) Earning per share

The entity presents information on basic and diluted earnings per share for its common shares. Basic earnings per share is calculated by dividing profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted by the value of treasury shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of shares outstanding, adjusted by the value of treasury shares held, by the dilutive effects of all potential ordinary shares, which include share options granted to employees.

q) Reporting by segments

An operating segment is a component of the entity that engages in activities from which it could earn revenues and incur expenses, including revenues and expenses related to transactions with any of the other components of the entity.

The operating results of an operating segment are reviewed periodically by the Company's management to make decisions on resources to be allocated to the segment and to analyze its performance, and for which separate financial information is available.

a) ***New standards, amendments and interpretations applicable after 1 January 2021***

There are new standards, amendments and interpretations that apply to annual periods beginning after January 1, 2021 that have not been applied in the preparation of these financial statements.

Below are the standards/interpretations that have been issued and are applicable from or after 1 January 2021.

- **Benchmark interest rate reform - amendments to IFRS 7, IFRS 9 and IAS 39 (1 January 2020)**

The amendments modify certain hedge accounting requirements to provide some exemptions from benchmark interest rate reform.

- ***As of September 31, 2021, the following standards and interpretations had been issued but were not mandatory for annual reporting periods ending December 31, 2021.***

- **IFRS 17 Insurance Contracts (extension to 1 January 2022)**

IFRS 4 will soon be replaced by a new standard on insurance contracts, consequently, the temporary exemptions and or the general approach of IFRS 9 for insurance companies will no longer apply when the new standard is issued.

IFRS 17 was issued in May 2017 as a replacement for IFRS 4. It assumes a valuation model in which estimates are reassessed each year. Contracts are measured taking into account the following elements:

- Discounted cash flows weighted by probability of realisation
- An explicit risk adjustment
- A contractual service margin representing the contract profit recognized as revenue for the period covered.

- **Classification of current and non-current liabilities - Amendments to IAS 1**

The amendment to IAS 1 states that liabilities should be presented on a payables basis, based on the rights that exist at the balance

sheet date. The classification is not affected by expectations of the entity or events after the reporting date. The amendment also clarifies what is meant by the 'extinguishment' of a liability.

- **Amendments to IAS 16 - Property, Plant and Equipment**

The amendment prohibits an entity from deducting from the cost of an item of property, plant and equipment income realised as a result of the use of the item of property, plant and equipment during the period that the item of property, plant and equipment is being brought up to the level necessary for its operation.

- **Definition of a business - Amendments to IFRS 3**

The modified definition of a business requires an acquisition to include input data and a substantive process that together contribute significantly to the company's ability to create results. The definition of "results" is modified to focus on goods and services delivered to customers that generate investment and other income and excludes returns in the form of cost savings or other economic benefits. These changes may lead to a proliferation of acquisitions that are considered asset acquisitions.

- **Onerous contracts - Cost of performance of a contract - Amendments to IAS 37**

The amendments to IAS 37 clarify the direct costs of fulfilling a contract and the allocation of other costs directly to the fulfilment of that contract. Before recognising a provision for contract performance, the entity shall recognise any impairment of assets that arose in the performance of the contract.

- **Annual improvements for the 2018 - 2020 cycle** (effective from 1 January 2022)

- IFRS 9 – Financial Instruments - clarifies what kind of fees should be included in the 10% test on derecognition of financial liabilities.
- IFRS 16 – Rents - amendment to example 13 removing the illustration of payments from the landlord in respect of upgrades, to remove confusion about the treatment of advances in respect of rents.
- IFRS 1 – First-time adoption of IFRS - allows entities to measure assets and liabilities at carrying amounts recorded in the parent company's financial statements, together with any related exchange differences.

IAS 41 - Agriculture - removal of the requirement for entities to exclude cash flows for fees determined by fair value measurement under IAS 41.

- **Definition of accounting estimates - amendment to IAS 8** (effective from 1 January 2023)

The IASB has issued an Amendment to IAS 8 "Accounting Policies" that clarifies how entities should distinguish between changes in accounting estimates and changes in accounting policies. The distinction is important because changes in accounting estimates are applied prospectively, but changes in accounting policies are generally applied retrospectively and for the current period.

r) **Standards and interpretations issued by the IASB but not yet adopted by the EU**

At the reporting date of these financial statements, IFRS as adopted by the EU do not differ significantly from the regulations adopted by the IASB, except for the following standards, amendments and interpretations, which are applicable to the Company and whose application has not yet been endorsed by the EU by the date of authorisation of these financial statements:

- Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture, and other amendments (the effective date of application has been deferred indefinitely pending completion of the equity method research project).
- Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Error Corrections' - definition of materiality (applicable for annual periods beginning on or after 1 January 2020).
- Amendments to IAS 28 Investments in Associates and Joint Ventures - Long-term Interests in Associates and Joint Ventures (effective for annual periods beginning on or after 1 January 2019).
- Amendments to various standards as a result of the "Improvements to IFRSs (2015-2017 cycle)" resulting from the annual IFRS improvement project (IFRS 3, IFRS 11, IAS 12 and IAS 23) with the main purpose of removing inconsistencies and clarifying certain wording (applicable for annual periods beginning on or after 1 January 2019).
- Amendments to the IFRS Conceptual Framework References (applicable for annual periods beginning on or after 1 January 2020).

The Company expects that the adoption of these standards and amendments to existing standards will not have a material impact on its annual financial statements in the year in which they are first applied.

SSIF BRK FINANCIAL GROUP SA anticipates that the adoption of these standards and amendments to existing standards will not have a significant impact on the company's financial statements during the period of initial application.

4. FINANCIAL RISK MANAGEMENT

BRK Financial Group is exposed to risks as a result of its complex activity and the use of financial instruments, following the following risk categories:

- credit risk
- liquidity risk
- market risk
- operational risk
- currency risk
- risk of concentration

The explanations provided present information on the company's exposure to each risk category, the objectives, policies, processes and procedures used to assess and manage risk and capital.

General framework for risk management

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

The company's complex business requires active risk management and in order to ensure risk management, the company has established a risk management system by developing risk management policies and internal procedures in accordance with the regulations and legislation in force. Risk management principles include risk identification and awareness, risk assumption, management and monitoring, compliance with prudential requirements for risk management, periodic review of risk policies and internal procedures, risk control and risk management.

At the same time, the company's internal procedures define the risk management policies, establish appropriate limits and controls, and the means of monitoring risks and compliance with the established limits.

Regular verification and monitoring missions are carried out to ensure compliance with the provisions of internal procedures and regulations in force and reports are drawn up for the company's Executive Management and the Board of Directors.

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

The company's risk profile takes into account the totality of the risks to which the company is exposed according to the risk appetite assumed by the management structure in the decision-making process and business strategy. With regard to risk appetite, it represents the level of risk expressed for each individual risk category, up to which the company is willing to take risks, i.e. to accept them, in accordance with the established risk strategy and policies, but keeping the risks under control within the risk profile assumed for each individual significant risk category.

The risk profile, i.e. the risk appetite of the company is determined 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, the investment policy, and the business strategy agreed at company level.

For the year 2022, the risk profile is summarized in the table below and is made public to stakeholders on the company's website.

Tolerance limits/ Risk categories		Very Low	Low	Medium	High	Very High
Colour related to the proposed maximum level						
		(0 - 5%)	(5% - 10%)	(10% - 25%)	(25% - 40%)	> 40% din fp
Market risk	Equity securities					Foarte ridicat
	Debt securities		Low			
	Collective Placement Organisations			Medium		
Currency risk		Very Low (0 - 5%)	Low (5% - 10%)	Medium (10% - 12%)	High (12% - 15%)	Very High > 15% din fp
Credit risk		Very Low (0 - 50%)	Low (50% - 100%)	Medium (100% - 150%)	High (150% - 200%)	Very High > 200% din fp
Counterparty risk		Very Low (0 - 4%)	Low (4% - 8%)	Medium (8% - 12%)	High (12% - 15%)	Very High >15%
Concentration risk	Sector	< 5%	(5% - 10%)	(10% - 15%)	(15% - 20%)	>20%
	Entity	< 5%	(5% - 15%)	(15% - 20%)	(20% - 25%)	>25%
Operational risk		Very Low (0 - 15%)	Low (15% - 30%)	Medium (30% - 40%)	High (40% - 50%)	Very High > 50% din fp
LCR (liquidity indicator)		Very Low > 5	Low (3.5 - 5)	Medium (2 - 3.5)	High (1 - 2)	Very High < 1

	Very Low	Low	Medium	High	Very High
Portfolio liquidity	> 50%	(40% - 50%)	(30% - 40%)	(20% - 30%)	< 20% din total portofoliu
Leverage	Very Low	Low	Medium	High	Very High
	> 50%	(40% - 50%)	(30% - 40%)	(20% - 30%)	< 20%
CAR (capital adequacy ratio)	Very Low	Low	Medium	High	Very High
	> 50%	(35% - 50%)	(25% - 35%)	(18% - 25%)	< 18%

Subsequently, in February 2023, the company's risk profile was updated in line with legislative changes to the risk management and risk capital adequacy approach, with the new form applicable from February 2023, which can be found on the company's website. Market risk refers to the risk that the company will incur losses as a result of fluctuations in market prices (equity securities, debt securities, CPO, etc.).

Currency risk is the likelihood that the company will incur losses on international commercial contracts or other economic relationships as a result of changes in the exchange rate between the conclusion of a contract and its maturity date.

Credit risk is broadly defined as the risk of financial loss caused by the total or partial failure of a counterparty to meet its obligations. Credit risk is derived from the concept of a credit event, which describes any sudden and adverse change in the credit quality of a borrower that calls into question the borrower's ability to repay the debt.

Counterparty risk is the risk that a counterparty to 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 exposures to counterparties, groups of related counterparties or counterparties in the same economic sector, geographical region, in the same business or from the application of credit risk mitigation techniques and includes in particular the risks associated with large indirect credit exposures.

Operational risk can be defined as the risk of loss caused either by the use of processes, systems and human resources that are inadequate or have not performed their function properly, 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 as they fall due.

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

Capital adequacy ratio (and following legislative changes - own funds ratio) is the ratio of a company's own funds to its own funds requirements.

Liquidity requirement is total regulatory weighted liquid assets relative to the level of the fixed charge requirement.

Risk categories

Credit risk

Credit risk is the risk that a client or counterparty will incur losses or fail to realise expected profits as a result of a client's or counterparty's failure to meet contractual obligations, and this risk arises primarily as a result of the inability of clients to meet their payment obligations in respect of risky assets, whether on- or off-balance sheet.

For the securities brokerage activity, at the balance sheet date there is no credit risk because, according to the internal procedures approved by the Board of Directors, clients can only register debts with BRK Financial Group on the basis of analysis and approvals and only for a short term.

Exposure to credit risk

Assets exposed to credit risk represent the following categories of holdings: positions on financial instruments not belonging to the trading book, exposures arising from commissions, interest, dividends, margins on futures contracts, options, warrants, claims on financial and non-financial entities, off-balance sheet items related to items other than those included in the trading book, property, plant and equipment, cash, demand and time deposits, loans granted to affiliated entities, any assets not deducted from the eligible capital of BRK Financial Group.

The risk of incurring losses due to the debtor's failure to meet its obligations can have two causes:

- the bankruptcy of the debtor/issuer - also referred to as debtor default risk (long-term credit risk). This risk relates to financial assets which are held for the long term and which are therefore affected by the solvency dynamics of the issuer of the securities concerned.
- the bad faith of the debtor (of the counterparty with which the company carries out certain types of financial transactions) also referred to as counterparty credit risk (short-term credit risk).

The financial transactions to which this type of risk refers are the following:

- derivative financial instruments traded on OTC and credit derivative financial instruments;

2. repo agreements, reverse repo agreements, securities/ commodities lending or borrowing transactions
2. based on securities or commodities included in the trading book;
3. margin lending transactions in securities or commodities;
4. transactions with long settlement periods.

In terms of exposures by exposure classes, these are as follows:

Current account exposures and deposits with banks

<i>In lei</i>	December-22	December -21
Banca Transilvania	8.233.560	7.371.107
BRD - Group Societe Generale	1.162.657	192.298
UniCredit Bank	7.579	7.377
First Bank	206.858	4.178.098
Idea Bank	-	9.500.779
Banca Romaneasca	10.001.009	5.500.000
Intesa San Paolo Bank	4.065.699	8.215.444
TECHVENTURES BANK	27.015.861	29.000.005
Other commercial banks	1.235.840	231.613
Cash	-	1.329
Total current accounts and deposits at banks	51.929.064	64.198.050

Exposures from bonds at fair value

<i>In lei</i>	December-22	December -21
Corporate bonds IMP26E	247.425	24.802
Corporate bonds LIH	135.800	167.400
Total Bonds	410.225	192.202

Exposures from loans to related parties at fair value

<i>In lei</i>	December-22	December -21
Romlogic Technology SA	2.947.982	1.771.345
Firebyte Games SA	-	-
Gocab Software	1.000.000	-
Total Loans granted	3.947.982	1.771.345

Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulties in meeting 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. As far as intermediation is concerned, liquidity in relations with clients is ensured by the fact that investment companies are obliged to keep clients' liquid assets in separate accounts, without being able to use them in any way.

In terms of general liquidity, the current sources of liquidity are represented by the results of the placement activity, commissions received from clients, and as extraordinary sources, capital increases.

Liquidity risk takes two forms:

Liquidity risk of the financial instruments portfolio – losses that may be incurred by BRK Financial Group due to the impossibility of finding a counterparty in financial transactions, thus making it difficult for BRK Financial Group to close out positions in financial instruments with adverse price movements.

Risk of covering liquidity needs – losses that may be incurred by BRK Financial Group due to the inability to fund net outflows (current liabilities) incurred within a 30-day time horizon.

Method of determination:

Liquidity risk of the financial instruments portfolio - The ratio of highly liquid assets in the total portfolio - calculated as the ratio of the value of highly liquid assets to the value of total assets.

Liquidity Coverage Ratio (LCR) – is calculated as the ratio between the value of assets with a high degree of liquidity (liquidity reserves) and the value of current liabilities (debts falling within the maturity band with a maximum maturity of 30 days).

Risk of financing long-term assets from non-permanent resources – is calculated as the ratio between the value of resources of a temporary nature (e.g. unremitted dividends, loans, bonds issued, etc.) and the value of total assets.

The following holdings have been included in highly liquid assets:

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

The values that were included in the calculation of liquidity risk at SSIF BRK Financial Group as of 31.12.2022 were the following:

In lei	Book value			
	Under 3 months	3 to 12 months	More than 1 year	No fixed maturity
31 December 2022				
Financial assets				
Cash and cash equivalents	47.279.699	-	-	47.279.699
Deposits placed with banks	-	-	-	-
Financial assets at fair value through profit or loss	33.324.793	-	-	33.324.793
Financial assets designated at fair value through other comprehensive income	42.044.539	-	-	47.814.957
Loans and advances granted	4.143.848	4.143.848	-	-
Fair value bonds	135.800	-	135.800	-
Other financial assets	3.671.092	-	-	72.450.030
Total financial assets	130.599.771	-	4.143.848	126.320.123
Financial debts	20.329.411	-	-	20.329.411
Dividend payment	365.271	-	-	365.271
Financial liabilities at amortised cost	25.000.000	-	25.000.000	-
Total financial liabilities	45.694.682	-	25.000.000	20.694.682
	Under 3 months	3 to 12 months	More than 1 year	No fixed maturity
31 December 2021				
Financial assets				
Cash and cash equivalents	61.645.641	-	-	61.645.641
Deposits placed with banks	-	-	-	-
Financial assets at fair value through profit or loss	39.190.412	-	-	-
Financial assets designated at fair value through other comprehensive income	42.044.539	-	-	47.814.957
Loans and advances granted	8.588.612	315.000	8.073.612	200.000
Fair value bonds	192.202	-	-	946.302
Other financial assets	64.327.957	-	-	72.450.030
Total financial assets	215.989.364	315.000	8.073.612	181.910.628
Financial debts	5.041.915	-	-	5.041.915
Dividend payment	-	-	-	-
Financial liabilities at amortised cost	25.000.000	-	25.000.000	-
Total financial liabilities	30.041.915	-	25.000.000	5.041.915

Market risk

Market risk is the risk that changes in market prices, such as the price of equity instruments, foreign exchange rates and interest rates will affect the company's earnings or the value of 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 optimise investment returns.

The selection of investment opportunities is carried out by:

- technical analysis;
- fundamental analysis - determining the issuer's ability to generate profit;
- benchmarking - determining the relative value of an issuer compared to the market or other similar companies;
- statistical analysis - determining trends and correlations using historical prices and trading volumes.

The company is exposed to the following categories of market risk:

Price risk

The company owns shares in companies operating in various sectors of activity, as follows:

Domain	Dec-22		Dec-21	
	Value (RON)	%	Value (RON)	%
Agriculture, forestry and fishing	467.772	0.51%	424.893	0.42%
Wholesale and retail trade;	5.118.770	5.57%	5.317.322	5.23%
Electricity production	1.469.677	1.60%	-	0.00%
Health	790.971	0.86%	7.983	0.01%
Manufacturing industry	7.562.493	8.23%	8.872.518	8.73%
Information and communications	19.586.884	21.32%	40.872.264	40.20%
Financial intermediation and insurance	28.574.713	31.10%	23.358.761	22.97%
Real estate transactions	14.623.481	15.92%	21.549.409	21.19%
Other	12.237.822	13.32%	-	-
Activities of holding companies	666.956	0.73%	-	-
Transport and storage	768.451	0.84%	1.277.315	1.26%
Grand Total	91.867.989	100.00%	101.680.465	100.00%

As can be seen from the table above, on December 30, 2022 the Company mainly held shares in companies active in the field of Information and communications, with a weight of 31.10% of the total portfolio. On December 31, 2022, the main share of the own portfolio was allocated to companies active in the field of information and communications.

Operational risk

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

The company's objective is to identify, measure, monitor, manage and reduce operational risk, so as to achieve a balance between avoiding direct or indirect financial losses that may occur as a result of procedural, human or system errors, or due to external events, which can endanger the reputation of the entity. At the same time, the operational risk at the level of the company is greatly reduced and due to the requirements imposed by the Financial Supervisory Authority (FSA) regarding the way of organization, the required reports, the internal control activities carried out.

The main responsibility for the development and implementation of operational risk controls rests with the management of each organizational unit.

This responsibility is supported by the development of general standards at the company level for operational risk management in the following areas:

- requirements regarding the appropriate segregation of tasks and responsibilities;
- requirements for reconciliation, monitoring and authorization of transactions;
- compliance with regulations and legislative requirements;
- documentation of controls and procedures;
- requirements regarding the periodic assessment of operational risks and the adequacy of controls and procedures to the identified risks;
- training and professional development;
- ethical and business standards;
- reducing risks.

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

Interest rate risk

On December 31, 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.

Interest rates used to determine fair value

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

For uncertain receivables (receivables whose recovery is uncertain), at the end of the reporting period, value adjustments were made for depreciation at the level of the entire amount.

The company faces interest rate risk due to its exposure to unfavorable interest rate fluctuations. The change in the interest rate on the market directly influences the income and expenses related to financial assets and liabilities bearing variable interest, as well as the market value of those bearing fixed interest.

The following tables present the Company's exposure to interest rate risk:

Currency risk

BRK Financial Group is a financial institution regulated and authorized by the Financial Supervision Authority and subject to European regulations, respectively the legislative package CRD - CRR with its related Technical Standards.

The capital requirement related to the foreign exchange risk is determined according to the provisions of EU Regulation no. 575/2013 on capital adequacy regarding the standardized approach for the respective financial risk.

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

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

The exposures to currency risk are composed of the following elements:

- derivative financial instruments (CFDs, futures, options, warrants);
- cash in account with external intermediaries;
- bank deposits in foreign currency;
- leasing contracts;
- guarantees at market institutions;
- bonds in foreign currency.

The methodology for determining the exposure and the capital requirement is presented as follows:

In lei				
31 December 2022				Other
Financial assets	RON	EUR	USD	currencies
Cash and cash equivalents	47.279.699	4.025.583	929.965	2.117
Deposits placed with banks	-	-	-	-
Financial assets at fair value through profit or loss	33.324.793	-	2.497.900	-
Financial assets designated at fair value through other elements of the overall result	42.044.539	-	-	-
Bonds at fair value through the profit and loss account	135.800	247.425	-	-
Loans and advances granted	4.143.848	-	-	-
Other financial assets	3.671.092	47.719.128	12.360.942	-
Total financial assets	130.599.771	51.992.136	15.788.806	2.117
	RON	EUR	USD	Other
Financial debts	20.329.411	-	-	-
Debts loan bonds	25.000.000	-	-	-
Dividend payment	365.271	-	-	-
Financial liabilities at amortized cost	-	-	-	-
Total financial liabilities	45.694.682	-	-	-
In lei				
31 December 2021				Other
Financial assets	RON	EUR	USD	currencies
Cash and cash equivalents	61.645.641	2.489.954	50.199	2.032
Deposits placed with banks	-	-	-	-
Financial assets at fair value through profit or loss	39.190.412	-	2.457.811	-
Financial assets designated at fair value through other elements of the overall result	42.044.539	-	-	-
Bonds at fair value through the profit and loss account	167.400	24.802	-	-
Loans and advances granted	8.588.612	-	-	-
Other financial assets	4.247.888	47.719.128	12.360.942	-
Total financial assets	155.884.492	50.233.884	14.868.951	2.032
Financial debts	5.041.915	-	-	-
Debts loan bonds	25.000.000	-	-	-
Dividend payment	-	-	-	-
Financial liabilities at amortized cost	-	-	-	-
Total financial liabilities	30.041.915	-	-	-

5. CAPITAL MANAGEMENT

The policy of the Board of Directors of BRK FINANCIAL GROUP SA is to maintain a solid base of capital necessary to maintain the confidence of investors, creditors and the market and to support the future development of the company. 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 drawn up by the analysis department is discussed. Global results are monitored in this way, in order to maintain the highest return on capital.

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

- to permanently hold own funds to cover the highest amount between: the requirement calculated on the basis of fixed general expenses, the permanent minimum capital requirement or the requirement calculated on the basis of K factors;
- to permanently hold liquid assets equivalent to at least one third of the requirement calculated on the basis of fixed general expenses;
- 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 belong;
- to cover the position risk and the settlement/delivery risk, capital is required at the level of 16% of the exposure level;
- to cover the operational risk, capital is required at the level of 15% of the average of the last three years of the operational result.

Name Indicator	Reporting on December 31, 2022	Reporting on December 31, 2021
Total equity	40.187.045	49.735.431
Total capital requirements	14.424.015	28.888.058
Risk exposures	298.194.671	361.100.726

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 Supervisory Authority (FSA), which are defined as those gross exposures that exceed 10% of the eligible capital (own funds), in the case of institutions, large exposures cannot exceed the maximum of 25% from eligible capital (own funds).

Qualified participations are also followed, representing the direct or indirect participation of at least 10% of the voting rights or of the capital of an entity, in a percentage greater than 15% of the company's own funds.

6. OPERATING SEGMENTS

The intermediary segment

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

(A) Transaction brokerage services for investors:

- Intermediation of sales and purchase transactions of securities traded on the Bucharest Stock Exchange (BSE). For this type of service, customers can choose to be assisted by a broker in carrying out transactions, respectively they can choose the option of online trading on their own account. Within this segment, BRK also offers clients the opportunity to trade on margin (on the basis of a credit line granted by the company to the client), liquid shares listed on the Bucharest Stock Exchange.
- Intermediary transactions in international markets, with the company's clients having access to more than 100 foreign markets in Europe, North America and Asia. The range of financial instruments is very varied (shares, 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 state bonds at BSE 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 of companies and investment funds on the capital market through initial public offerings or based on prospectuses for admission to trading.

- Consultancy for financing through share and bond issues or promotion on the capital market.

Own portfolio management segment

Along with the brokerage segment, **the management of the own portfolio of financial assets** is another important branch of BRK Financial Group's activity that contributes significantly to the company's results. On the other hand, this is also a risk factor taking into account the fact that BRK Financial Group is obliged to reassess at the end of each year all its positions within its own portfolio, and the value adjustments of securities affect the result of the exercise and can change the picture 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 to market.

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

- The tradable portfolio (shares and bonds listed on the BSE - usually short or medium-term investments, portfolio of financial instruments listed on international markets - usually speculative investments);
- Fund units;
- Participations in closed companies and loans granted to subsidiaries;
- Capital allocated to the business segment - "Margin loans";
- Capital allocated to the business segment "Structured product issuance and market making operations";

We mention that the operations of issuing structured products as well as the provision of liquidity on our own structured products is carried out under conditions of full coverage through hedging operations on the market of the underlying asset and as such we consider it to be of the nature of the basic activity. We do not include the other operations carried out on our own account (including market making operations on domestic shares where there are no risk hedging instruments) in what we call the "core activity", as they are exposed and correlated to market risk, being included in the activity operating and presented as a separate segment.

The information regarding the reportable segments is presented as follows:

Information on reportable segment

	December- 2022				December - 2021				2022	2021
	Total, from which:	Brokerage	Trading	Unallocated	Total, from which:	Brokerage	Trading	Unallocated	Total segmente raportabile	
Intermediation activity	7.702.977	7.702.977	-	-	20.517.368	20.517.368	-	-	7.702.977	20.517.368
Market making activity	8.174.733	-	8.174.733	-	7.230.954	-	7.230.954	-	8.174.733	7.230.954
Other income the basic activity	3.306.174	3.306.174	-	-	34.610	-	-	34.610	3.306.174	34.610
Net gains/(losses) realized from financial instruments	(640.243)	-	(640.243)	-	4.920.787	-	4.920.787	-	(640.243)	4.920.787
Net gains/(losses) from the valuation of financial assets measured at fair value through profit and loss	(10.689.111)	-	(10.689.111)	-	11.418.981	-	11.418.981	-	(10.689.111)	11.418.981
Net income/(expenses) provisions fixed financial assets	(1.733.375)	-	(1.733.375)	-	(800.000)	-	(800.000)	-	(1.733.375)	(800.000)
Other net income/(expenses) from interest and exchange rate differences	(3.382.474)	-	(3.382.474)	-	686.527	-	686.527	-	(3.382.474)	686.527
Net income/(expenses) provisions for risks and expenses	500.186	-	-	500.186	(59.368)	-	-	(59.368)	500.186	(59.368)
Other net income/(expenses).	(195.056)	-	-	(195.056)	73.737	-	-	73.737	(195.056)	73.737
Salary expenses and employee benefits	(7.100.102)	(2.658.067)	(1.021.280)	(3.420.755)	(6.705.252)	(2.359.869)	(1.857.235)	(2.488.148)	(7.100.102)	(6.705.252)
Expenses, market commissions and intermediaries	(1.157.887)	-	(1.023.857)	(134.029)	(1.825.550)	(299.302)	(933.012)	(593.235)	(1.157.887)	(1.825.550)
Expenses commissions Intermediation	(2.168.419)	(2.168.419)	-	-	(3.777.726)	(3.777.726)	-	-	(2.168.419)	(3.777.726)
Expenses with licenses and issuance of structured products	(483.478)	-	(483.478)	-	(259.642)	-	(259.642)	-	(483.478)	(259.642)
Expenditure on external services	(2.581.734)	(311.158)	(233.751)	(2.036.825)	(3.037.173)	(1.129.256)	(69.224)	(1.838.693)	(2.581.734)	(3.037.173)
Expenses with collaborators	(215.802)	(215.802)	-	-	(585.097)	(585.097)	-	-	(215.802)	(585.097)
Other expenses the basic activity	(1.974.300)	(790.111)	(297.975)	(886.216)	(2.505.950)	(983.006)	(409.345)	(1.113.599)	(1.974.300)	(2.505.950)
Intangible and tangible asset value adjustments	(928.031)	-	-	(928.031)	(1.140.403)	-	-	(1.140.403)	(928.031)	(1.140.403)
Totally explained:	(15.161.073)	4.865.595	(11.330.811)	(8.695.857)	23.483.803	11.383.112	19.928.790	(7.125.099)	(15.161.073)	23.483.803
Reportable segment profit before tax	(15.161.073)	4.865.595	(11.330.811)	(8.695.857)	23.483.803	11.383.112	19.928.790	(7.125.099)	(15.161.073)	23.483.803
Profit Tax	-	-	-	-	(1.483.121)	-	-	-	-	-
The assets of the reportable segment, of which:	168,610,554	61,252,502	98,348,914	-	248.887.979	123.322.508	116.309.207	-	248.887.979	186.576.726
- Intangible assets	351.065	-	-	351.065	193.346	-	-	193.346	351.065	193.346
- Tangible assets	8.658.073	-	-	8.658.073	9.062.918	-	-	9.062.918	8.658.073	9.062.918
- Real estate investments	-	-	-	-	-	-	-	-	-	-
- Financial investments	91.868.122	-	91.868.122	-	101.703.552	-	101.703.552	-	91.868.122	101.703.552
- Loans and advances granted	4.143.848	-	4.143.848	-	8.588.612	-	8.588.612	-	4.143.848	8.588.612
- Trade receivables and other receivables	11.660.382	10.747.441	912.941	-	65.141.500	60.005.743	5.135.757	-	11.660.382	65.141.500
- Availability	51.929.064	50.505.061	1.424.003	-	64.198.050	63.316.765	881.285	-	51.929.064	64.198.050
Debts of the reportable segment, of which:	151.401.489	104.770.215	46.631.274	-	146.526.399	115.962.249	30.564.150	-	151.401.489	146.526.399
- customer amounts	104.770.215	104.770.215	-	-	115.962.249	115.962.249	-	-	104.770.215	115.962.249

7. INTANGIBLE ASSETS

<i>In lei</i>	Licenses and computer programs	Advances	Total
Cost			
Balance as of January 1, 2021	4.840.759	27.820	4.868.578
Acquisitions	281.892	-	281.892
From which by transfer	-	-	-
Outputs	-	-	-
From which by transfer	-	-	-
Balance as of December 31, 2021	5.122.651	27.820	5.150.470
Balance as of January 1, 2022	5.122.651	27.820	5.150.470
Acquisitions	281.892	-	281.892
From which by transfer	-	-	-
Outputs	-	-	-
From which by transfer	-	-	-
Balance as of December 31, 2022	5.291.989	52.274	5.344.263
Depreciation and depreciation losses			
	Licenses and computer programs	Advances	Total
Balance as of January 1, 2021	4.268.224	-	4.268.224
Depreciation during the year	577.983	-	577.983
Impairment losses recognized on expenses	-	-	-
Amortization related to outputs	-	-	-
Balance as of December 31, 2021	4.846.207	-	4.846.207
Balance as of January 1, 2022	4.846.207	-	4.846.207
Depreciation during the year	210.201	-	210.201
Impairment losses recognized on expenses	-	-	-
Amortization related to outputs	(63.210)	-	(63.210)
Balance as of December 31, 2022	4.993.198	-	4.993.198
Accounting values			
	Licenses	Advances	Total
Balance as of January 1, 2021	572.535	27.820	600.354
Balance as of December 31, 2021	276.444	27.820	304.263
Balance as of January 1, 2022	276.444	27.820	304.263
Balance as of December 31, 2022	298.791	52.274	351.065

The component of the balance of intangible assets is made up of computer programs and software licenses.

The lifetimes used in the calculation of intangible assets are on average 3 years. The depreciation method used is the linear one.

The expenses regarding the year's amortization of intangible assets are included in the statement of the global result at the position *Value adjustments of tangible and intangible assets*.

8. CORPORATE FIXED ASSETS

<i>In lei</i>	Lands and buildings	Technical installations and means of transport	Furniture, office equipment and others	Fixed assets in progress	Total
Balance of 01.01.2021	7.786.659	1.598.307	321.416	22.343	9.728.724
Purchases and modernizations carried out	-	1.555.247	71.014	-	1.626.262
Transfers to/from fixed assets in progress	-	-	-	-	-
Entry following the execution of some guarantees received	-	-	-	-	-
Revaluation of fixed assets:	-	-	-	-	-
compensation of depreciation in the balance with the assets	-	-	-	-	-
recording the increase in value	-	-	-	-	-
Transfers to assets held for sale	-	-	-	-	-
Transfers from real estate investments	-	-	-	-	-
Outputs of tangible assets:	-	-	-	-	-
- by sale	-	(452.882)	-	-	(452.882)
- by scrapping	-	-	(19.237)	-	(19.237)
Balance of 31.12.2021	7.786.659	2.700.671	373.194	22.343	10.882.866
Balance of 01.01.2022	7.786.659	2.700.671	373.194	22.343	10.882.866
Purchases and modernizations carried out	-	338.197	37.998	0	376.195
Transfers to/from fixed assets in progress	-	-	-	-	-
Entry following the execution of some guarantees received	-	-	-	-	-
Revaluation of fixed assets:	-	-	-	-	-
compensation of depreciation in the balance with the assets	-	-	-	-	-
recording the increase in value	0	-	-	-	-
Transfers to assets held for sale	-	-	-	-	-
Transfers from real estate investments	-	-	-	-	-
Outputs of tangible assets:	-	-	-	-	-
- by sale	-	(45.970)	-	-	(45.970)
- by scrapping	-	0	(37.998)	-	(37.998)
Balance of 31.12.2022	7.786.659	2.992.898	373.194	22.343	11.175.093

<i>In lei</i>	Lands and buildings	Technical installations and means of transport	Furniture, office equipment and others	Fixed assets in progress	Total
Balance of 01.01.2021	-	1.412.076	296.712	-	1.708.788
Depreciation during the year	289.923	168.921	103.576	-	562.420
Impairment losses, of which:	-	-	-	-	-
- recognized as expenses	-	-	-	-	-
- deducted from other elements of the global income statement	-	-	-	-	-
Amortization related to the outflow of fixed assets	-	(432.022)	(19.237)	-	(451.259)
Amortization related to the disposal of fixed assets	-	-	-	-	-
Compensation of depreciation in the balance with the assets on the occasion of the revaluation	-	-	-	-	-
Balance of 31.12.2021	289.923	1.148.975	381.050	-	1.819.948
Balance of 01.01.2022	289.923	1.148.975	381.050	-	1.819.948
Depreciation during the year	289.923	543.030	134.545	-	967.498
Impairment losses, of which:	-	-	-	-	-
- recognized as expenses	-	-	-	-	-
- deducted from other elements of the global income statement	-	-	-	-	-
Amortization related to the outflow of fixed assets	-	(45.970)	(186.458)	-	(232.428)
Amortization related to the disposal of fixed assets	-	-	- 37.998	-	(37.998)
Compensation of depreciation in the balance with the assets on the occasion of the revaluation	-	-	-	-	-
Balance of 31.12.2022	579.846	1.646.036	291.139	-	2.517.020
Accounting values:					
Balance as of January 1, 2021	7.786.659	186.231	24.705	22.343	8.019.937
Balance as of December 31, 2021	7.496.736	1.551.696	(7.856)	22.343	9.062.918
Balance as of January 1, 2022	7.496.736	1.551.696	- 7.856	22.343	9.062.918
Balance as of December 31, 2022	7.206.813	1.346.863	82.054	22.343	8.658.073

11. LOANS AND ADVANCES GRANTED

<i>In lei</i>	December-22	December -21
Margin loans - gross value	1.622.192	6.639.626
Loans granted to related parties	3.600.000	1.600.000
Interest related to the loans granted	521.655	215.612
Other loans granted	1.233.375	1.233.375
Impairment of related party loans	(2.833.375)	(1.100.000)
Loans and advances granted - net value	4.143.848	8.588.612

During the year 2022, Brk Financial Group SA granted loans to affiliated companies as follows: to Romlogic Technology SA - 1,000,000 lei, to Gocab Software SA - 1,000,000 lei. 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 December 31, 2022. For each loan, 3 scenarios were defined regarding the recoverability of the amounts granted in the time interval until the maturity of the loan contract.

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 a 100% impairment was taken into account from the total value of the loan in the absolute amount of 1,600,000 lei to determine the fair value.

The company maintained the service offered to clients to carry out margin transactions. The balance of margin loans used by clients on 31.12.2022 was 1,622,192 lei.

For loans in the margin, the securities purchased with these loans constitute as guarantees. Therefore, there are no indications of impairment. and this represents the fair value on December 31, 2022.

12. INVESTMENTS IN ASSOCIATED ENTITIES

Affiliated companies as well as associated companies (where significant influence is held) are mentioned below. In those where the ownership share is below 20%, the significant influence is due to the presence in the board of directors of the respective company.

The ownership percentage and the value of the participation **in lei** in the associated entities are as follows:

Company	Holding percentage in December 2022	December 2022 participation value	Holding percentage in December 2021	December 2021 participation value
Sai Broker	99.98%	10.054.082	99.98%	9.340.502
Romlogic Technology	90.75%	2.717.399	90.75%	6.283.985
Firebyte SA	48.93%	6.376.950	37.94%	7.831.978
POWER ENERGY SA	50%	250.000	-	-
Reit Capital SA	-	-	77.14%	427.765
GOCAB SOFTWARE SA	49.12%	1.622.400	32.53%	5.733.663
Total		21.020.831		29.617.894

During the year 2022, dividends were recorded to be collected from associated companies in the amount of 499,900 lei.

During the year 2022, transactions with related parties are presented as follows:

Name	Nature of Affiliation	The nature of the activity	Volume and weight of the respective activity
SAI Broker	Ownership percentage 99.98%	Investment management	- income from intermediary commissions 1.778 Lei - revenues from distribution and brokerage commissions in the amount of 1.979 lei - rental income in the amount of 31.227 lei
Romlogic Technology SA	Ownership percentage 90.75%	Manufacturing of computers and peripheral equipment	- income from interest related to loans granted in the amount of 176.637 lei - loan granting 1.000.000 lei
Gocab Software	Ownership percentage 49.12%	Custom software creation activities (customer-oriented software)	- granting three loans in the amount of 1.000.000 lei - income from interest related to the loans granted 6.069 lei - revenues from intermediary commissions 14.400 Lei
Firebyte Games SA	Ownership percentage 48.93%	Development of games for mobile devices	- income from intermediary commissions 3.029 lei - rental income 14.575 lei
BRK POWER ENERGY SA	Ownership percentage 50 %	Electricity production	- rental income: 7.254 lei
Reit Capital SA	Ownership percentage 0 %	Consulting activities for business and management	- rental income 5.200 lei

Transactions with related parties were carried out at market value.

On 31.12.2022 and 31.12.2021, the balances of the company's claims from relations with related parties were as follows:

<i>In lei</i>	December-22	December -21
SAI Broker	53	1.510
REIT CAPITAL SA	-	-
Firebyte Games SA	3.975	-
Gocab Software	14.400	-
Romlogic Technology SA	2.947.982	1.771.345
BRK POWER ENERGY SA	1.116	-
Total	2.967.526	1.772.855

13. FIXED ASSETS HELD FOR SALE

As at 31.12.2022 the company has no fixed assets held for sale.

14. COMMERCIAL AND SIMILAR RECEIVABLES

<i>In lei</i>	December -22	December -21
Trade receivables	1.079.828	725.655
Claims against the state budget	-	-
Net receivables from debtors of which:	64.764	79.997
Employees with payment commitments	28.698	28.698
Debtors former employees and third parties	36.066	51.298

Other debtors	778.938	584.688
Total trade receivables and other receivables	1.923.530	1.390.340

The debtors from the trading of the company's financial instruments come from transactions concluded in December 2022, which have as settlement date the first two days of January 2023.

Similarly, the debtors from financial instruments settled by customers come from transactions concluded in December 2022, which have as the settlement date the first two days of January 2023.

In lei

	December-22	December -21
Debtors from the trading of the Company's financial instruments	6.821.348	6.012.981
Debtors from financial instruments traded by clients	61.398.768	57.738.180
Total Debtors from financial instruments trading	68.220.116	63.751.161

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

The gross balances and depreciation of debtors are as follows:

In lei

	December -22	December -21
Debtors former employees and third parties, Stage 3	1.809.521	1.934.938
Depreciation of debtors, former employees and third parties	(1.773.455)	(1.773.455)
Debtors former employees and third parties - net value	36.066	161.483

The movement of value adjustments for impairment of receivables from debtors (debtor employees and third party debtors) during the year was as follows:

In lei

	December -22	December -21
Balance on January 1st	1.773.455	1.783.747
Additional provisions	-	-
Cancellation of provisions	-	-
Balance as of December 31	1.773.455	1.773.455

15. RECEIVABLES AND DEBTS REGARDING DEFERRED TAX

Unrecognized deferred tax assets

Deferred tax receivables were not recognized regarding the following elements:

Unrecognized deferred tax liabilities

In lei

	December-22	December -21
Differences from revaluation of fixed assets	3.488.688	3.488.688
Differences from revaluation of financial assets valued by other elements of the Global result	-	2.628.133
	3.488.688	6.116.816
Tax rate	16%	16%
Unrecognized deferred tax assets	558.190	978.690

16. CASH AND CASH EQUIVALENTS

<i>In lei</i>	December-22	December -21
Cash account related to customers	50.505.061	63.316.765
Cash and cash equivalents	1.424.003	881.285
Balance as of December 31	51.929.064	64.198.050

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

Customer balances in bank accounts are highlighted and managed separately from those of the company and can be used based on transaction orders given by customers.

The company performed an analysis regarding the calculation of depreciation of cash and cash equivalents according to IFRS 9 and considers that the resulting impact is insignificant at the level of the financial statements as a whole.

The entity's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are presented in note number 4.

17. CAPITAL AND RESERVES

The share capital and the number of issued shares are presented as follows:

<i>In lei</i>	Share capital value	Number of ordinary shares	Nominal value/share
On January 1, 2021	54.039.987	337.749.919	0.16
On December 31, 2021	54.039.987	337.749.919	0.16
On January 1, 2022	54.039.987	337.749.919	0.16
On December 31, 2022	50.614.493	337.429.952	0,15

In the first semester of 2022, there was a decrease 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 reported losses in the amount of 3,374,299.52 lei.

Own shares held by the company on December 31, 2022 amount to 6,000,000 shares.

<i>In lei</i>	December-22	December-21
The share capital	50.614.492,80	54.039.987
Share capital adjustment	4.071.591	4.071.591
Own shares	(1.285.077)	(24.047)
Bonuses	5.355	5.355
Total	53.406.362	58.092.886

18. RESERVES AND REVALUATION DIFFERENCES

<i>In lei</i>	December-22	December -21
Differences from the revaluation of tangible assets	5.608.237	5.742.690
Deferred tax related to the differences from the revaluation of tangible assets	(978.691)	(978.690)
Legal and statutory reserves	6.095.560	6.095.560
Reserves from the revaluation of financial assets valued at fair value through other elements of the global result	(6.820.240)	(239.980)

Other reservs	2.775.908	2.748.760
- of which from the application of IAS 29 (adjustment for inflation)	2.775.908	2.748.760
Reserves related to own shares	697.762	-
Total reserves and revaluation differences	7.378.535	13.368.340

Differences from revaluation

The differences from the revaluation did not change during 2022.

Legal reserves

The legal reserves represent the amounts 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 reserve

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 impaired.

As a result of the transition to IFRS 9, the fair value reserve was transferred to retained earnings.

Other reservs

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

Dividends and other distributions to shareholders

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

19. REPORTED RESULT

<i>In lei</i>	December-22	December -21
Profit reported from the transition to IFRS	2.713.367	2.713.367
Reported result from the application of IFRS 9	3.392.306	3.392.306
Reported result IAS 29	(6.880.234)	(6.880.234)
Reported result	15.896.817	(2.159.712)
Current result	(15.161.073)	22.703.682
Distribution of profit	-	(1.100.034)
Total Reported result	(38.817)	17.966.375

Result reported through the transition to IFRS

Reported result regarding the transition to IFRS comes from 2008.

Reported result from the application of IFRS9 comes from 2018.

Result reported IAS 29

The financial statements and the corresponding amounts of the previous periods have been restated to reflect the change in the general purchasing power of the functional currency and, consequently, are expressed in relation to the unit of measure existing at the end of the reporting period. This capital position includes the influence of the restatement of the social capital to inflation for the period 1994 – 2002`.

The applied inflation index registered the following values in the updated period:

YEAR	2003	2002	2001	2000	1999	1998	1997	1996	1995
Capital discount index	1.00	1.15	1.41	1.90	2.77	4.04	6.42	16.36	22.71

Following the application of these updates, the following values were recorded:

Account	Debit	Credit
Adjustments of the share capital	-	4.071.591
Differences from revaluation *	-	59.884
Other reserves **	-	2.748.760
Reported result from the adoption for the first time of IAS 29	6.880.234	-
Total	6.880.234	6.880.234

* Incorporation of revaluation reserves in 2011.

** Incorporation of reserves from 2007 on the occasion of the absorption of SC Investco.

20. COMMERCIAL DEBTS AND OTHER DEBTS

<i>In lei</i>	December-22	December -21
Trade debts	609.897	748.371
Debts to employees	116.415	147.912
Debts with the state budget	348.947	331.156
Various creditors resulting from house transactions	1.177.200	2.548.603
Various creditors resulting from customer transactions	6.860.703	4.924.163
Various lenders resulting from structured products	4.890.349	2.104.311
Total trade debts and other debts	14.003.511	10.804.516

The entity's exposure to currency risk and liquidity risk related to commercial debts and other debts is presented in note number 4. The various creditors represent settlements with the Bucharest Stock Exchange in the course of settlement, in the time interval from the completion of the transactions on behalf of the entity and/or the clients. Likewise, miscellaneous creditors include miscellaneous 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 clients who have opened accounts with external intermediaries, only their funds held at the intermediary mentioned above are reflected in the accounting. The accounts held by these clients are of Margin and RegTMargin type, meaning that they can call on the margin, and in this case the external intermediary offers the possibility for clients to call on margin loans. Customers constituting as collateral the financial instruments from their own trading portfolio.

21. LOANS

The situation of the loans contracted by the company is presented as follows:

<i>In lei</i>	December-22	December-21
Long-term debt		
Financial leasing liabilities	457.273	515.978
	457.273	515.978
Short term debts	December -22	December -21
Guaranteed lines of credit	20.329.411	5.041.915
The current part of the financial leasing debt	166.637	161.953
Total short-term liabilities	20.496.048	5.203.868

In the first semester of 2022, 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. The credit line was guaranteed with the following properties from the portfolio:

Current number.	Mortgaged real estate	Categories	Value euro	Value lei
1	Apartment Suceava	fixed assets in operation	38.400	176.517
2	Immobile Bucuresti Bocsa	fixed assets in operation	157.000	721.698
3	Immobile Cluj- Motilor	fixed assets in operation	1.032.700	4.747.115
4	Apartment Iasi	fixed assets in operation	41.000	188.469
Total			1.269.100	5.833.799

The sums owed to the clients, in fact, represent the sums advanced by them in the bank accounts on the domestic market or in the accounts held with external brokers which are available either for carrying out transactions or for withdrawals depending on the future options of the clients. Their origin is the following:

<i>In lei</i>	December-22	December-21
Amounts owed to customers		
Creditor customers from transactions on the internal market	56.807.288	64.210.882
Creditor customers from transactions on the external market	47.962.927	51.751.367
Creditor clients from corporate services	-	-
	104.770.215	115.962.249

The shareholders of BRK Financial Group approved, through the Decision of the Extraordinary General Meeting of Shareholders of 26.04.2021, the issue of corporate bonds with a maturity of 5 years and empowered the BoD to issue any decision and fulfill all the necessary, useful legal acts and facts and/or timely for the implementation of the decisions to be adopted by the company's AGEA in relation to the issue of non-convertible bonds by the company, the management of the BRK Financial Group company decided, by the Decision of the Board of Directors no. 1/23.07.2021, to carry out during the period 02.08.2021 - 13.08.2021 the Private Placement regarding the issue of bonds for a number of **250,000** bonds, in the amount of **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 BSE.

In the period 02.08.2021 - 05.08.2021 the Private Placement actually took place through which subscriptions were collected from a number of 59 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 selling price of the bonds was 100% of the principal, and for the subscriptions carried out 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 making at a price of 97% of the principal.

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

The transaction date related to the issued bonds was 08/06/2021, and the Settlement Date through the Central Depository was 08/10/2021.

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 provide working capital for expanding the market-making activity and diversifying the portfolio of structured products, other investment activities.

Characteristics of bonds subject to admission to trading:

- **Type of bonds:** corporate, unsecured, non-convertible
- **The currency in which the bonds are issued:** lei

- **The value of the bond issue:** 25.000.000 lei
- **Number of bonds issued: max** 250.000
- **The nominal value of a bond:** 100 lei
- **Date of Issue:** 10.08.2021
- **Maturity:** 5 years
- **Coupon:** 7.6% per year
- **Payment of coupon:** quarterly
- **Payment of principal:** on maturity
- **Destination of obtained funds:** ensuring the working capital for expanding the market-making activity and diversifying the portfolio of structured products, other investment activities.
- **Cod ISIN:** ROSYZVBBKKI6
- **CFI:** DBFUFR
- **FISN:** BRK FG/7.6 BD 20260813 UNSEC

22. PROVISIONS FOR RISKS AND EXPENSES

<i>In lei</i>	December-22	December-21
Provisions		
Balance on January 1st	1.022.068	246.033
Canceled during the period	(931.521)	(155.486)
Constituted during the period	431.335	931.521
Balance as of December 31	521.882	1.022.068

In the course of 2022, 931,521 lei were added to income from provisions and provisions were constituted in the absolute value of 431,335 lei.

23. ASSETS AND CONTINGENT LIABILITIES

There are ongoing criminal litigations filed by SSIF BRK FINANCIAL GROUP SA against some former employees, as well as litigations in which SSIF BRK FINANCIAL GROUP SA is an active party to the proceedings regarding amounts that it claims. Not in all cases the amounts claimed can be precisely determined. There are some lawsuits, in which SSIF BRK FINANCIAL GROUP SA was an active party to the proceedings, which were won but in which the possibilities of effective recovery are reduced.

24. INCOME FROM INTERMEDIATION ACTIVITY

<i>In lei</i>	Continuous activities 2022	Continuou s activities 2021	Interrupted activities		2022	Total 2021
			2022	2021		
Income from commissions on the domestic market	5.471.767	7.451.599	-	-	7.451.599	7.451.599
Income from commissions on the foreign market	955.393	2.610.778	-	-	2.610.778	2.610.778
Income from related activities	799.968	716.048	-	-	716.048	716.048
Subtotal revenues from intermediary commissions and related activities	7.227.128	10.778.426	-	-	10.778.426	10.778.426
Income from corporate operations	475.849	1.041.523	-	-	8.424.707	1.041.523

Other intermediate income	3.306.174	864.276	-	1.314.236	864.276
Total revenue	11.009.151	20.517.368	-	11.009.151	20.517.368

The company's revenue recognition policy is to reflect these revenues at gross values. Gross revenues also include market costs, commissions charged by the Stock Exchange, respectively by the FSA.

In order to diversify the income from the commissions, the widening of the range of products and the markets on which the transactions are carried out was constantly pursued. The level of commissions collected for the operations carried out by the company also included commissions related to operations on foreign markets, as presented above.

Clients are, in general, assigned to one broker, with the possibility of performing operations both traditionally and online.

Commission revenues also include transactions carried out for other non-bank financial institutions, called contracts with custodians, for which SSIF BRK FINANCIAL GROUP SA collects the commissions related to the transactions, but the funds related to sales and purchases do not transit the company's accounts, but are settled through the custodian's accounts.

25. INCOME FROM MARKET MAKING ACTIVITY

<i>In lei</i>	December-22	December -21
Net gains/losses domestic market	15.103.685	(6.673.216)
Net foreign market gains/losses	(11.729.962)	10.708.482
Revenues from market making services provided to issuers	4.801.010	3.195.688
Result Market Making	8.174.733	7.230.954

26. STAFF COSTS

<i>In lei</i>	December -22	December -21
Expenses with staff and collaborators	(6.139.672)	(3.955.493)
Expenses with contributions and mandatory social insurance	(535.330)	(2.516.390)
Staff profit sharing	(1.441.892)	-
Expenses with allowances of BoD members	(425.100)	(233.369)
BoD members' profit participation	(153.239)	-
Total expenses with salaries in the global result account	(8.695.233)	(6.705.252)

The remuneration of the general directors 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 the General Director Monica-Adriana Ivan and by the Deputy General Director Razvan Rat.

The allowances granted to the members of the BO were in the amount of 425,100 lei.

The average number of employees for the period ending on December 31, 2022 was 39 (December 31, 2021: 39).

27. COMMISSION AND INTERMEDIARY EXPENSES

Expenses with commissions and fees mainly include the commission owed to the FSA, commissions for securities transactions on the regulated market, commissions for registry services owed to the Central Depository:

<i>In lei</i>	December-22	December -21
Fees and commissions Internal Market	(2.756.122)	(4.791.526)
Foreign Market commission expenses	(570.184)	(811.749)
Total	(3.326.306)	(5.603.276)

28. EXPENSES WITH THE PROVISION OF SERVICES

<i>In lei</i>	December -22	December -21
Expenses regarding audit fees, lawyers	(377.735)	(1.186.760)
Expenses with IT services and software maintenance	(1.342.397)	(957.756)
Expenses with consulting and training services	(133.758)	(33.892)
Other expenses with services performed by third parties	(727.844)	(1.118.407)
Total	(2.581.734)	(3.296.815)

29. OTHER EXPENSES OF THE BASIC ACTIVITY

Expenses with collaborators refer to expenses with delegate agencies in the amount of 215,802 lei (2021: 585,097 lei). External services expenses are mainly represented by the cost of insurance services, asset evaluation services, IT support services.

Other expenses with the basic activity refer mainly to:

<i>In lei</i>	December-22	December -21
Material expenses	(225.336)	(257.593)
Expenses with other taxes and fees	(54.636)	(75.705)
Utility expenses	(216.316)	(125.982)
Expenses with banking services	(131.367)	(264.379)
Advertising and advertising expenses	(558.085)	(1.389.120)
Telecommunications expenses	(74.475)	(68.313)
Insurance expenses	(120.004)	(92.573)
Maintenance and repair expenses	(56.366)	(44.412)
Transport costs	(135.361)	(126.028)
Rent expenses	(123.654)	(61.416)
Other expenses	(278.702)	(232)
Total	(1.974.302)	(2.505.754)

Value adjustments of intangible and tangible assets include depreciation expenses in the amount of 928,031 lei (2021: 1,140,403 lei).

30. GAIN/(LOSS) OF TRADING ACTIVITY

<i>In lei</i>	December-22	December -21
Net gains/(losses) realized from financial instruments	(640.243)	4.920.787
Dividend income	1.732.562	863.006
Income from transactions with shares and bonds	2.408.907	7.435.192

Losses from transactions with shares and bonds realized	(4.781.712)	(3.377.411)
Reclassification of gains/(losses) recognized in the global income statement to the income statement, related to financial assets available for sale transferred	-	-
Net gains/(losses) from the valuation of financial assets measured at fair value through profit and loss	(10.689.112)	11.418.981
Income from the valuation of financial assets measured at fair value through profit and loss	8.631.294	21.279.497
Losses from the valuation of financial assets measured at fair value through profit and loss	(19.320.405)	(9.860.517)
Net income/(expenses) provisions fixed financial assets	(1.733.375)	(800.000)
Revenues cancellation provisions fixed financial assets	-	300.000
Expenses provisions fixed financial assets	(1.733.375)	(1.100.000)
Other net income/(expenses) from interest and exchange rate differences	(3.382.473)	686.527
Interest income, loans and bonds	331.351	589.559
Income, interest, credits, margin	241.238	289.102
Other interest income	71.336	31.997
Interest expenses	(3.753.316)	(919.267)
(Expenses)/Revenues differences house exchange rate	(273.083)	695.136
Net income/(expenses) provisions for risks and expenses	500.186	(762.368)
Expenses with provisions for risks and expenses	-	-
Revenue cancellation provisions for risks and expenses	931.521	169.153
Other net provisions	(431.335)	(931.521)
Other net income/(expenses).	(195.056)	73.737
Net gains/(losses) from the sale of assets	23.500	169.405
Other operational expenses	(402.951)	(153.281)
Other operating income	184.395	57.613
Net financial result recognized in the profit or loss account	(16.140.073)	15.537.664
Recognized in other elements of the overall result	Dec-22	Dec-21
<i>In lei</i>		
Detailed on the next page		
Recognized in other elements of the overall result		
<i>In lei</i>		
The net change in the fair value of financial assets available for sale transferred to the profit or loss account	-	-

The net change in the fair value of financial assets available for sale:

related to the securities sold during the period

relating to the titles in the balance at the end of the period

Free shares related to financial assets available for sale

Profit tax related to income and financial expenses recognized
directly in other elements of the overall result

Financial income recognized in other elements of the overall result,
after taxation

-	-
-	-
-	-
-	-
-	-
-	-

The unrealized net gains/(Losses) from the valuation of participations at fair value through the profit or loss account for the financial year ended on December 31, 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 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.

Dividend income it is recorded in the profit or loss account at net value. The dividend tax rates for the period ended on December 31, 2022 were 5% and (2021: 5%)

<i>In lei</i>	<u>December-22</u>	<u>December -21</u>
AAGES	673	559
ANTIBIOTICE IASI	778	1.973
BUCHAREST STOCK EXCHANGE	21.229	-
AQUILA	152.974	-
The Romanian Commodity Exchange	-	1.840
COMPA SA	-	62.700
ELECTROPRECIZIA SA Sacele	-	2.660
LIFE IS HARD	5.600	-
MACOFIL SA TG,JIU	-	5.072
NEW BUSINESS DIMENSION	869.961	-
ONE UNITED PROPERTIES	35.521	17.068
PETAL SA HUSI	-	1.319
PURCARI WINERIES PUBLIC COMPANY LIMITED	9.545	6.980
Star Residence Invest	-	11.736
ROMCARBON SA	58.241	9.491
SAI BROKER SA	499.900	499.916
Sphera Franchise Group	9.325	18.181
OMV PETROM S.A	-	14.725
SIF TRANSILVANIA	-	-
TERAPLAST SA	21.048	145.946
UNIVERS SA Rm,Valcea	-	76.417
TTS	36.207	-
SIPEX SA	11.439	-
TOTAL	<u>1.732.563</u>	<u>876.582</u>

31. PROFIT TAX EXPENDITURE

Reconciliation of the effective tax rate

In lei

Profit for the period

The total expense with the profit tax

Profit before taxation (including related to discontinued activities)

Profit tax rate

The profit tax calculated by applying the tax rate to the accounting profit

The influence of non-deductible expenses

The influence of non-taxable income

The influence of the expenses resulting from the restatement on IFRS not considered when calculating the profit tax

Cumulative tax losses

The influence of fiscal losses of previous periods

The total expense with the profit tax calculated according to the tax rate

Unregistered income tax expense for negative amounts

The final expense with the profit tax

The final profit tax rate

	December-22	December -21
Profit for the period	(15.161.073)	22.000.682
The total expense with the profit tax	-	(1.483.121)
	(15.161.073)	22.000.682
Profit before taxation (including related to discontinued activities)		
	16%	16%
Profit tax rate		
The profit tax calculated by applying the tax rate to the accounting profit	3.632.589	3.632.589
The influence of non-deductible expenses	409.992	409.992
The influence of non-taxable income	(784.056)	(784.056)
The influence of the expenses resulting from the restatement on IFRS not considered when calculating the profit tax	-	-
Cumulative tax losses	9.495.339	9.495.339
The influence of fiscal losses of previous periods	(1.519.254)	(1.519.254)
The total expense with the profit tax calculated according to the tax rate	-	1.483.121
	-	-
Unregistered income tax expense for negative amounts		
The final expense with the profit tax	-	1.483.121
The final profit tax rate	16%	16%

32. THE RESULT PER SHARE

The result per basic share

The calculation of the basic result per share on December 31, 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 337,749,919 shares.

The presented result is after calculating the profit tax.

	December-22	December-21
Attributable profit:	(15.161.073)	22.000.682
Company shareholders	(15.161.073)	22.000.682
Interests without control	-	-
Profit for the period	(15.161.073)	22.000.682
Total attributable global result:		
Company shareholders	(15.161.073)	22.000.682
Interests without control	-	-
Total overall result for the period	(15.161.073)	22.000.682
The result per share		
Basic earnings per share (lei)	(0,0449)	0,0651
Earnings per share to be diluted (lei)	(0,0449)	0,0651
Continuous activities		
Basic earnings per share (lei)	(0,0449)	0,0651
Earnings per share to be diluted (lei)	(0,0449)	0,0651

Weighted average number of ordinary shares

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

Year	2022	2021	2020	2019	2018
Number of shares	337.429.952	337.749.919	337.749.919	337.749.919	337.749.919

33. THE HIERARCHY OF FAIR VALUES

The table below analyzes the financial instruments recorded at fair value according to the valuation method. The different levels were defined as follows:

- **Level 1:** Quoted (unadjusted) prices on active markets. For securities at fair value through the income statement, the price is the one at the end of the period, on the last trading day.
- **Level 2 :** Input data, other than the quoted prices included in Level 1, Here are the 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 input data related to Level 2 must contain observable values over the entire period of the asset or liability, examples: quoted prices for similar assets or liabilities on active markets, quoted prices for identical or similar products from markets that are not active, observable values other than quoted prices such as: interest rates, volatilities, other corroborated market inputs.
- **Level 3:** Input data, other than 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 (ex: prices) or indirectly (eg: derived from prices). The fair value for these titles was determined either by applying the DDM (Discounted Dividend Model), by applying the DCF (Discounted Cash Flow) method, or by the asset-based method, as presented in the company's accounting policies.

December 31, 2022	Level1	Level 2	Level 3	Total
Financial assets at fair value through the profit or loss account from which:	37.903.202	18.495.095	11.849.329	68.247.626
Quoted shares	31.956.191	1.368.603	-	33.324.793
Quoted fund units	-	-	-	0
Unquoted fund units	-	10.999.775	-	10.999.775
Quoted bonds	24.802	-	-	24.802
Unquoted bonds	-	135.933	-	135.933
Unquoted shares	-	2.163.587	226.499	2.390.086
Loans and advances granted	-	-	4.143.848	4.143.848
Other financial instruments	-	-	-	-
Financial assets designated at fair value through other elements of the global result from which:	13.730.434	-	31.039.676	44.770.110
Unlisted shares	13.730.434	-	31.039.676	44.770.110
Total	45.934.049	14.667.898	35.410.023	96.011.970

In lei

December 31, 2022	Level1	Level 2	Level 3	Total
Financial assets at fair value through the profit or loss account from which:	37.903.202	18.495.095	11.849.329	68.247.626
Quoted shares	37.855.312	1.335.100	-	39.190.412
Quoted fund units	-	-	-	0
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 and advances granted	-	-	8.588.612	8.588.612
Other financial instruments	23.088	-	-	23.088
Financial assets designated at fair value through other elements of the global result from which:				
Unlisted shares	13.565.641	-	28.478.898	42.044.539
	13.565.641		28.478.898	42.044.539
TOTAL	51.468.843	18.495.095	40.328.227	110.292.165

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

Level 3 fair value change

In lei

	December-22	December-21
On January 1	40.328.227	32.663.881
Total gain/loss recognized in the profit and loss account	-	-
Total gain/loss recognized in other elements of the overall result	8.021.540	(7.632.004)
Purchases during the period	8.063.881	17.226.291
Sales during the period	(14.677.457)	-
Transfers in level 3 of the fair value hierarchy (***)	(6.326.168)	(1.929.941)
On December 31	35.410.022	40.328.227

33. THE HIERARCHY OF FAIR VALUES (continued)

Current number	Financial assets	Fair value on December 31, 2022 in lei	Evaluation technique	Unobservable input data, ranges of values	Relationship between unobservable inputs and fair value
1	Unlisted majority shares	10.054.082	Income approach - discounted cash flow method	Weighted average cost of capital: 11.39 % Long-term revenue growth rate: 2.6%	The lower the weighted average cost of capital, the higher the fair value The higher the long-term revenue growth rate, the higher the fair value
2	Unlisted majority shares	-	Income approach - discounted cash flow method	Weighted average cost of capital: 12.75% Discount for lack of liquidity: 15.60% Long-term revenue growth rate: 1.30%	The lower the weighted average cost of capital, the higher the fair value The lower the illiquidity discount, the higher the fair value The higher the long-term revenue growth rate, the higher the fair value
3	Unlisted minority shares	4.563.127	The cost approach - the adjusted net asset method	The market value of equity relative to their book value: Weighted average cost of capital: 10.50%	In the balance sheet, the accounting value is identified by equity, the lower the resulting Price/Accounting Value, the lower the fair value The lower the weighted average cost of capital, the higher the fair value
4	Unlisted minority shares	16.648.966	Income approach - discounted cash flow method	Discount for lack of control: 10% Long-term revenue growth rate: 2%	The lower the discount for lack of control, the higher the fair value The higher the long-term revenue growth rate, the higher the fair value
5	Unlisted bonds	-	Amortized cost approach - fair value estimates,	Discount rate (IRR) of annual cash-flows: 8.23%	The lower the discount rate of the cash flows, the higher the fair value
6	Loans and advances granted	8.588.612	Income approach - discounted cash flow method		
	Total	35.410.022			

33. THE HIERARCHY OF FAIR VALUES (continued)

Current number	Financial assets	Fair value on December 31, 2022 in lei	Evaluation technique	Unobservable input data, ranges of values	Relationship between unobservable inputs and fair value
1	Unlisted majority shares	9.768.191	Income approach - discounted cash flow method	Weighted average cost of capital: 11.39 % Long-term revenue growth rate: 2.6%	The lower the weighted average cost of capital, the higher the fair value The higher the long-term revenue growth rate, the higher the fair value
2	Unlisted majority shares	-	Income approach - discounted cash flow method	Weighted average cost of capital: 12.75% Discount for lack of liquidity: 15.60% Long-term revenue growth rate: 1.30%	The lower the weighted average cost of capital, the higher the fair value The lower the illiquidity discount, the higher the fair value The higher the long-term revenue growth rate, the higher the fair value
3	Unlisted minority shares	5.489.786	The cost approach - the adjusted net asset method	The market value of equity relative to their book value: Weighted average cost of capital: 10.50%	In the balance sheet, the accounting value is identified by equity, the lower the resulting Price/Accounting Value, the lower the fair value. The lower the weighted average cost of capital, the higher the fair value
4	Unlisted minority shares	16.481.638	Income approach - discounted cash flow method	Discount for lack of control: 10%	The lower the discount for lack of control, the higher the fair value
5	Unlisted bonds	-	Income approach - discounted cash flow method,	Long-term revenue growth rate: 2% Discount rate (IRR) of annual cash-flows: 8.23%	The higher the long-term revenue growth rate, the higher the fair value The lower the discount rate of the cash flows, the higher the fair value
6	Loans and advances granted	8.588.612	Income approach - discounted cash flow method	Discount rate of cash flows – 5.5%, adjusted with the probability of their non-collection.	The lower the discount rate of the cash flows, the higher the fair value
	Total	40.328.227			

33. THE HIERARCHY OF FAIR VALUES (continued)

Price/Book value: the indicator evaluates the market price of a company relative to its own capital (net assets). This indicator reflects the ratio that investors are willing to pay for the net asset value per share. The P/BV indicator varies significantly depending on the activity sector.

A company that requires more assets (for example, a production company with manufacturing space and machinery) will generally have a Price/Booking Value of Equity indicator, significantly lower than a company whose income comes from the activity of providing services (e.g. a consulting company).

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

The discount for lack of control represents the discount applied to reflect the absence of control and is used within the discounted cash flow method to determine the value of the minority stake in the capital of the evaluated company.

The discount for lack of liquidity: represents the discount applied to comparable market multiples, to reflect the liquidity differences between the portfolio company subject to evaluation and the comparable companies considered. Appraisers estimate the illiquidity discount based on professional judgment, taking into account market conditions regarding liquidity and factors specific to the appraised company.

34. AFFILIATED PARTIES

Key Management Personnel Benefits

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

Investments in associated entities In note 18 Investments in associated entities from these financial statements, all associated entities are presented, as well as the transactions that took place with them during the period.

35. EVENTS AFTER THE BALANCE SHEET DATE

The events subsequent to the balance sheet date were taken into account when evaluating the conditions that existed on 31.12.2022 regarding the receivables positions and the significant estimates that were made, including those related to the establishment of provisions for litigation.

The events subsequent to the balance sheet date were taken into account when evaluating the conditions that existed on 31.12.2021 regarding the receivables positions and the significant estimates that were made, including those related to the establishment of provisions for litigation.

These financial statements were approved on 24.03.2023



SSIF BRK FINANCIAL GROUP S.A.

📍 Cluj-Napoca, Calea Moșilor 119

☎ (+4) 0364 401 709

✉ office@brk.ro

    BRK FINANCIAL GROUP

www.brk.ro



S.S.I.F. BRK Financial Group S.A.

Calea Motilor, nr. 119

Cluj Napoca

INDEPENDENT AUDITOR'S REPORT

To the Shareholders' of S.S.I.F. BRK Financial Group S.A.

Opinion

We have audited the financial statements of the S.S.I.F. BRK Financial Group S.A. (BRK Financial Group or the "Company"), which comprise the statement of financial position as at December 31, 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

The financial statements as at December 31, 2022 are identified as it follows:

- Shareholder's Equity 60.746.080 lei
- Loss -15.161.073 lei

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Company as at December 31, 2022 and its financial performance and its cash flows for the year then ended in accordance with the F.S.A. Rule No. 39/2015 approving the Accounting Regulations compliant with International Financial Reporting Standards (IFRS), applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Romania, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole and in forming an opinion on the financial statements and we do not express an opinion on these individual matters.

Key Audit Matter

Our Approach

Revenue recognition for trading and trading commissions

As presented in notes 24-25 in the financial statements, the company records revenues from trading and commissions charged for operations carried out on behalf of its clients in the Romanian market and foreign markets, these revenues being significant in total revenues.

Commission revenues for transactions are established based on percentages agreed upon in contracts with clients.

Due to their significance, this is a key auditing aspect.

Our audit procedures on the recognition of brokerage revenues have included, but are not limited to:

- detailed understanding of the trading process on behalf of clients
- inspection of relevant supporting documents on a sample basis
- analytical and detailed procedures to analyze transactions and estimates recorded by the company at the end of the audited financial year
- testing, where applicable, of internal procedures applicable to the trading process.

Other Information: The Director's Report

The directors are responsible for the preparation and presentation of other information. That information includes the Directors' Report, but do not include the individual financial statements and the audit report.

The directors' report is not part of the individual financial statements. Our opinion on the individual financial statements do not cover the director's report.

In relation with the individual financial statements for the year ended December 31, 2022, our responsibility is to read that other information and to assess if this information differs significantly to the individual financial statements or if it is significantly misstated.

In relation with the Director's Report, we have read and we report that it was prepared, in all material respects, in accordance with the F.S.A. Rule no. 5/2018 and the Rule no. 39/2015 for entities supervised and regulated by the F.S.A.

In our opinion:

- a) Nothing was identified by us that makes us believe that the information presented in the director's report, in all material respects, is not in accordance with the individual financial statements
- b) The director's report mentioned above includes, in all material respects, the information requested by the F.S.A. Rule no. 5/2018 and Rule no. 39/2015 for the approval of the accounting regulations in accordance with the International Accounting Reporting Standards, applicable for the entities authorized, regulated and supervised by the Financial Supervisory Authority ("F.S.A.") for the Financial Instruments and Investments Sector.

Based on our understanding and knowledge obtained during our audit on the S.S.I.F. BRK Financial Group S.A. financial statements prepared for the year

ended December 31, 20 and, on its environment, we are asked to report if we have identified significant misstatements in the directors' Report. We have nothing to report concerning this aspect.

Report on specific regulation concerning S.S.I.F.

In relation with our audit on the financial statements as at December 31, 2022 and considering:

- the provisions in the art. 56 and 61 of the Law no. 126/2018 regarding the prudential rules that intermediaries have to respect for the assurance of the separation of the financial instruments and the funds owned by clients and by the intermediary
- the provisions of art. 21 of the F.S.A. regulation no. 10/2018, with further changes and additions we report that:
 - a) We have reviewed the procedures that ensure the separation of the financial instruments owned by the investors and those owned by the intermediary, aimed at protecting their ownership rights, as well as against the use of those financial instruments by the intermediaries, in transaction on their own, except for situations where the investors give their clear consent.
 - The Company applies procedures that ensure the separation of the financial instruments of their own portfolio from the one owned by their clients.
 - b) We have reviewed the procedures that ensure the separation of the investors' funds with the purpose of protecting the ownership right, except for the credit institutions, in order to prevent the use of such funds in the Company's interest.
 - The Company applies procedures to ensure the separation of the investors' funds from the own's fund or that are used in the Company's interest.
 - c) We have reviewed the accounting and data processing procedures that are designed to ensure the separation of the funds and financial instruments of the investors and the intermediary.
 - The Company designed chart of accounts and opened bank accounts that ensure that investors and own funds are separated.
 - The data processing systems ensure the use of accounts and codes specific in order to separate the above-mentioned items.

Based on our knowledge and the understanding obtained during our audit of the financial statements for the year ended December 31, 2022 of S.S.I.F. BRK Financial Group S.A. and its environment, we did not identify data and nothing came to our attention that make us believe that the Company does not comply to the objectives described in the above paragraphs at the level of the reporting entity.

*Responsibilities of
Management and
Those Charged
with Governance
for the Financial
Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the F.S.A. Rule 39/2015 and for such internal control as management determines is necessary to enable the preparation of individual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

*Auditor's
Responsibilities
for the Audit of the
Financial
Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

*Report on Other
Legal and
Regulatory
Requirements*

We have been nominated as auditors for the financial statements by the General Assembly of Shareholders of S.S.I.F. BRK Financial Group SA for the year ended December 31, 2022. The total duration of our engagement is of 4 years, covering the years ended December 31, 2019 - 2022.

We confirm that our opinion on the financial statements is according to the supplementary report presented to the Company’s Audit Committee at the same date as this report. We have been independent throughout our engagement to the Company.

We confirm that we have not deliver any other non-audit services as mentioned in the art. 5 par. (1) of the EU regulation no. 537/2014.

In the name of
JPA Audit și Consultanță S.R.L.
Bd. Mircea Vodă 35, etaj 3, sector 3 Bucuresti
Registered Auditor ASPAAS FA319



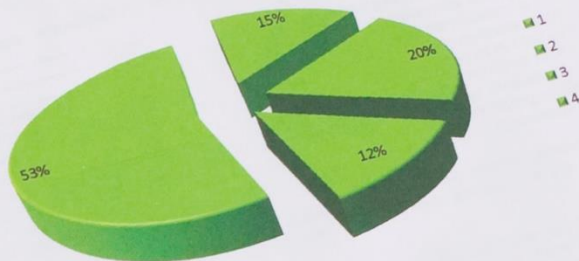
Florin Toma
Registered Auditor ASPAAS AF1747

Autoritatea pentru Supravegherea Publică a
Activității de Audit Statutar (ASPAAS)
Firma de Audit:
JPA AUDIT & CONSULTANȚĂ S.R.L.
Registrul Public Electronic: **FA 319**

Autoritatea pentru Supravegherea Publică a
Activității de Audit Statutar (ASPAAS)
Auditor financiar: **FLORIN TOMA**
Registrul Public Electronic: **AF 1747**

Bucharest
March 27th, 2023

No. JPA#0268



100,57	30,35	37,29	0,52	0,2	38,46	7,13	1,94	69,93
3,79	30,35	37,29	1,93	1,4	72,54	7,13	1,94	27,18
71,73	26	36,2	1,94	1,52	78,35	37,03	19,49	16,93
25,05	26	38,84	2,02	1,75	86,63	52,37	19,49	66,67
169,88	284,56	55,7	6,2	3,97	64,03	16,76	8,81	85,64
16,74	9,33	31,85	100,57	38,89	64,03	0,2	1,19	1,06
3,8	86,89	6,82	20,27	1,95	38,67	1,4	38,46	69,78
69,94	127,51	4,42	38,4	38,89	51,45	1,52	72,54	14,8
57,35	1,2	4,42	38,4	25,9	36,11	1,75	78,35	48,35
48,4	0,84	-1,92	-8,63	11,04	44,07	3,97	86,63	48,35
8,95	58,68	-1,92	-15,08	45,22	26,62	3,97	64,03	3,47
43,91	0,11			1,17	6,99		64,03	3,47

Consolidated Financial Statements

in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union ("IFRS")



31.12.2022

CONTENT

Consolidated statement of financial position as at 31.12.2022	4
Consolidated global statement of comprehensive income at 31.12.2022	5
Consolidated statement of changes in equity for 31.12.2022	7
Consolidated statement of changes in equity for 2021	8
Consolidated cash flow statement for the year 2022	9
1. THE REPORTING ENTITY	10
2. GROUP ENTITIES	10
3. BASIS OF THE DRAFTING	12
a) Declaration of compliance	12
b) Basis of evaluation	12
c) Functional and presentation currency.....	14
d) Foreign currency	14
e) Use of professional estimates and rationales	14
3. SIGNIFICANT ACCOUNTING POLICIES	14
a) Implementation of IFRS 9.....	14
b) Financial instruments.....	15
c) Tangible assets	16
e) Real estate investments	17
g) Leasing payments	17
i) Non-deducted financial liabilities	18
j) Share capital	18
k) Employee benefits	18
l) Provisions.....	18
m) Selling goods and providing services	18
n) Rental income	18
o) Financial income and expenses	19
p) Profit tax	19
q) Earning per share	19
r) Reporting by segments.....	19
s) Standards and interpretations issued by the IASB but not yet adopted by the EU	20
4. OPERATIONG SEGMENTS	21
The intermediary segment	21
Own portfolio management segment.....	21
Information on reportable segment	22
5. INTANGIBLE ASSETS	23
6. CORPORATE FIXED ASSETS	24
7. REAL ESTATE INVESTMENTS	25
8. FINANCIAL INVESTMENTS	25
9. LOANS AND ADVANCES GRANTED	26
10. INVESTMENTS IN ASSOCIATED ENTITIES	26
11. FIXED ASSETS HELD FOR SALE	27
12. COMMERCIAL AND SIMILAR RECEIVABLES	28
13. STOCKS	29
14. CASH AND CASH EQUIVALENTS	29

15. CAPITAL AND RESERVES	29
16. RESERVES AND REVALUATION DIFFERENCES	30
17. REPORTED RESULT	30
18. COMMERCIAL DEBTS AND OTHER DEBTS	31
19. LOANS	31
20. PROVISIONS FOR RISKS AND EXPENSES	33
21. ASSETS AND CONTINGENT LIABILITIES	33
22. INCOME FROM INTERMEDIATION ACTIVITY	34
23. INCOME FROM MARKET MAKING ACTIVITY	34
24. STAFF COSTS	34
25. COMMISSION AND INTERMEDIARY EXPENSES	35
26. EXPENSES WITH THE PROVISION OF SERVICES	35
27. OTHER EXPENSES OF THE BASIC ACTIVITY	35
28. GAIN/(LOSS) OF TRADING ACTIVITY	36
29. PROFIT TAX EXPENDITURE	37
30. THE RESULT PER SHARE	38
31. THE HIERARCHY OF FAIR VALUES	39
32. AFFILIATED PARTIES	43
33. EVENTS AFTER THE BALANCE SHEET DATE	43

Consolidated statement of financial position as at 31.12.2022

<i>In lei</i>			31.12.2022	31.12.2021
Assets	NOTE			
Intangible assets	4		9.593.319	9.294.515
Tangible fixed assets	5		9.265.243	9.767.438
Investment property	6		-	-
Financial assets at fair value through other comprehensive income	7		52.781.155	65.716.284
Financial assets at fair value through profit or loss	7		17.470.539	9.536.911
Financial assets at amortised cost	7		7.907.347	11.928.432
Loans and advances granted	8		1.787.182	7.917.268
Trade and other receivables	12		14.356.070	10.003.138
Other financial assets	12		58.483.263	59.137.366
Customer accounts with banks	14		50.505.061	43.999.952
Cash and cash equivalents	14		2.750.760	27.327.713
Bond premiums	14		245.154	-
Stocks	13		8.794.331	5.016.065
Total assets			233.939.424	259.645.082
Liabilities				
Borrowing from Bonds			28.000.000	28.000.000
Finance lease liabilities	26		84.843	648.179
Provisions			-	-
Total long-term debt			28.084.843	28.648.179
Deferred income tax liabilities				
Current income tax liabilities			917.638	6.728
Deferred income			-	558.690
Short-term bank debt			50.313	-
Current portion of finance lease liabilities	22		20.329.411	5.041.915
Amounts owed to customers (customer cash)	22		746.742	184.103
Trade and other payables	22		104.894.047	116.083.554
Provisions	21		16.349.110	13.183.940
Total current liabilities	23		827.930	822.755
Total liabilities			144.115.191	134.848.231
Total long-term debt			172.200.034	163.496.410
Equity capital				
Share capital	18		50.614.493	54.039.987
Share capital adjustment	18		4.769.353	4.071.591
Treasury shares	18		(1.391.444)	(130.414)
Capital premiums	18		13.682.722	13.682.722
Reserves from revaluation of financial assets at fair value through other comprehensive income			5.459.473	(2.514.578)
Other reserves	19		19.197.552	17.643.276
Current result	20		(23.295.659)	15.911.956
Retained earnings	20		(12.747.417)	(11.237.397)
Total equity attributable to equity holders of the Company			56.289.073	91.467.143
Non-controlling interests			5.450.316	4.681.529
Total equity and liabilities			233.939.424	259.645.082

Consolidated global statement of comprehensive income at 31.12.2022

	Note	31.12.2022	31.12.2021
Income basic activity		30.798.236	28.621.310
Income from intermediation activity		11.766.515	19.198.490
Intermediation commission income	25	7.227.128	10.064.629
Fund management income	25	2.925.545	3.138.034
Corporate income	25	475.849	8.424.707
Other core business income	25	3.306.174	1.348.846
Intermediary commission expenses	25	(2.168.419)	(3.777.726)
Net commission income		11.766.515	19.198.490
Income from market making activity		8.174.733	6.971.312
Net trading income	26	3.373.723	4.035.266
Income from market making services provided to issuers	26	4.801.010	3.195.688
Expenses with licenses and issuance of structured products		(483.478)	(259.642)
Net income from market making activity		7.691.255	6.971.312
Other income basic activity		10.856.988	2.191.866
Income from services rendered		7.372.853	884.459
Income from the sale of finished products and goods		36.078	1.930.662
Income from changes in stocks		(693.029)	(643.857)
Other income from basic activity		4.141.086	20.602
Total Expenditure core activity of which:		(31.044.095)	(13.467.975)
Salaries and employee benefits expenses	27	(12.885.747)	(5.151.435)
Expenses market commissions and intermediaries	28	(1.175.414)	(1.542.075)
Expenditure on external services	29	(8.323.255)	(1.842.703)
Expenses with collaborators	30	(418.064)	(425.689)
Other basic activity expenses	30	-	(607.764)
Value adjustments of intangible and tangible assets	30	(5.895.311)	(2.980.144)
Profit/(loss) from basic activity		(729.338)	14.893.693
Net realised gains/(losses) on financial instruments		(628.156)	2.654.797
Dividend income	31	1.732.562	392.400
Realised income from equity and bond transactions	31	3.477.661	3.190.535
Realised losses on transactions in shares and bonds	31	(5.838.379)	(928.138)
Net gains/(losses) on valuation of financial assets measured at fair value through profit and loss		(10.632.729)	6.982.270
Income from valuation of financial assets measured at fair value through profit and loss	31	8.687.676	11.357.597
Losses on valuation of financial assets measured at fair value through profit and loss	31	(19.320.405)	(4.375.327)
Net income/(expense) on provisions for non-current financial assets		(1.233.375)	(573.353)
Income from cancellation of provisions for non-current financial assets	31	-	300.000
Expenses on provisions for non-current financial assets	31	(1.233.375)	(873.353)
Other net interest and exchange rate income/(expenses)		(3.715.025)	426.968
Interest income on loans and bonds	31	381.309	51.547
Interest income on margin loans	31	241.238	99.914
Interest income other	31	(114.021)	13.659
Interest expense	31	(3.919.888)	(204.203)
(Expenses)/Exchange differences income house	31	(913.501)	
Net income/(expenses) provisions for risks and charges		598.696	30.514
Expenditure on provisions for risks and charges	31	(551.937)	-
Income reversal of provisions for risks and charges	31	1.682.888	7.608
Other net provisions	31	(532.255)	22.906
Other income/(expenses), net		(1.100.149)	(101.099)
Net gains/(losses) on sale of assets	31	23.500	(64.725)
Other operating expenses	31	(1.649.183)	(72.115)
Other operating income	31	525.534	35.741
Result of investment activities		(16.710.738)	9.420.097

Result from operating activities	(17.440.076)	17.272.070
Expenditure on other long-term employee benefits	(1.595.131)	-
Impairment charges on Goodwill	(4.021.085)	-
Profit before tax	(23.056.292)	24.313.790
Income tax expense	(239.367)	(277.128)
Profit from continuing operations	(23.295.659)	24.036.662
Discontinued operations	-	-
Loss from discontinued operations (after tax)	-	-
Profit for the period	(23.295.659)	24.036.662
Other comprehensive income	-	(239.980)
Net change in fair value of financial assets measured at fair value through other comprehensive income (FVTOCI) not transferred to profit or loss	-	(239.980)
Items available for reclassification to profit or loss	-	-
Net change in fair value of available-for-sale financial assets	-	-
Bonus shares received classified as available for sale	-	-
Changes in value of available-for-sale fixed assets	-	-
Positions that cannot be reclassified to profit and loss	-	-
Changes in value of fixed assets in use	-	-
Changes in value of investment property	-	-
Creation/withdrawal of reserves from profit for granting free shares to employees	-	-
Tax relating to other items of comprehensive income	-	-
Total other comprehensive income for the period	-	-
Total profit and loss account and other comprehensive income for the period	-	-
Attributable profit:	(23.295.659)	16.277.265
Shareholders of the Company	(20.888.004)	18.799.838
Non-controlling interests	(2.407.656)	5.236.824
Profit for the period	(23.295.660)	24.036.662
Total attributable comprehensive income:		
Shareholders of the Company		-
Non-controlling interests		-
Total comprehensive income for the period	-	-
Earnings per share		
Basic earnings per share (lei)	(0.0690)	0.04819
Diluted earnings per share (lei)	(0.0690)	0.04819
Continuing operations		
Basic earnings per share (lei)	(0.0690)	0.04819
Diluted earnings per share (lei)	(0.0690)	0.04819
31.12.2022		
Weighted average number of shares outstanding:	337.429.952	337.749.919

These financial statements were approved today, 24.03.2023.

Chairman of the Board
Robert Danila

CEO
Monica Ivan

CFO
Sandu Mircea Pali

Consolidated statement of changes in equity for 31.12.2022

<i>In lei</i>	Share capital	Capital adjustments	Capital premiums	Revaluation differences	Legal and statutory reserves	Other reserves	Reported result	Total equity
Balance on 1 January 2022	54.039.986	4.071.590	13.682.722	(2.514.578)	6.095.560	17.643.276	4.674.559	91.467.143
Profit for the period	-	-	-	-	-	-	(19.274.574)	(23.295.659)
Other comprehensive income	-	-	-	-	-	-	-	697.762
Gain transferred to income statement	-	-	-	7.800.616	-	-	-	7.800.616
Changes in value of fixed assets available for sale	-	-	-	-	-	-	-	-
Changes in value of fixed assets in use	-	-	-	-	-	-	-	-
Changes in value of investment property	-	-	-	38.981	-	(7.286)	7.286	38.981
Other changes in equity	-	-	-	-	-	1.668.869	(17.429.262)	(15.760.393)
Deferred income tax on fixed assets	-	-	-	-	-	-	-	-
Reserves from revaluation of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-
Decreases in share capital	(3.425.493)	-	-	-	-	-	-	-
Transfer of revaluation differences on assets sold to reserves	-	-	-	134.454	-	(134.454)	-	-
Transfer to retained earnings	-	-	-	-	-	-	(17.421.976)	(11.346.291)
Total other comprehensive income	(3.425.493)	-	-	7.974.051	-	1.527.129	(40.717.635)	(34.641.950)
Transactions with shareholders recognised in equity	-	-	-	-	-	1.527.129	-	-
Cancellation of own shares	-	(1.285.077)	-	-	-	27.147	-	1.527.129
Repurchase of own shares	-	-	-	-	-	-	-	(1.257.930)
Dividends payable for 2021	-	-	-	-	-	-	-	-
Total transactions with shareholders recognised in equity	-	-	-	-	-	-	-	536.121
Balance on 30 Decembrie 2022	50.614.493	4.769.353	13.682.722	5.608.236	6.095.560	2.775.907	(32.021.991)	56.289.073

Consolidated statement of changes in equity for 2021

<i>In lei</i>	Share capital	Capital adjustments	Own shares	Capital premiums	Revaluation differences	Legal and statutory reserves	Other reserves	Reported result	Total equity
Balance on 1 January 2021	54.039.986	4.071.590	(24.048)	5.354	5.877.144	4.995.526	2.748.759	(2.388.183)	68.645.589
Profit for the period	-	-	-	-	-	-	-	-	22.000.682
Other comprehensive income	-	-	-	-	-	-	-	-	(239.980)
Gain transferred to income statement	-	-	-	-	-	1.100.034	-	(1.100.034)	-
Changes in value of fixed assets available for sale	-	-	-	-	-	-	-	-	-
Changes in value of fixed assets in use	-	-	-	-	-	-	-	-	-
Changes in value of investment property	-	-	-	-	-	-	-	-	-
Other changes in equity	-	-	-	-	-	-	-	-	(978.690)
Deferred income tax on fixed assets	-	-	-	-	-	-	-	-	-
Movements in the comprehensive income account	-	-	-	-	-	-	-	-	-
Decreases in share capital	-	-	-	-	-	-	-	-	-
Transfer of revaluation differences on assets sold to reserves	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	1.100.034	-	-	(1.218.671)
Total other comprehensive income	-	-	-	-	-	1.100.034	20.852.712	-	90.646.271
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-
Transactions with own shares	-	-	-	-	-	-	-	-	-
Repurchase of own shares	-	-	-	-	-	-	-	-	-
Total transactions with own shares	-	-	-	-	-	-	-	-	-
Balance at 31 December 2021	54.039.986	4.071.590	(24.048)	13.682.722	(2.514.578)	6.095.560	17.643.276	4.674.559	91.467.143

Consolidated cash flow statement for the year 2022

	31.12.2022	31.12.2021
Cash flows from operating activities:		
Gross profit	(23.056.293)	15.413.628
Adjustments for:	-	-
Depreciation, amortization and impairment adjustments on property, plant and equipment and intangible assets	2.919.293	2.228.954
Impairment adjustments on current assets - net	1.069.229	1.403.990
Adjustments on provisions for risks and charges - net	-	-
Interest income	(3.547.459)	(900.994)
Interest expense	3.500.741	1.241.576
Loss/(gain) on sale or disposal of tangible and intangible assets	-	(313.197)
Operating profit before changes in working capital	(19.114.489)	19.073.957
Decrease / (Increase) in trade and other receivables	1.116.874	2.605.112
(Increase) / Decrease in inventories	(3.778.266)	(4.643.975)
(Decrease) / Increase in trade and other payables	(9.093.789)	9.571.951
Net cash flow from operating activities	(26.848.586)	26.607.045
Interest paid	(3.500.741)	(1.241.576)
Income tax paid	(1.150.277)	(981.802)
Cash flows from operating activities	(35.520.688)	24.383.667
Cash flows from investing activities:		
Payments for the acquisition of property, plant and equipment	(6.861.680)	(13.126.169)
Proceeds from sale of tangible and intangible fixed assets	-	182.892
Cash payments for the purchase of participating interests, investments in financial fixed assets or investment securities	12.935.129	(20.192.040)
Interest received	3.547.459	900.994
Loans granted or received, including loans granted to related parties	-	-
Increase in share capital	-	-
Financial assets at fair value through other comprehensive income	(7.933.628)	(8.690.279)
Cash flows from investing activities	(1.687.280)	(40.924.602)
Cash flows from financing activities:		
Net change in borrowings	15.761.563	3.652.163
Loans granted to affiliated entities	-	-
Borrowings for bond issue	-	27.303.570
Dividends paid	-	-
Payment of finance lease liabilities	-	(184.103)
Cash flow used in financing activities	15.761.563	30.771.630
Net decrease/increase in cash and cash equivalents	(18.071.845)	14.230.695
Effect of exchange rate changes on cash and cash equivalents held or due in foreign currency	-	-
Cash and cash equivalents at beginning of financial year	71.327.665	57.096.969
Cash and cash equivalents at end of financial year	53.255.821	71.327.664

1. THE REPORTING ENTITY

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

The Company's shares are listed on the Bucharest Stock Exchange ("BSE"), Premium category, with the stock symbol BRK, since 05 FEBRUARY 2005.

The records of shares and shareholders are kept by the Central Depository S.A., Bucharest, under the terms of the law.

The financial statements of SSIF BRK FINANCIAL GROUP SA represent consolidated statements ("financial statements") of the Company and have been prepared in accordance with Standard No. 39/2015 for the approval of Accounting Regulations in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), applied by entities authorised, 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 consolidated annual financial statements for the financial year 2022 and 2021 have been prepared on the basis of the accounting regulations, standards and policies included in these financial statements.

2. GROUP ENTITIES

BRK Financial Group's direct shareholdings in the Group's subsidiaries refer to the shareholdings in the companies shown in the table below.

Group company	Main field of activity	Number of shares held	Nominal value of the share	Shareholding 31.12.2022 (%)
SAI BROKER SA	Fund management activities	220.581	10	99,98%
Firebyte Games SA	Custom software development activities	16.650.000	0,1	48,93%
Gocab Software SA	Custom software development activities	42.250.000	0,1	49,12%
Romlogic Technology SA	Manufacture of computers and peripheral equipment	1.061.484	10	90,74%
BRK POWER ENERGY	Electricity production	2.500.000	0,1	50,00%

Legal requirements require reporting entities to consolidate their financial statements with those of the entities in which they have invested and which they control.

General information - SAI Broker

SAI Broker SA was established in the second half of 2012 and aims to offer investors viable investment alternatives through the products it intends to launch, so that through proper management of the portfolio of financial assets it aims to optimize the ratio between potential return and investment risk assumed. The company has the dynamism and tenacity required for such a challenge, as well as the experience accumulated over the years, which together constitute the prerequisites for the success of a policy focused on the client's needs.

The company's main field of activity is: 663 - 'Fund management activities'. The company's main object of activity classified according to the Classification of Activities in the National Economy (C.A.E.N.) is: 6630 "Fund management activities": (1) management of undertakings for collective investment in transferable securities (UCITS) established in Romania or in another EU Member State; (2) in addition to the management of UCITS, the company may manage alternative investment funds (AIF).

SAI Broker S.A. manages 9 investment funds (as of 31 December 2022), as follows:

- open-ended funds (FIX INVEST Open-ended Investment Fund, Prosper Invest Open-ended Investment Fund, Fortuna Classic Open-ended Investment Fund, Fortuna Gold Fund).
- closed funds, aimed at retail investors (FIAIR BET-FI Index Invest) or at professional investors (FIAIP SMART Money, FIAIP Optim Invest, FIAIP H.Y.B. Invest and FIAIP Alpha Invest).

General information - Firebyte Games SA

Firebyte Games S.A., was founded in December 2017, specializing in mobile game development. The company operates in a very dynamic and competitive environment given that access to the global market is quite easy. The Firebyte Games project was defined and initiated by Mr. Ovidiu Stegaru, who has served as CEO since its inception until today. The financial backing of the company was provided by BRK Financial Group and Mr. Andrici Adrian. The expertise of Mr. Ovidiu Stegaru and his experience and that of the team he proposed for the launch and development of the Firebyte project, together with the very good dynamics of the global gaming industry, 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 throughout 2018 and the first part of 2019. Since 2019, the company has perfected partnerships with globally renowned publishers. This strategic option was adopted mainly due to the fact that the marketing budget for launching a game on the global market is significant and the success of a game depends largely on the marketing budget used in the publishing campaign. In its first 3 years of operation the company developed 45 games or game prototypes for mobile devices, most of which were Hypercasual games in revenueshare partnerships. The company listed on the BVB, AeRo segment starting April 6, 2021.

Since its inception, the company has set a bold medium and long-term goal to become a major globally recognized game studio in both the development and publishing of mobile games. In its three years of operation, the company has invested significantly in staff development, data management and collection, as well as improving executive management's monitoring and project management processes.

The main factors behind the success of a company in the mobile games industry are:

- Setting up and managing development teams;
- Management of specifications and key product elements;
- Game architecture;
- Game marketing.

The company's business model is focused on two directions:

- Game development in collaboration with external partners through revenue-share agreements.
- Development and publishing of casual games on its own

In April 2022, the company's Board of Directors approved its participation through its Turkish subsidiary in the development of a GameFi metaverse called Age of Battles in the blockchain technology sphere.

On June 28, 2022, the Company convened the General Meeting of Shareholders, requesting approval of the Company's participation by offering product development services in a project in the sphere of blockchain technology and the empowerment of the Board of Directors to represent the Company.

In October 2022, the company announced the conclusion of a significant contract with the French company Voodoo SAS, which is one of the leading publishers of mobile games globally.

General information - Gocab Software SA

GoCab Software is a company that has developed and operates an app dedicated exclusively to taxi drivers, which numbers over 5.000 taxi driver partners throughout the country, and is already available in 19 cities (Bucharest, Cluj-Napoca, Brasov, Oradea, Baia Mare, Craiova, Tulcea, Buzău, Iași, Sibiu, Arad, Timișoara, Deva, Reșița, Galați, Brăila, Alexandria, Giurgiu, Constanța) Through the GoCab app, passengers can order a taxi online, simply and quickly from any city in the country, and the process is intuitive. The app offers a pleasant user experience, with transparency in terms of the price of the journey and full flexibility in terms of payment methods: by card directly in the app, by physical card, cash or through vouchers offered free of charge by the app developers. In addition, all drivers are verified and journeys are geo-tagged for added safety.

The modules developed and integrated into the GoCab application are aimed at;

- Commands,
- Dispatchers / Carriers,
- Corporate,
- Fleet,
- Collections and Payments,
- Bonus,
- Partners,
- Notifications,
- Users.

The company aims to:

- To develop the most appreciated and used app in Romania among taxi drivers,
- To increase the quality of the urban taxi service,
- To increase revenue or benefits for taxi drivers through partnerships and additional services.
- The company's two main investment directions are:

- The development of the application suite, by implementing modules to facilitate and/or automate the processes used in the taxi business,
- Marketing campaigns aimed at customers and drivers using the GoCab application.

Monetization model adopted/adopted:

- GoCab Pro service whereby customers will receive a guarantee that their order will be honoured and taxi drivers will be guaranteed a minimum number of orders for a predefined period,
- Related services, through partnerships, developed by the company for the benefit of GoCab affiliates, which will generate a significant component of operational revenue,
- Monetisation of orders submitted as part of the standard service will be an alternative source of operational revenue.

General information - Romlogic Technology SA

The company started its work with a technical blog to support several projects. One of them involved a long-term collaboration with a taxi dispatcher in Bucharest. Growing very quickly and reaching a high level, it turned into a complete and efficient transport service solution.

The company provides software support for various projects, hardware maintenance and IT infrastructure implementation. Innovation is a key element of the company's business. It is constantly concerned with discovering new developments in the market and implementing them in the services it offers, in order to become more efficient and to expand its knowledge area. A very good example of innovation is the Equinox device, which incorporates a radio transceiver, GPS, dedicated ordering software and, of course, the classic taxi.

General information - BRK Power Energy SA

BRK Power Energy proposes to build and commission a gas-fired power plant consisting of 4 engines each with an electrical capacity of 3.36 MWh (total 13.44 MWh). The power plant will supply electricity mainly to the system services market (balancing market - tertiary system). At the same time the power plant will also produce heat energy that can be delivered to third parties established in the vicinity of the plant.

The total value of the investment amounts to approx. 8.5-9 million (depending on location), of which 4.75 million will be a supplier credit from the electric motor manufacturer. The company intends to acquire the land necessary for the investment and is in the process of due diligence for a possible location. Following the acquisition of the land, the company will start the process of obtaining the necessary approvals and authorisations for the investment, and will also initiate a private placement fundraising.

3. BASIS OF THE DRAFTING

a) Declaration of compliance

The consolidated financial statements are prepared by the Company in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), the Company has prepared these consolidated financial statements in order to comply with the requirements of the updated Rule 39/2015 for the approval of Accounting Regulations in accordance with International Financial Reporting Standards applicable to entities authorised, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector (FSA).

For the purposes of Rule 39/2015, International Financial Reporting Standards, hereinafter referred to as IFRS, are standards adopted in accordance with the procedure laid down 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 amended and supplemented.

b) Basis of evaluation

The financial statements have been prepared on the historical cost basis except for the following significant items in 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;
- investment property is valued according to the revaluation model in accordance with the provisions of IAS 40;
- non-current assets representing buildings and related land are measured at revalued amount in accordance with the provisions of IAS 16;
- non-current assets available for sale are measured at fair value in accordance with IFRS 5;

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 measuring unit current at the balance sheet date (non-monetary items are restated using a

general price index at the date of acquisition or contribution).

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

The continued decline in the inflation rate and other factors related to the characteristics of the economic environment in Romania indicate that the economy whose functional currency has been adopted by the Society has ceased to be hyperinflationary, with an effect on the financial periods since 1 January 2004. Therefore, the provisions of IAS 29 have been adopted in the preparation of the separate financial statements up to 31 December 2003.

Thus, amounts expressed in the current unit of measure at December 31, 2003 are treated as the basis for the carrying amounts reported in the individual financial statements and do not represent appraised values, replacement cost, or any other measure of the current value of assets or the prices at which transactions would occur at that time.

For the purpose of preparing the consolidated financial statements, the Company adjusts the share capital to be expressed in the unit of measure current at 31 December 2003.

Continuity of activity

Based on management's own assessment that the Company will continue to operate for the foreseeable future, the Company's management estimates that the Company will continue to operate for more than 12 months from the date of these financial statements.

Determination of fair values

Certain of the entity's accounting policies and disclosure requirements require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the methods described below. Where appropriate, additional information on the assumptions used in determining fair values is disclosed in the notes specific to the asset or liability concerned.

i. Investments in equity securities

Other forms of fair value that are not based on the last trading price are the following:

1. Trading price: for listed equity holdings, the Company considers the market to be active and liquid and uses as fair value the closing price of the last trading period at the end of the financial year.
2. Fair value determined by applying the DDM (Discounted Dividend Model): if the company has a consistent history of dividend distributions 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 by applying the DCF (Discounted Cash Flow) method: if the company does not distribute dividends and the valuation is made from the perspective of a significant shareholder, the valuation price is considered to be the intrinsic value resulting from the DCF model.
4. Fair value determined by the asset-based method: if the company has valuable redundant assets and the operational activity is small, the valuation price is considered to be the intrinsic value resulting from the application of the adjusted net asset method.
5. Fair value resulting from the application of the comparable-trade method: if in the last year on the local stock market there have been significant transactions (>10% of the capital) with the shares of companies operating in the same field of activity as the analysed company, the valuation price is considered to be the intrinsic value determined by applying the comparative method (using as reference valuation multiples such as: P/E, P/B, P/S, etc. at which the respective transactions took place in relation to the results published by the companies in the previous financial year).

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 market interest rate at the reporting date. This fair value is determined for the purpose of presenting.

iii. Derivative financial instruments

The fair value of closed derivatives at the end of the period is calculated as the minimum of the number of put and call positions multiplied by the difference between the average put and call prices and further multiplied by the number of contracts in the package. The resulting value affects the income statement.

The fair value of open derivatives at the end of the period is calculated, if at the end of the period there are more put contracts than call contracts, as follows: the number of open positions calculated as the number of put positions minus the number of call positions, multiplied by the difference between the average sale price and the quotation price at the end of the period. Symmetrically, if there are more buy contracts than sell contracts at the end of the period, the resulting value corrects for the initial value of the security given the margin built up.

iv. Financial debts

Fair value, determined for presentation purposes, is 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 to related parties are recorded at fair value. Adjustments for loans are calculated based on the stage at which it is classified according to the criteria described in Note 3 of these financial statements.

c) Functional and presentation currency

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

d) Foreign currency

Foreign currency transactions are converted into the entity's functional currency at the exchange rate on the transaction date. Monetary assets and liabilities, which at the reporting date are denominated in foreign currencies, are translated into the functional currency at the exchange rate on the reporting date. Exchange differences are recognised directly in other comprehensive income. The exchange rates of the main foreign currencies published by the National Bank of Romania as at 31 December 2022 are as follows: 4.9474 Lei/EUR; 4.6346 Lei/USD and 5.5878Lei/GBP (31 December 2021: 4.9481 Lei/EUR; 4.3707 Lei/USD and 5.8994 Lei/GBP).

e) Use of professional estimates and rationales

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses; actual results could differ from estimated amounts.

Estimates and underlying assumptions are reviewed periodically, revisions to accounting estimates are recognized in the period in which the estimate was revised and in future periods affected.

Information about critical professional judgements in applying accounting policies that significantly affect the amounts recognized in the consolidated 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 - impairment losses on available-for-sale securities, which are reclassified from equity to financial expenses;
- Note 16 - Deferred tax assets and liabilities;
- Note 24 - Liabilities and contingent assets;
- Note 33 - Fair value hierarchy.

3. SIGNIFICANT ACCOUNTING POLICIES

The following will outline the significant policies applied by the Company. These consolidated financial statements (financial statements) have been prepared in accordance with IFRS and the accounting policies of the Company as set out below, these financial statements are the responsibility of the management of BRK Financial Group SA. The accounting policies set out below have been applied consistently for all periods presented in these financial statements.

a) Implementation of IFRS 9

IFRS 9 replaces the existing provisions in IAS 39 'Financial Instruments: Recognition and Measurement' and includes new principles for the classification and measurement of financial instruments, a new credit risk model for the calculation of impairment of financial assets and new general hedge accounting requirements. It also retains similar principles to IAS 39 on the recognition and derecognition of financial instruments..

SSIF BRK FINANCIAL GROUP SA has adopted IFRS 9 with the date of initial application on 1 January 2018, the Company holds the following financial instruments: equity investments, bonds, cash and current accounts, units in closed-end funds, derivative financial instruments, other financial assets and liabilities. Following the analysis performed, from the date of initial application of IFRS 9, BRK has decided to classify all investments at fair value through profit and loss (default option provided by IFRS 9). This approach is in line with the company's business model of managing the performance of its portfolio on a fair value basis with the aim of maximising returns to shareholders and increasing net assets per share by investing mainly in Romanian shares and securities. There were no changes in the carrying amount of financial assets and liabilities on transition to IFRS 9 on 1 January 2018 compared to their previous value determined in accordance with IAS 39, except as shown in the table below.

b) Financial instruments

i. Financial instruments

The Company initially recognises loans, receivables and deposits at the date on which they were initiated. All other financial assets (including assets designated at fair value through profit or loss) are initially recognised at the date the entity becomes party to the contractual terms of the instrument.

The entity derecognises a financial asset when the contractual rights to the cash flows generated by the asset expire.

The entity holds the following significant non-derivative financial assets: financial assets at fair value through profit or loss, loans and receivables.

• **Financial assets at fair value through profit or loss**

Following the adoption of IFRS 9, on 1 January 2018 the company classified all portfolio investments at fair value through profit or loss (implicit option provided by IFRS 9). A financial asset is classified at fair value through profit or loss if it is classified as held for trading or if it is so designated on initial recognition. Financial assets are designated as at fair value through profit or loss if the entity manages these investments and makes decisions to buy or sell them at fair value in accordance with its investment and risk management strategy. On initial recognition, attributable transaction costs are recognised in the income statement when incurred. Financial instruments at fair value through profit or loss are measured at fair value and subsequent changes are recognised in the income statement. Financial assets at fair value through profit or loss are not subject to impairment testing. Loans granted to affiliated companies are tested for impairment based on the fulfilment of established scenarios that take into account the probability of repayment of the respective loans in due time.

• **Loans and receivables**

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market, such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method less impairment losses.

Cash and cash equivalents comprise cash balances and demand deposits with original maturities of up to three months.

• **Financial assets and financial liabilities at amortised cost**

Financial assets at amortised cost are tested for impairment in accordance with the requirements of IFRS 9.

In this sense, these instruments are classified into Stage 1, Stage 2 or Stage 3 depending on their absolute or relative credit quality in terms of initial payments, as follows:

Stage 1: includes (i) newly recognised exposures; (ii) exposures for which the credit risk has not significantly deteriorated since initial recognition; (iii) exposures with low credit risk (low credit risk relief).

Stage 2: includes exposures that, although performing, have experienced a significant deterioration in credit risk since initial recognition.

Step 3: includes impaired credit exposures.

For stage 1 exposures, the impairment is equal to the expected loss calculated over a time horizon of up to one year. For exposures in stages 2 or 3, the impairment is equal to the expected loss calculated over a time horizon corresponding to the entire duration of the exposure.

In terms of bank deposits and bonds at amortised cost, the Company has chosen to apply the low credit risk exemption in full compliance with IFRS 9. Impairment adjustments for receivables are based on the present value of expected principal cash flows, for determining the present value of future cash flows, the basic requirement is the identification of expected collections, the timing of payments and the discount rate used.

The company has defined "non-performing" exposures as those claims that meet one or both of the following criteria:

- exposures for which the Company assesses that the debtor is unlikely to pay its obligations in full, regardless of the amount of the exposure and the number of days for which the exposure is past due;
- unpaid amounts.

The Company has applied the Amendments to IFRS 10, IFRS 12 and IAS 27 from 1 January 2015, on which date, after reviewing

the criteria set out in the Amendments, the Company's management concluded that the Company meets the conditions for classification as an investment entity.

The Company reviewed during 2021 the criteria for classification as an investment entity and concluded that it does not meet them, which is why it has elected to measure its holdings in subsidiaries at fair value through other comprehensive income.

- **Financial assets designated at fair value through other comprehensive income ("FVTOCI")**

After initial recognition, a financial asset is classified as at fair value through other comprehensive income only if two conditions are met simultaneously:

- the asset is held within a business model whose objective is to hold the financial assets both to collect contractual cash flows and to sell them;
- the contractual terms of the financial asset give rise, at specified dates, to cash flows representing solely payments of principal and interest.

In addition, on initial recognition of an investment in equity instruments that is not held for trading, the Company may elect irrevocably to present subsequent changes in fair value in other comprehensive income.

The Company has used the irrevocable option to designate these equity instruments at fair value through other comprehensive income as these financial assets are held both for the collection of dividends and for gains from their sale, not for trading.

A gain or loss on an equity instrument measured at fair value through other comprehensive income shall be recognised in other comprehensive income, except for dividend income.

- ii. **Derivative financial instruments**

Derivative financial instruments are initially recognised at fair value, attributable transaction costs are recognised in the income statement when realised, subsequent to initial recognition derivative financial instruments are measured at fair value and subsequent changes are recognised immediately in the income statement.

- i. **Financial assets (including receivables)**

A financial asset that is not carried at fair value through profit or loss is tested for impairment at each reporting date to determine whether there is objective evidence of impairment. A financial asset is considered impaired if there is objective evidence that, subsequent to initial recognition, an event has occurred that has caused a loss and this event has had a negative impact on the asset's expected future cash flows and the loss can be reliably estimated.

Objective evidence indicating that financial assets (including equity instruments) are impaired may include the failure of a debtor to meet payment obligations, the restructuring of an amount owed to the entity on terms that the entity would not otherwise accept, indications that a debtor or issuer will go bankrupt, the disappearance of an active market for an instrument, in addition, for an investment in equity instruments, a significant and prolonged decline below cost in its fair value is objective evidence of impairment under IAS 39 for available-for-sale financial assets, a criterion that no longer applies after the transition to IFRS 9 as the Company has opted for fair value measurement through profit or loss of both equity and debt instruments.

- ii. **Non-financial assets**

The carrying amounts of the entity's non-financial assets, other than investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is evidence of impairment. If such evidence exists, the recoverable amount of the asset is estimated, for goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year.

The recoverable amount of an asset or cash-generating unit is the higher of value in use and fair value less costs to sell. In determining value in use, expected future cash flows are discounted to determine present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

- c) **Tangible assets**

- i. **Recognition and evaluation**

Items included in property, plant and equipment are measured at the date of recognition at cost and subsequently at revalued amount less accumulated depreciation and accumulated impairment losses.

Gains or losses on disposal of property, plant and equipment are determined by comparing the proceeds from the disposal of the asset with the carrying amount of the property, plant and equipment and are recognised on a net basis within other income in the income statement. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings. The revaluation reserve is reduced each financial year by the corresponding amount of depreciation and transferred to retained earnings.

- ii. **Reclassification as investment real estate**

Real estate investments are defined below under *Real estate investments (point e)*.

When the use of a property changes from owner-occupied real estate to investment property, the property is revalued to fair value and reclassified as investment property.

iii. Subsequent costs

The cost of replacing a component of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied in that component will flow to the entity and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. Expenditure on ongoing maintenance of property, plant and equipment is recognised in the income statement as it is incurred.

iv. Depreciation of tangible fixed assets

Depreciation is calculated on the depreciable value, which is the cost of the asset, or another value that replaces cost, less the residual value.

Depreciation is recognised in the income statement using the straight-line method over the estimated useful life of each component of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and the useful life, unless it is known with reasonable certainty that the entity will obtain ownership at the end of the lease term. Land is not depreciated.

The useful lifetimes for the current period and comparative periods are as follows:

- construction - 40 years
- technical installations and machinery - 2-10 years, with 5 years average total value
- means of transport - 5 years
- other plant, machinery and furniture - 3-10 years, with 5 years average total value

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted accordingly.

d) Intangible fixed assets

a. Commercial fund

Commercial fund resulting from the acquisition of subsidiaries is included in intangible assets. It is valued at cost less accumulated impairment losses.

b. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the value of the future economic benefits embodied in the asset to which it is attributed. All other expenses, including goodwill expenses, are recognised in the income statement when incurred.

c. Amortisation of intangible assets

Depreciation is calculated on the cost of the asset or another value that replaces the cost, less the residual value.

Depreciation is recognised in the income statement using the straight-line method over the estimated useful lives of intangible assets, other than goodwill, from the date they are available for use, which most closely reflects the expected pattern of consumption of the economic benefits embodied in the assets.

The estimated useful lives for the current and comparative periods are as follows: 3 years for all intangible assets except commercial fund.

Depreciation methods, useful lives and residual values are reviewed at the end of each financial year and adjusted if necessary.

e) Real estate investments

Investment property is property held either for rental or for capital appreciation or both, but not for sale in the ordinary course of business, use in production, supply of goods or services or for administrative purposes. Investment property is valued in the same way as used assets, at fair value, any appreciation or depreciation in value being recognised in the income statement.

f) Assets acquired under leasing contracts

Leases under which the entity substantially assumes the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at the lower of fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to the asset.

Other leases are categorised as operating leases.

Celelalte contracte de leasing sunt clasificate ca leasing operational.

g) Leasing payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term. Incentives received in respect of operating leases are recognised as an integral part of the total lease expense over the lease term. Minimum lease payments made under a finance lease are allocated between the finance charge and the reduction of the outstanding debt. The finance charge is allocated to each period over the lease term so as to produce a constant periodic rate of interest on the outstanding balance of the debt.

Determining the extent to which an arrangement contains a lease: at the inception of an arrangement, the entity determines whether the arrangement is or contains a lease transaction.

h) Tangible fixed assets held for sale

Property, plant and equipment or disposal groups containing assets or liabilities whose carrying amount is expected to be recovered principally through sale, rather than through continuing use, are classified as assets held for sale.

Prior to reclassification to property, plant and equipment held for sale, assets or components of a disposal group are revalued in accordance with the entity's accounting policies; in general, assets or disposal groups are subsequently measured at the lower of carrying amount and fair value less costs to sell.

Impairment losses relating to a disposal group are allocated initially to goodwill and then pro rata to the remaining value of assets and liabilities, except that no impairment will be allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the entity's accounting policies. Impairment losses arising on initial classification as held for sale and subsequent gains or losses as a result of revaluation are recognised in the income statement. Gains in excess of cumulative impairment losses are not recognised.

i) Non-deducted financial liabilities

Liabilities are recognised at the date the entity becomes a party to the contractual terms of the instrument.

The entity derecognizes a financial liability when contractual obligations are discharged, cancelled or expire.

The entity has the following non-derivative financial liabilities: trade payables, payables to customers for cash deposited by them and other payables.

These financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

j) Share capital

Ordinary shares

Ordinary shares are classified as part of equity, Additional costs directly attributable to the issue of ordinary shares are recognised as a reduction of equity net of tax effects.

Buyback of share capital (treasury shares)

When share capital recognised as part of equity is repurchased, the amount of the consideration paid, which includes other directly attributable costs, net of tax effects, is recognised as a reduction of equity. The repurchased shares are classified as treasury shares and are presented as a reduction of equity, when the treasury shares are subsequently sold or reissued, the amount received is recognised as an increase in equity and the surplus or deficit on the transaction is transferred to/reported in retained earnings.

k) Employee benefits

Short-term benefits

Short-term employee benefits are measured on an undiscounted basis and the expense is recognized as the related services are rendered.

A liability is recognised at the amount expected to be paid under short-term cash bonus or profit-sharing plans if the entity has a legal or constructive obligation to pay this amount for services previously provided by employees and the obligation can be reliably estimated.

l) Provisions

A provision is recognised if, as a result of a past event, the entity has a present legal or constructive obligation that can be measured reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting expected future cash flows using a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the debt. Amortisation of discounting is recognised as a financial expense.

m) Selling goods and providing services

Revenue from sales during the current period is measured at the fair value of the consideration received or receivable. Revenue is recognised when the risks and rewards of ownership of the goods are transferred significantly and the amount of revenue can be measured reliably. The timing of the transfer of risks and rewards varies according to the individual terms of the sales contracts.

In the case of intermediation, commission income is recognised on the date of the transaction. In the case of dividend income, it is recognised when the right to receive it arises.

n) Rental income

Rental income from investment property is recognised in the comprehensive income statement on a straight-line basis over the lease term.

o) Financial income and expenses

Financial income includes:

- interest income on bank deposits,
- dividend income,
- gains on sale: assets recorded at fair value through profit or loss,
- gains on the revaluation of shares held in own portfolio.

Dividend income is recognised in the income statement on the date on which the entity's right to receive dividends is established, which in the case of listed instruments is the ex-dividend date.

Financial expenditure includes:

- impairment losses recognised on financial assets carried at fair value through profit or loss;
- foreign exchange gains and losses are reported on a net basis.
- Bank interest expenses;
- Interest expenses on bonds.

p) Profit tax

Income tax expense includes current tax and deferred tax. Current tax and deferred tax are recognised in the income statement unless they relate to business combinations or items recognised directly in equity or other comprehensive income.

Current tax is the tax expected to be paid or received on taxable income or deductible loss realized in the current year, using tax rates enacted or substantially enacted at the reporting date, as well as any adjustments to prior years' income tax liability.

Deferred tax is recognised for temporary differences arising between the carrying amount of assets and liabilities used for financial reporting purposes and the tax base used for the calculation of tax.

Deferred tax is not recognised on temporary differences arising on initial recognition of goodwill.

Deferred tax assets and liabilities are set off only if there is a legal right to set off current tax assets and liabilities and if they relate to taxes levied by the same tax authority for the same taxable entity or for different taxable entities, but which intend to settle current tax assets and liabilities on a net basis or whose tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences only to the extent that it is probable that future profits will be available against which the tax loss can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised. Note 16 on deferred tax assets and liabilities mentions cases where deferred tax assets have not been recognised as assets.

q) Earning per share

The entity presents information on basic and diluted earnings per share for its common shares. Basic earnings per share is calculated by dividing profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted by the value of treasury shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of shares outstanding, adjusted by the value of treasury shares held, by the dilutive effects of all potential ordinary shares, which include share options granted to employees.

r) Reporting by segments

An operating segment is a component of the entity that engages in activities from which it could earn revenues and incur expenses, including revenues and expenses related to transactions with any of the other components of the entity.

The operating results of an operating segment are reviewed periodically by the Company's management to make decisions on resources to be allocated to the segment and to analyze its performance, and for which separate financial information is available.

a) ***New standards, amendments and interpretations applicable after 1 January 2021***

There are new standards, amendments and interpretations that apply to annual periods beginning after January 1, 2021 that have not been applied in the preparation of these financial statements.

Below are the standards/interpretations that have been issued and are applicable from or after 1 January 2021.

- **Benchmark interest rate reform - amendments to IFRS 7, IFRS 9 and IAS 39 (1 January 2020)**

The amendments modify certain hedge accounting requirements to provide some exemptions from benchmark interest rate reform.

- ***As of September 31, 2021, the following standards and interpretations had been issued but were not mandatory for annual reporting periods ending December 31, 2021.***

- **IFRS 17 Insurance Contracts (1 January 2021, probable extension to 1 January 2022)**

IFRS 4 will soon be replaced by a new standard on insurance contracts, consequently, the temporary exemptions and or the general approach of IFRS 9 for insurance companies will no longer apply when the new standard is issued.

IFRS 17 was issued in May 2017 as a replacement for IFRS 4. It assumes a valuation model in which estimates are reassessed each year. Contracts are measured taking into account the following elements:

- Discounted cash flows weighted by probability of realisation
- An explicit risk adjustment
- A contractual service margin representing the contract profit recognized as revenue for the period covered.

- **Classification of current and non-current liabilities - Amendments to IAS 1**

The amendment to IAS 1 states that liabilities should be presented on a payables basis, based on the rights that exist at the balance sheet date. The classification is not affected by expectations of the entity or events after the reporting date. The amendment also clarifies what is meant by the 'extinguishment' of a liability.

- **Amendments to IAS 16 - Property, Plant and Equipment**

The amendment prohibits an entity from deducting from the cost of an item of property, plant and equipment income realised as a result of the use of the item of property, plant and equipment during the period that the item of property, plant and equipment is being brought up to the level necessary for its operation.

- **Definition of a business - Amendments to IFRS 3**

The modified definition of a business requires an acquisition to include input data and a substantive process that together contribute significantly to the company's ability to create results. The definition of "results" is modified to focus on goods and services delivered to customers that generate investment and other income and excludes returns in the form of cost savings or other economic benefits. These changes may lead to a proliferation of acquisitions that are considered asset acquisitions.

- **Onerous contracts - Cost of performance of a contract - Amendments to IAS 37**

The amendments to IAS 37 clarify the direct costs of fulfilling a contract and the allocation of other costs directly to the fulfilment of that contract. Before recognising a provision for contract performance, the entity shall recognise any impairment of assets that arose in the performance of the contract.

- **Annual improvements for the 2018 - 2020 cycle (effective from 1 January 2022)**

- IFRS 9 – Financial Instruments - clarifies what kind of fees should be included in the 10% test on derecognition of financial liabilities.
- IFRS 16 – Rents - amendment to example 13 removing the illustration of payments from the landlord in respect of upgrades, to remove confusion about the treatment of advances in respect of rents.
- IFRS 1 – First-time adoption of IFRS - allows entities to measure assets and liabilities at carrying amounts recorded in the parent company's financial statements, together with any related exchange differences.

IAS 41 - Agriculture - removal of the requirement for entities to exclude cash flows for fees determined by fair value measurement under IAS 41.

- **Definition of accounting estimates - amendment to IAS 8 (effective from 1 January 2023)**

The IASB has issued an Amendment to IAS 8 "Accounting Policies" that clarifies how entities should distinguish between changes in accounting estimates and changes in accounting policies. The distinction is important because changes in accounting estimates are applied prospectively, but changes in accounting policies are generally applied retrospectively and for the current period.

s) Standards and interpretations issued by the IASB but not yet adopted by the EU

At the reporting date of these financial statements, IFRS as adopted by the EU do not differ significantly from the regulations adopted by the IASB, except for the following standards, amendments and interpretations, which are applicable to the Company and whose application has not yet been endorsed by the EU by the date of authorisation of these financial statements:

- Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture, and other amendments (the effective date of application has been deferred indefinitely pending completion of the equity method research project).
- Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Error Corrections' - definition of materiality (applicable for annual periods beginning on or after 1 January 2020).
- Amendments to IAS 28 Investments in Associates and Joint Ventures - Long-term Interests in Associates and Joint Ventures (effective for annual periods beginning on or after 1 January 2019).
- Amendments to various standards as a result of the "Improvements to IFRSs (2015-2017 cycle)" resulting from the annual IFRS improvement project (IFRS 3, IFRS 11, IAS 12 and IAS 23) with the main purpose of removing inconsistencies and clarifying certain wording (applicable for annual periods beginning on or after 1 January 2019).
- Amendments to the IFRS Conceptual Framework References (applicable for annual periods beginning on or after 1 January 2020).

The Group expects that the adoption of these standards and amendments to existing standards will not have a material impact on its annual financial statements in the year in which they are first applied.

SSIF BRK FINANCIAL GROUP SA anticipates that the adoption of these standards and amendments to existing standards will not have a significant impact on the company's financial statements during the period of initial application.

4. OPERATING SEGMENTS

The intermediary segment

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

(A) Transaction brokerage services for investors:

- Intermediation of sales and purchase transactions of securities traded on the Bucharest Stock Exchange (BSE). For this type of service, customers can choose to be assisted by a broker in carrying out transactions, respectively they can choose the option of online trading on their own account. Within this segment, BRK also offers clients the opportunity to trade on margin (on the basis of a credit line granted by the company to the client), liquid shares listed on the Bucharest Stock Exchange.
- Intermediary transactions in international markets, with the company's clients having access to more than 100 foreign markets in Europe, North America and Asia. The range of financial instruments is very varied (shares, 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 state bonds at BSE 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 of companies and investment funds on the capital market through initial public offerings or based on prospectuses for admission to trading.
- Consultancy for financing through share and bond issues or promotion on the capital market.

Own portfolio management segment

Along with the brokerage segment, **the management of the own portfolio of financial assets** is another important branch of BRK Financial Group's activity that contributes significantly to the company's results. On the other hand, this is also a risk factor taking into account the fact that BRK Financial Group is obliged to reassess at the end of each year all its positions within its own portfolio, and the value adjustments of securities affect the result of the exercise and can change the picture 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 to market.

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

- The tradable portfolio (shares and bonds listed on the BSE - usually short or medium-term investments, portfolio of financial instruments listed on international markets - usually speculative investments);
- Fund units;
- Participations in closed companies and loans granted to subsidiaries;
- Capital allocated to the business segment - "Margin loans";
- Capital allocated to the business segment "Structured product issuance and market making operations";

We mention that the operations of issuing structured products as well as the provision of liquidity on our own structured products is carried out under conditions of full coverage through hedging operations on the market of the underlying asset and as such we consider it to be of the nature of the basic activity. We do not include the other operations carried out on our own account (including market making operations on domestic shares where there are no risk hedging instruments) in what we call the "core activity", as they are exposed and correlated to market risk, being included in the activity operating and presented as a separate segment.

The information regarding the reportable segments is presented as follows:

Information on reportable segment

	December- 2022				December - 2021				2022	2021
	Total, from which:	Brokerage	Trading	Unallocated	Total, from which:	Brokerage	Trading	Unallocated	Total segmente raportabile	
Intermediation activity	7.702.977	7.702.977	-	-	20.517.368	20.517.368	-	-	7.702.977	20.517.368
Income from admin funds	2.925.545	2.925.545	-	-	3.138.034	3.138.034	-	-	2.925.545	3.138.034
Market making activity	8.174.733	-	8.174.733	-	7.230.954	-	7.230.954	-	8.174.733	7.230.954
Other income the basic activity	3.306.174	3.306.174	-	-	34.610	-	-	34.610	3.306.174	34.610
Net gains/(losses) realized from financial instruments	(628.156)	-	(628.156)	-	2.654.797	-	2.654.797	-	(628.156)	2.654.797
Net gains/(losses) from the valuation of financial assets measured at fair value through profit and loss	(10.632.729)	-	(10.632.729)	-	6.982.270	-	6.982.270	-	(10.632.729)	6.982.270
Other income Subsidiary core business	10.856.988	-	-	10.856.988	2.191.866	-	-	2.191.866	10.856.988	2.191.866
Net income/(expenses) provisions fixed financial assets	(1.733.375)	-	(1.733.375)	-	(800.000)	-	(800.000)	-	(1.733.375)	(800.000)
Other net income/(expenses) from interest and exchange rate differences	(3.715.025)	-	(3.715.025)	-	456.968	-	456.968	-	(3.715.025)	456.968
Net income/(expenses) provisions for risks and expenses	598.696	-	-	598.696	30.514	-	-	30.514	598.696	30.514
Other net income/(expenses).	(1.239.137)	-	-	(1.239.137)	73.737	-	-	73.737	(1.239.137)	73.737
Salary expenses and employee benefits	(12.885.747)	(2.658.067)	(1.021.280)	(6.705.252)	(6.705.252)	(2.359.869)	(1.857.235)	(2.488.148)	(7.100.102)	(6.705.252)
Expenses, market commissions and intermediaries	(1.157.887)	-	(1.023.857)	(134.029)	(1.825.550)	(299.302)	(933.012)	(593.235)	(1.157.887)	(1.825.550)
Expenses commissions Intermediation	(2.168.419)	(2.168.419)	-	-	(3.777.726)	(3.777.726)	-	-	(2.168.419)	(3.777.726)
Expenses with licenses and issuance of structured products	(483.478)	-	(483.478)	-	(259.642)	-	(259.642)	-	(483.478)	(259.642)
Expenditure on external services	(8.233.255)	(311.158)	(233.751)	(3.037.173)	(3.037.173)	(1.129.256)	(69.224)	(1.838.693)	(2.581.734)	(3.037.173)
Expenses with collaborators	(418.064)	(215.802)	-	(202.262)	(585.097)	(585.097)	-	-	(215.802)	(585.097)
Other expenses the basic activity	(1.974.300)	(790.111)	(297.975)	(886.216)	(2.505.950)	(983.006)	(409.345)	(1.113.599)	(1.974.300)	(2.505.950)
Intangible and tangible asset value adjustments	(2.346.304)	-	-	(2.346.304)	(1.140.403)	-	-	(1.140.403)	(2.346.304)	(1.140.403)
Totally explained:	(19.035.207)	4.865.595	(11.330.811)	(8.695.857)	23.690.012	11.383.112	19.928.790	(7.125.099)	(19.035.207)	23.690.012
Reportable segment profit before tax	(19.035.207)	4.865.595	(11.330.811)	(8.695.857)	23.690.012	11.383.112	19.928.790	(7.125.099)	(19.035.207)	23.690.012
Profit Tax	(239.367)	-	-	(239.367)	(1.483.121)	-	-	-	-	-
The assets of the reportable segment, of which:	168,610,554	61,252,502	98,348,914	-	248.887.979	123.322.508	116.309.207	-	248.887.979	186.576.726
- Intangible assets	351.065	-	-	351.065	193.346	-	-	193.346	351.065	193.346
- Tangible assets	8.658.073	-	-	8.658.073	9.062.918	-	-	9.062.918	8.658.073	9.062.918
- Real estate investments	-	-	-	-	-	-	-	-	-	-
- Financial investments	91.868.122	-	91.868.122	-	101.703.552	-	101.703.552	-	91.868.122	101.703.552
- Loans and advances granted	4.143.848	-	4.143.848	-	8.588.612	-	8.588.612	-	4.143.848	8.588.612
- Trade receivables and other receivables	11.660.382	10.747.441	912.941	-	65.141.500	60.005.743	5.135.757	-	11.660.382	65.141.500
- Availability	51.929.064	50.505.061	1.424.003	-	64.198.050	63.316.765	881.285	-	51.929.064	64.198.050
Debts of the reportable segment, of which:	151.401.489	104.770.215	46.631.274	-	146.526.399	115.962.249	30.564.150	-	151.401.489	146.526.399
- customer amounts	104.770.215	104.770.215	-	-	115.962.249	115.962.249	-	-	104.770.215	115.962.249

5. INTANGIBLE ASSETS

Cost	Formation expenses	Development expenditure	Concessions, patents, licences, trademarks, rights and similar assets	Other intangible assets	Advances granted for intangible assets	TOTAL
Cost 01.01.2022	2.150	3.458.495	1.051.808	12.766.180	27.820	17.306.453
Procurement		1.296.860	8.634	2.236.133	24.455	3.566.081
- of which, by transfer		1.296.860				1.296.860
Outflows		1.962.678				1.962.678
- of which, by transfer		1.962.678				1.962.678
Balance at 31.12.2022	2.150	2.792.677	1.060.442	15.002.313	52.275	18.909.856
Depreciation and impairment losses						
Balance at 01.01.2022	2.150	620.920	691.262	6.697.606	-	8.011.938
Depreciation during the year		80.097	89.366	1.198.346		1.367.809
Impairment losses recognised						-
Depreciation on disposals			63.210			63.210
Balance at 31.12.2022	2.150	701.017	717.418	7.895.952	-	9.316.537
Balance 01.01.2022	-	2.837.575	360.546	6.068.574	27.820	9.294.515
Balance 31.12.2022	-	2.091.660	343.024	7.106.361	52.275	9.593.319

The component of the balance of intangible assets is made up of computer programs and software licenses. The lifetimes used in the calculation of intangible assets are on average 3 years. The depreciation method used is the linear one. The expenses regarding the year's amortization of intangible assets are included in the statement of the global result at the position *Value adjustments of tangible and intangible assets*.

6. CORPORATE FIXED ASSETS

In lei

Cost 01.01.2022	Land and buildings	Technical installations and means of transport	Furniture, office equipment	Assets under construction	Assets IFRS 16	TOTAL
Cost 01.01.2022	7.951.863	3.252.563	809.573	22.343	220.930	12.257.272
Procurement	7.736	554.221	79.132	-	-	641.089
- of which, by transfer						-
Outflows	-	45.970				45.970
- of which, by transfer						-
Balance at 30.06.2022	7.959.599	3.760.814	888.705	22.343	220.930	12.852.390
Depreciation and impairment losses						
Balance at 01.01.2022	351.354	1.423.039	604.496		110.945	2.489.834
Depreciation during the year	329.146	604.527	258.970		109.985	1.302.628
Impairment losses recognised						-
Depreciation on disposals		45.970	159.345			205.315
Balance at 30.06.2022	680.500	1.981.596	704.121	-	220.930	3.587.147
NBV 01.01.2022	7.600.509	1.829.524	205.077	22.343	109.985	9.767.438
NBV 31.12.2022	7.279.098	1.779.218	184.583	22.343	(0)	9.265.243

As of 31.12.2022, the company has in operation the head office in Cluj Napoca, Motilor str. 119, as well as the properties owned in Bucharest, Suceava, Iasi where the agencies for the intermediation activity operate for the development of the activity.

As of 31.12.2022, the company does not own land for the exploitation activity, and those related to the buildings in operation are included in the value of the building.

The amortization expenses for the year are included in the global income statement at the position *Value adjustments of tangible and intangible assets*.

For the other fixed assets of the company, the linear depreciation method was used, in this case the fiscal depreciation does not differ from the accounting depreciation. The amortization period chosen can be found in the Fixed Assets Register, annex to Note 1.

Pledged or mortgaged tangible assets

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.

Presentations on reassessment

Fixed assets representing buildings were revalued on 31.12.2020. The evaluation was carried out by an expert evaluator, the company Neoconsult Valuation SRL, in accordance with the International Evaluation Standards and the work methodology recommended by ANEVAR.

7. REAL ESTATE INVESTMENTS

As of 31.12.2022, the company does not hold assets as real estate investments.

8. FINANCIAL INVESTMENTS

In lei

	December-22	December-21
Financial assets valued at fair value through other elements of the overall result		
Financial assets valued at fair value through other elements of the overall result	17.470.539	9.536.911
shares		
Total financial assets designated at fair value through other elements of the global result	17.470.539	9.536.911
Financial assets designated at fair value through the profit or loss account		
listed shares	38.633.478	40.329.607
Listed fund units	-	-
Unlisted fund units	8.825.638	9.085.967
Listed bonds	1.277.851	738.050
Unlisted bonds	816.216	167.400
Unlisted shares	3.227.972	15.372.172
Other financial instruments	-	23.088
Total financial assets designated at fair value through the profit or loss account	52.781.155	65.716.284
Total financial investments	70.521.694	75.253.195

Listed securities: shares, bonds and fund units are valued at the rate on 31.12.2022 published by the Bucharest Stock Exchange. The unlisted fund units held are valued at the unit net asset value, and the unlisted bonds at amortized cost. The structured products held are valued at the quotation from 12.31.2022.

The financial instruments traded on the international markets are of the type of futures contracts, options and contracts for difference (CFDs) and are used for speculative and hedging purposes for market maker operations. They are evaluated at the quotation on 31.12.2022.

9. LOANS AND ADVANCES GRANTED

<i>In lei</i>	December-22	December-21
Margin loans - gross value	1.622.192	6.639.626
Loans granted to related parties	-	-
Interest related to the loans granted	164.990	44.267
Other loans granted	1.233.375	1.233.375
Impairment	(1.233.375)	-
Loans and advances granted - net value	1.787.182	7.917.268

During the year 2022, Brk Financial Group SA granted loans to affiliated companies as follows: to Romlogic Technology SA - 1,000,000 lei, to Gocab Software SA - 1,000,000 lei. 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 December 31, 2022. For each loan, 3 scenarios were defined regarding the recoverability of the amounts granted in the time interval until the maturity of the loan contract.

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 a 100% impairment was taken into account from the total value of the loan in the absolute amount of 1,600,000 lei to determine the fair value.

The mother company BRK Financial Group, maintained the service offered to clients to carry out margin transactions. The balance of margin loans granted to clients on 31.12.2022 was 1,622,192 lei.

For loans in the margin, the securities purchased with these loans constitute as guarantees. Therefore, there are no indications of impairment. and this represents the fair value on December 31, 2022.

10. INVESTMENTS IN ASSOCIATED ENTITIES

Affiliated companies as well as associated companies (where significant influence is held) are mentioned below. In those where the ownership share is below 20%, the significant influence is due to the presence in the board of directors of the respective company.

The ownership percentage and the value of the participation **in lei** in the associated entities are as follows:

Company	Holding percentage in December 2022	December 2022 participation value	Holding percentage in December 2021	December 2021 participation value
Sai Broker	99.98%	10.054.082	99.98%	9.340.502
Romlogic Technology	90.75%	2.717.399	90.75%	6.283.985
Firebyte SA	48.93%	6.376.950	37.94%	7.831.978
POWER ENERGY SA	50%	250.000	-	-
Reit Capital SA	-	-	77.14%	427.765
GOCAB SOFTWARE SA	49.12%	1.622.400	32.53%	5.733.663
Total		21.020.831		29.617.894

During the year 2022, dividends were recorded to be collected from associated companies in the amount of 499,900 lei.

During the year 2022, transactions with related parties are presented as follows:

Name	Nature of Affiliation	The nature of the activity	Volume and weight of the respective activity
SAI Broker	Ownership percentage 99.98%	Investment management	- income from intermediary commissions 1.778 Lei - revenues from distribution and brokerage commissions in the amount of 1.979 lei - rental income in the amount of 31.227 lei
Romlogic Technology SA	Ownership percentage 90.75%	Manufacturing of computers and peripheral equipment	- income from interest related to loans granted in the amount of 176.637 lei - loan granting 1.000.000 lei
Gocab Software	Ownership percentage 49.12%	Custom software creation activities (customer-oriented software)	- granting three loans in the amount of 1.000.000 lei - income from interest related to the loans granted 6.069 lei - revenues from intermediary commissions 14.400 Lei
Firebyte Games SA	Ownership percentage 48.93%	Development of games for mobile devices	- income from intermediary commissions 3.029 lei - rental income 14.575 lei
BRK POWER ENERGY SA	Ownership percentage 50 %	Electricity production	- rental income: 7.254 lei
Reit Capital SA	Ownership percentage 0 %	Consulting activities for business and management	- rental income 5.200 lei

Transactions with related parties were carried out at market value.

On 31.12.2022 and 31.12.2021, the balances of the company's claims from relations with related parties were as follows:

<i>In lei</i>	December-22	December -21
SAI Broker	53	1.510
REIT CAPITAL SA	-	-
Firebyte Games SA	3.975	-
Gocab Software	14.400	-
Romlogic Technology SA	2.947.982	1.771.345
BRK POWER ENERGY SA	1.116	-
Total	2.967.526	1.772.855

11. FIXED ASSETS HELD FOR SALE

<i>In lei</i>	December -22	December -21
Balance on January 1st 2021	-	-
Transfers to tangible assets during the year	-	-
Entry following the execution of some guarantees received	-	-
Inflows during the year (exchange of assets)	-	-
Disposals	-	-
Plus value with revaluation occasions	-	-
Minus value on the occasion of the revaluation	-	-
Balance as of December 31, 2021	-	-

12. COMMERCIAL AND SIMILAR RECEIVABLES

<i>In lei</i>	December-22	December-21
Commercial creditor	2.357.507	2.448.200
Amounts related to affiliated entities	516.581	409.925
Claims against the state budget	375.220	492.604
Expenditure recorded in advance	414.134	176.675
Various debtors	12.128.053	7.700.362
Non-current receivables	438.872	430.005
Other claims	79.158	158.491
Adjustments for impairment of receivables	(1.953.455)	(1.813.124)
Total trade and other receivables	14.356.070	10.003.138

The debtors from the trading of the company's financial instruments come from transactions concluded in December 2022, which have as settlement date the first two days of January 2023.

Similarly, the debtors from financial instruments settled by customers come from transactions concluded in December 2022, which have as the settlement date the first two days of January 2023.

<i>In lei</i>	December-22	December -21
Debtors from the trading of the Company's financial instruments	6.821.348	6.012.981
Debtors from financial instruments traded by clients	61.398.768	57.738.180
Total Debtors from financial instruments trading	68.220.116	63.751.161

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

The gross balances and depreciation of debtors are as follows:

<i>In lei</i>	December -22	December -21
Debtors former employees and third parties, Stage 3	1.809.521	1.934.938
Depreciation of debtors, former employees and third parties	(1.773.455)	(1.773.455)
Debtors former employees and third parties - net value	36.066	161.483

The movement of value adjustments for impairment of receivables from debtors (debtor employees and third party debtors) during the year was as follows:

<i>In lei</i>	December -22	December -21
Balance on January 1st	1.773.455	1.783.747
Additional provisions	-	-
Cancellation of provisions	-	-
Balance as of December 31	1.773.455	1.773.455

13. STOCKS

<i>In lei</i>	31/12/2022	31/12/2021
Raw materials	3.398.082	4.146
Spare parts	783.854	522.090
Materials in the nature of inventory items	10.717	10.751
Finished products	2.832.687	3.884.968
Goods	2.220.578	1.109.573
Suppliers - debtors for purchases of goods in the nature of inventories	3.565	-
Adjustments for depreciation of materials	(405.152)	(365.463)
Adjustments for depreciation of finished goods	(50.000)	(150.000)
TOTAL	8.794.331	5.16.65

14. CASH AND CASH EQUIVALENTS

<i>In lei</i>	December-22	December -21
Cash account related to customers	50.505.061	63.316.765
Cash and cash equivalents	2.750.760	8.010.900
Balance as of December 31	53.255.821	71.327.665

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

Customer balances in bank accounts are highlighted and managed separately from those of the company and can be used based on transaction orders given by customers.

The company performed an analysis regarding the calculation of depreciation of cash and cash equivalents according to IFRS 9 and considers that the resulting impact is insignificant at the level of the financial statements as a whole.

The entity's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are presented in note number 4.

15. CAPITAL AND RESERVES

The share capital and the number of issued shares are presented as follows:

<i>In lei</i>	Share capital value	Number of ordinary shares	Nominal value/share
On January 1, 2021	54.039.987	337.749.919	0.16
On December 31, 2021	54.039.987	337.749.919	0.16
On January 1, 2022	54.039.987	337.749.919	0.16
On December 31, 2022	50.614.493	337.429.952	0,15

In the first semester of 2022, there was a decrease 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 reported losses in the amount of 3,374,299.52 lei.

Own shares held by the mother company SSIF BRK Financial Group on December 31, 2022 amount to 6,000,000 shares.

<i>In lei</i>	December-22	December-21
The share capital	50.614.492,80	54.039.987
Share capital adjustment	4.769.353	4.071.591
Own shares	(1.391.444)	(130.414)
Bonuses	13.682.722	13.682.722
Total	67.675.124	71.663.886

16. RESERVES AND REVALUATION DIFFERENCES

<i>In lei</i>	December-22	December-21
Differences from the revaluation of tangible assets	5.608.237	5.742.690
Deferred tax related to the differences from the revaluation of tangible assets	-	(978.690)
Legal and statutory reserves	6.095.560	6.095.560
Reserves from the revaluation of financial assets valued at fair value through other elements of the global result	5.459.473	(2.514.578)
Other reserves	6.795.993	67.83.716
Reserves related to own shares	697.762	-
Total reserves and revaluation differences	24.657.025	15.128.698

Differences from revaluation

The differences from the revaluation did not change during 2022.

Legal reserves

The legal reserves represent the amounts 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 reserve

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 impaired.

As a result of the transition to IFRS 9, the fair value reserve was transferred to retained earnings.

Other reserves

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

Dividends and other distributions to shareholders

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

17. REPORTED RESULT

<i>In lei</i>	December-22	December -21
Profit reported from the transition to IFRS	1.938.806	4.560.962
Reported result from the application of IFRS 9	3.392.306	3.392.306
Reported result IAS 29	(6.880.234)	(6.880.234)
Reported result	(12.747.417)	(11.237.397)
Current result	(23.295.659)	15.911.956
Distribution of profit	-	(1.100.034)
Total Reported result	(36.043.076)	4.647.559

Result reported through the transition to IFRS

Reported result regarding the transition to IFRS comes from 2008.

Reported result from the application of IFRS9 comes from 2018.

Result reported IAS 29

The financial statements and the corresponding amounts of the previous periods have been restated to reflect the change in the general purchasing power of the functional currency and, consequently, are expressed in relation to the unit of measure existing at the end of the reporting period. This capital position includes the influence of the restatement of the social capital to inflation for the period 1994 – 2002`.

The applied inflation index registered the following values in the updated period:

YEAR	2003	2002	2001	2000	1999	1998	1997	1996	1995
Capital discount index	1.00	1.15	1.41	1.90	2.77	4.04	6.42	16.36	22.71

Following the application of these updates, the following values were recorded:

Account	Debit	Credit
Adjustments of the share capital	-	4.071.591
Differences from revaluation *	-	59.884
Other reserves **	-	2.748.760
Reported result from the adoption for the first time of IAS 29	6.880.234	-
Total	6.880.234	6.880.234

* Incorporation of revaluation reserves in 2011.

** Incorporation of reserves from 2007 on the occasion of the absorption of SC Investco.

18. COMMERCIAL DEBTS AND OTHER DEBTS

<i>In lei</i>	December-22	December-21
Trade debts	1.553.005	1.779.881
Suppliers of fixed assets	326.716	365.837
Personal debts	449.149	447.846
Debts to the state budget	726.717	1.013.299
Dividends payable	365.271	-
Sundry creditors resulting from house transactions	1.177.200	2.548.603
Sundry creditors arising from customer transactions	6.860.703	4.924.163
Sundry creditors arising from structured products	4.890.349	2.104.311
Total trade debts and other debts	16.349.110	13.183.940

The entity's exposure to currency risk and liquidity risk related to commercial debts and other debts is presented in note number 4. The various creditors represent settlements with the Bucharest Stock Exchange in the course of settlement, in the time interval from the completion of the transactions on behalf of the entity and/or the clients. Likewise, miscellaneous creditors include miscellaneous 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 clients who have opened accounts with external intermediaries, only their funds held at the intermediary mentioned above are reflected in the accounting. The accounts held by these clients are of Margin and RegTMargin type, meaning that they can call on the margin, and in this case the external intermediary offers the possibility for clients to call on margin loans. Customers constituting as collateral the financial instruments from their own trading portfolio.

19. LOANS

The situation of the loans contracted by the company is presented as follows:

<i>In lei</i>	December-22	December-21
Long-term debt		
Financial leasing liabilities	84.843	648.179
	84.843	648.179

Short term debts	December -22	December -21
Guaranteed lines of credit	20.329.411	5.041.915
The current part of the financial leasing debt	-	-
Total short-term liabilities	20.329.411	5.041.915

In the first semester of 2022, 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. The credit line was guaranteed with the following properties from the portfolio:

Current number.	Mortgaged real estate	Categories	Value euro	Value lei
1	Apartment Suceava	fixed assets in operation	38.400	176.517
2	Immobile Bucuresti Bocsa	fixed assets in operation	157.000	721.698
3	Immobile Cluj- Motilor	fixed assets in operation	1.032.700	4.747.115
4	Apartment Iasi	fixed assets in operation	41.000	188.469
Total			1.269.100	5.833.799

The sums owed to the clients, in fact, represent the sums advanced by them in the bank accounts on the domestic market or in the accounts held with external brokers which are available either for carrying out transactions or for withdrawals depending on the future options of the clients. Their origin is the following:

<i>In lei</i>	December-22	December-21
Amounts owed to customers		
Creditor customers from transactions on the internal market	56.931.120	64.332.187
Creditor customers from transactions on the external market	47.962.927	51.751.367
Creditor clients from corporate services	-	-
	104.894.047	116.083.554

The shareholders of mother company BRK Financial Group approved, through the Decision of the Extraordinary General Meeting of Shareholders of 26.04.2021, the issue of corporate bonds with a maturity of 5 years and empowered the BoD to issue any decision and fulfill all the necessary, useful legal acts and facts and/or timely for the implementation of the decisions to be adopted by the company's AGEA in relation to the issue of non-convertible bonds by the company, the management of the BRK Financial Group company decided, by the Decision of the Board of Directors no. 1/23.07.2021, to carry out during the period 02.08.2021 - 13.08.2021 the Private Placement regarding the issue of bonds for a number of **250,000** bonds, in the amount of **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 BSE.

In the period 02.08.2021 - 05.08.2021 the Private Placement actually took place through which subscriptions were collected from a number of 59 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 selling price of the bonds was 100% of the principal, and for the subscriptions carried out 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 making at a price of 97% of the principal.

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

The transaction date related to the issued bonds was 08/06/2021, and the Settlement Date through the Central Depository was 08/10/2021.

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 provide working capital for expanding the market-making activity and diversifying the portfolio of structured products, other investment activities.

Characteristics of bonds subject to admission to trading:

- **Type of bonds:** corporate, unsecured, non-convertible
- **The currency in which the bonds are issued:** lei
- **The value of the bond issue:** 25.000.000 lei
- **Number of bonds issued: max** 250.000
- **The nominal value of a bond:** 100 lei
- **Date of Issue:** 10.08.2021
- **Maturity:** 5 years
- **Coupon:** 7.6% per year
- **Payment of coupon:** quarterly
- **Payment of principal:** on maturity
- **Destination of obtained funds:** ensuring the working capital for expanding the market-making activity and diversifying the portfolio of structured products, other investment activities.
- **Cod ISIN:** ROSYZVBBKKI6
- **CFI:** DBFUFR
- **FISN:** BRK FG/7.6 BD 20260813 UNSEC

20. PROVISIONS FOR RISKS AND EXPENSES

<i>In lei</i>	December-22	December-21
Provisions		
Balance on January 1st	822.755	246.033
Canceled during the period	(931.521)	(155.486)
Constituted during the period	936.696	732.208
Balance as of December 31	827.930	822.755

In the course of 2022, 931,521 lei were added to income from provisions and provisions were constituted in the absolute value of 431,335 lei.

21. ASSETS AND CONTINGENT LIABILITIES

There are ongoing criminal litigations filed by BRK GROUP against some former employees, as well as litigations in which BRK GROUP SA is an active party to the proceedings regarding amounts that it claims. Not in all cases the amounts claimed can be precisely determined. There are some lawsuits, in which BRK GROUP SA was an active party to the proceedings, which were won but in which the possibilities of effective recovery are reduced.

22. INCOME FROM INTERMEDIATION ACTIVITY

<i>In lei</i>	Continuo us activities 2022	Continuo us activities 2021	Interrupted activities 2022	Interrupted activities 2021	2022	Total 2021
Income from commissions on the domestic market	5.471.767	7.451.599	-	-	5.471.767	7.451.599
Income from commissions on the foreign market	955.393	2.610.778	-	-	955.393	2.610.778
Income from related activities	799.968	716.048	-	-	799.968	716.048
Subtotal revenues from intermediary commissions and related activities	7.227.128	10.778.426	-	-	7.227.128	10.778.426
Fund management income	2.925.545	3.138.034			2.925.545	3.138.034
Income from corporate operations	475.849	1.041.523	-	-	475.849	1.041.523
Other intermediate income	3.306.174	864.276			3.306.174	864.276
Total venituri	13.934.696	23.655.402	-	-	13.934.696	23.655.402

The company's revenue recognition policy is to reflect these revenues at gross values. Gross revenues also include market costs, commissions charged by the Stock Exchange, respectively by the FSA.

In order to diversify the income from the commissions, the widening of the range of products and the markets on which the transactions are carried out was constantly pursued. The level of commissions collected for the operations carried out by the company also included commissions related to operations on foreign markets, as presented above.

Clients are, in general, assigned to one broker, with the possibility of performing operations both traditionally and online.

Commission revenues also include transactions carried out for other non-bank financial institutions, called contracts with custodians, for which BRK GROUP SA collects the commissions related to the transactions, but the funds related to sales and purchases do not transit the company's accounts, but are settled through the custodian's accounts.

23. INCOME FROM MARKET MAKING ACTIVITY

<i>In lei</i>	December-22	December -21
Net gains/losses domestic market	15.103.685	(6.673.216)
Net foreign market gains/losses	(11.729.962)	10.708.482
Revenues from market making services provided to issuers	4.801.010	3.195.688
Result Market Making	8.174.733	7.230.954

24. STAFF COSTS

<i>In lei</i>	December -22	December -21
Expenses with staff and collaborators	(11.925.317)	(5.151.435)
Expenses with contributions and mandatory social insurance	(535.330)	(2.516.390)
Staff profit sharing	(1.441.892)	-
Expenses with allowances of BoD members	(425.100)	(233.369)
BoD members' profit participation	(153.239)	-
Total expenses with salaries in the global result account	(14.480.878)	(7.901.194)

The average number of Group employees for the period ended 31 December 2022 was 68 (31 December 2021: 67).

25. COMMISSION AND INTERMEDIARY EXPENSES

Expenses with commissions and fees mainly include the commission owed to the FSA, commissions for securities transactions on the regulated market, commissions for registry services owed to the Central Depository:

<i>In lei</i>	December-22	December -21
Fees and commissions Internal Market	(2.756.122)	(4.791.526)
Foreign Market commission expenses	(570.184)	(811.749)
Total	(3.326.306)	(5.603.276)

26. EXPENSES WITH THE PROVISION OF SERVICES

<i>In lei</i>	December -22	December -21
Expenses regarding audit fees, lawyers	(377.735)	(459.704)
Expenses with IT services and software maintenance	(1.342.397)	(957.756)
Expenses with consulting and training services	(133.758)	(33.892)
Other expenses with services performed by third parties	(5.741.521)	(391.351)
Total	(8.323.255)	(1.842.703)

27. OTHER EXPENSES OF THE BASIC ACTIVITY

Expenses with collaborators refer to expenses with delegate agencies in the amount of 215,802 lei (2021: 585,097 lei). External services expenses are mainly represented by the cost of insurance services, asset evaluation services, IT support services.

Other expenses with the basic activity refer mainly to:

<i>In lei</i>	December-22	December -21
Material expenses	(225.336)	(257.593)
Expenses with other taxes and fees	(54.636)	(75.705)
Utility expenses	(216.316)	(125.982)
Expenses with banking services	(131.367)	(264.379)
Advertising and advertising expenses	(4.479.094)	(2.471.274)
Telecommunications expenses	(74.475)	(68.313)
Insurance expenses	(120.004)	(92.573)
Maintenance and repair expenses	(56.366)	(44.412)
Transport costs	(135.361)	(126.028)
Rent expenses	(123.654)	(61.416)
Other expenses	(278.702)	(232)
Total	(5.895.311)	(3.587.908)

Value adjustments of intangible and tangible assets include depreciation expenses in the amount of RON 2,346,304 (2021: RON 918,165).

28. GAIN/(LOSS) OF TRADING ACTIVITY

In lei	December-22	December -21
Net gains/(losses) realized from financial instruments	(628.156)	2.654.797
Dividend income	1.732.562	392.400
Income from transactions with shares and bonds	3.477.661	3.190.535
Losses from transactions with shares and bonds realized	(5.838.379)	(928.138)
Reclassification of gains/(losses) recognized in the global income statement to the income statement, related to financial assets available for sale transferred	-	-
Net gains/(losses) from the valuation of financial assets measured at fair value through profit and loss	(10.632.729)	6.982.270
Income from the valuation of financial assets measured at fair value through profit and loss	8.687.676	11.357.597
Losses from the valuation of financial assets measured at fair value through profit and loss	(19.320.405)	(4.375.327)
Net income/(expenses) provisions fixed financial assets	(1.233.375)	(573.353)
Revenues cancellation provisions fixed financial assets	-	300.000
Expenses provisions fixed financial assets	(1.233.375)	(873.353)
Other net income/(expenses) from interest and exchange rate differences	(3.715.025)	426.968
Interest income, loans and bonds	381.309	51.547
Income, interest, credits, margin	241.238	99.914
Other interest income	(114.021)	13.659
Interest expenses	(3.919.888)	(204.203)
(Expenses)/Revenues differences house exchange rate	(913.501)	466.051
Net income/(expenses) provisions for risks and expenses	598.696	30.514
Expenses with provisions for risks and expenses	(551.937)	-
Revenue cancellation provisions for risks and expenses	1.682.888	7.608
Other net provisions	(532.255)	22.906
Other net income/(expenses).	(1.100.149)	(101.099)
Net gains/(losses) from the sale of assets	23.500	(64.725)
Other operational expenses	(1.649.183)	(72.115)
Other operating income	525.534	35.741
Net financial result recognized in the profit or loss account	(16.710.738)	9.420.097
Recognized in other elements of the overall result	Dec-22	Dec-21
<i>In lei</i>		
Detailed on the next page		
Recognized in other elements of the overall result		
<i>In lei</i>		
The net change in the fair value of financial assets available for sale transferred to the profit or loss account	-	-

The net change in the fair value of financial assets available for sale:

related to the securities sold during the period

relating to the titles in the balance at the end of the period	-	-
Free shares related to financial assets available for sale		
Profit tax related to income and financial expenses recognized directly in other elements of the overall result		
Financial income recognized in other elements of the overall result, after taxation	-	-

The unrealized net gains/(Losses) from the valuation of participations at fair value through the profit or loss account for the financial year ended on December 31, 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 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.

Dividend income it is recorded in the profit or loss account at net value. The dividend tax rates for the period ended on December 31, 2022 were 5% and (2021: 5%)

<i>In lei</i>	December-22	December -21
AAGES	673	559
ANTIBIOTICE IASI	778	1.973
BUCHAREST STOCK EXCHANGE	21.229	-
AQUILA	152.974	
The Romanian Commodity Exchange	-	1.840
COMPA SA	-	62.700
ELECTROPRECIZIA SA Sacele	-	2.660
LIFE IS HARD	5.600	-
MACOFIL SA TG,JIU	-	5.072
NEW BUSINESS DIMENSION	869.961	-
ONE UNITED PROPERTIES	35.521	17.068
PETAL SA HUSI	-	1.319
PURCARI WINERIES PUBLIC COMPANY LIMITED	9.545	6.980
Star Residence Invest	-	11.736
ROMCARBON SA	58.241	9.491
SAI BROKER SA	499.900	499.916
Sphera Franchise Group	9.325	18.181
OMV PETROM S.A	-	14.725
SIF TRANSILVANIA	-	-
TERAPLAST SA	21.048	145.946
UNIVERS SA Rm,Valcea	-	76.417
TTS	36.207	-
SIPEX SA	11.439	
TOTAL	1.732.563	876.582

29. PROFIT TAX EXPENDITURE

Reconciliation of the effective tax rate

In lei

Profit for the period

The total expense with the profit tax

Profit before taxation (including related to discontinued activities)

Profit tax rate

The profit tax calculated by applying the tax rate to the accounting profit

The influence of non-deductible expenses

The influence of non-taxable income

The influence of the expenses resulting from the restatement on IFRS not considered when calculating the profit tax

Cumulative tax losses

The influence of fiscal losses of previous periods

The total expense with the profit tax calculated according to the tax rate

Unregistered income tax expense for negative amounts

The final expense with the profit tax

The final profit tax rate

	December-22	December -21
Profit for the period	(23.056.292)	24.313.790
The total expense with the profit tax	(239.367)	(277.128)
	(23.295.660)	24.036.662
	16%	16%
Profit tax rate		
The profit tax calculated by applying the tax rate to the accounting profit	3.632.589	3.632.589
The influence of non-deductible expenses	409.992	409.992
The influence of non-taxable income	(784.056)	(784.056)
The influence of the expenses resulting from the restatement on IFRS not considered when calculating the profit tax	-	-
Cumulative tax losses	9.495.339	9.495.339
The influence of fiscal losses of previous periods	(1.519.254)	(1.519.254)
The total expense with the profit tax calculated according to the tax rate	-	1.483.121
	-	-
Unregistered income tax expense for negative amounts		
The final expense with the profit tax	-	1.483.121
The final profit tax rate	16%	16%

30. THE RESULT PER SHARE

The result per basic share

The calculation of the basic result per share on December 31, 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 337,749,919 shares.

The presented result is after calculating the profit tax.

	December-22	December-21
Attributable profit:	(23.295.659)	24.036.662
Company shareholders	(20.888.004)	18.799.838
Interests without control	(2.407.656)	5.236.824
Profit for the period	(23.295.660)	24.036.662
Total attributable global result:		
Company shareholders	(20.888.004)	18.799.838
Interests without control	(2.407.656)	5.236.824
Total overall result for the period	(23.295.660)	24.036.662
The result per share		
Basic earnings per share (lei)		
Earnings per share to be diluted (lei)	(0.0690)	0.04819
	(0.0690)	0.04819
Continuous activities		
Basic earnings per share (lei)	(0.0690)	0.04819
Earnings per share to be diluted (lei)	(0.0690)	0.04819

Weighted average number of ordinary shares

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

in the number of shares issued.

Year	2022	2021	2020	2019	2018
Number of shares	337.429.952	337.749.919	337.749.919	337.749.919	337.749.919

31. THE HIERARCHY OF FAIR VALUES

The table below analyzes the financial instruments recorded at fair value according to the valuation method. The different levels were defined as follows:

32. **Level 1:** Quoted (unadjusted) prices on active markets. For securities at fair value through the income statement, the price is the one at the end of the period, on the last trading day.
33. **Level 2 :** Input data, other than the quoted prices included in Level 1, Here are the 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 input data related to Level 2 must contain observable values over the entire period of the asset or liability, examples: quoted prices for similar assets or liabilities on active markets, quoted prices for identical or similar products from markets that are not active, observable values other than quoted prices such as: interest rates, volatilities, other corroborated market inputs.
34. **Level 3:** Input data, other than 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 (ex: prices) or indirectly (eg: derived from prices). The fair value for these titles was determined either by applying the DDM (Discounted Dividend Model), by applying the DCF (Discounted Cash Flow) method, or by the asset-based method, as presented in the company's accounting policies.

December 31, 2022	Level1	Level 2	Level 3	Total
Financial assets at fair value through the profit or loss account from which:	37.903.202	18.495.095	11.849.329	68.247.626
Quoted shares	31.956.191	1.368.603	-	33.324.793
Quoted fund units	-	-	-	0
Unquoted fund units	-	10.999.775	-	10.999.775
Quoted bonds	24.802	-	-	24.802
Unquoted bonds	-	135.933	-	135.933
Unquoted shares	-	2.163.587	226.499	2.390.086
Loans and advances granted	-	-	4.143.848	4.143.848
Other financial instruments	-	-	-	-
Financial assets designated at fair value through other elements of the global result from which:	13.730.434	-	31.039.676	44.770.110
Unlisted shares	13.730.434	-	31.039.676	44.770.110
Total	45.934.049	14.667.898	35.410.023	96.011.970

In lei

December 31, 2022	Level1	Level 2	Level 3	Total
Financial assets at fair value through the profit or loss account from which:	37.903.202	18.495.095	11.849.329	68.247.626
Quoted shares	37.855.312	1.335.100	-	39.190.412
Quoted fund units	-	-	-	0
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 and advances granted	-	-	8.588.612	8.588.612
Other financial instruments	23.088	-	-	23.088

Financial assets designated at fair value through other elements of the global result from which:

	13.565.641	-	28.478.898	42.044.539
Unlisted shares	13.565.641		28.478.898	42.044.539
TOTAL	51.468.843	18.495.095	40.328.227	110.292.165

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

Level 3 fair value change

In lei

	December-22	December-21
On January 1	40.328.227	32.663.881
Total gain/loss recognized in the profit and loss account	-	-
Total gain/loss recognized in other elements of the overall result	8.021.540	(7.632.004)
Purchases during the period	8.063.881	17.226.291
Sales during the period	(14.677.457)	-
Transfers in level 3 of the fair value hierarchy (***)	(6.326.168)	(1.929.941)
On December 31	35.410.022	40.328.227

31. THE HIERARCHY OF FAIR VALUES (continued)

Current number	Financial assets	Fair value on December 31, 2022 in lei	Evaluation technique	Unobservable input data, ranges of values	Relationship between unobservable inputs and fair value
1	Unlisted majority shares	10.054.082	Income approach - discounted cash flow method	Weighted average cost of capital: 11.39 % Long-term revenue growth rate: 2.6%	The lower the weighted average cost of capital, the higher the fair value The higher the long-term revenue growth rate, the higher the fair value
2	Unlisted majority shares	-	Income approach - discounted cash flow method	Weighted average cost of capital: 12.75% Discount for lack of liquidity: 15.60% Long-term revenue growth rate: 1.30%	The lower the weighted average cost of capital, the higher the fair value The lower the illiquidity discount, the higher the fair value The higher the long-term revenue growth rate, the higher the fair value
3	Unlisted minority shares	4.563.127	The cost approach - the adjusted net asset method	The market value of equity relative to their book value: Weighted average cost of capital: 10.50%	In the balance sheet, the accounting value is identified by equity, the lower the resulting Price/Accounting Value, the lower the fair value The lower the weighted average cost of capital, the higher the fair value
4	Unlisted minority shares	16.648.966	Income approach - discounted cash flow method	Discount for lack of control: 10% Long-term revenue growth rate: 2%	The lower the discount for lack of control, the higher the fair value The higher the long-term revenue growth rate, the higher the fair value
5	Unlisted bonds	-	Amortized cost approach - fair value estimates,	Discount rate (IRR) of annual cash-flows: 8.23%	The lower the discount rate of the cash flows, the higher the fair value
6	Loans and advances granted	8.588.612	Income approach - discounted cash flow method		
	Total	35.410.022			

31. THE HIERARCHY OF FAIR VALUES (continued)

Current number	Financial assets	Fair value on December 31, 2022 in lei	Evaluation technique	Unobservable input data, ranges of values	Relationship between unobservable inputs and fair value
1	Unlisted majority shares	9.768.191	Income approach - discounted cash flow method	Weighted average cost of capital: 11.39 % Long-term revenue growth rate: 2.6%	The lower the weighted average cost of capital, the higher the fair value The higher the long-term revenue growth rate, the higher the fair value
2	Unlisted majority shares	-	Income approach - discounted cash flow method	Weighted average cost of capital: 12.75% Discount for lack of liquidity: 15.60% Long-term revenue growth rate: 1.30%	The lower the weighted average cost of capital, the higher the fair value The lower the illiquidity discount, the higher the fair value The higher the long-term revenue growth rate, the higher the fair value
3	Unlisted minority shares	5.489.786	The cost approach - the adjusted net asset method	The market value of equity relative to their book value: Weighted average cost of capital: 10.50%	In the balance sheet, the accounting value is identified by equity, the lower the resulting Price/Accounting Value, the lower the fair value. The lower the weighted average cost of capital, the higher the fair value
4	Unlisted minority shares	16.481.638	Income approach - discounted cash flow method	Discount for lack of control: 10%	The lower the discount for lack of control, the higher the fair value
5	Unlisted bonds	-	Income approach - discounted cash flow method,	Long-term revenue growth rate: 2% Discount rate (IRR) of annual cash-flows: 8.23%	The higher the long-term revenue growth rate, the higher the fair value The lower the discount rate of the cash flows, the higher the fair value
6	Loans and advances granted	8.588.612	Income approach - discounted cash flow method	Discount rate of cash flows – 5.5%, adjusted with the probability of their non-collection.	The lower the discount rate of the cash flows, the higher the fair value
	Total	40.328.227			

31. THE HIERARCHY OF FAIR VALUES (continued)

Price/Book value: the indicator evaluates the market price of a company relative to its own capital (net assets). This indicator reflects the ratio that investors are willing to pay for the net asset value per share. The P/BV indicator varies significantly depending on the activity sector.

A company that requires more assets (for example, a production company with manufacturing space and machinery) will generally have a Price/Booking Value of Equity indicator, significantly lower than a company whose income comes from the activity of providing services (e.g. a consulting company).

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

The discount for lack of control represents the discount applied to reflect the absence of control and is used within the discounted cash flow method to determine the value of the minority stake in the capital of the evaluated company.

The discount for lack of liquidity: represents the discount applied to comparable market multiples, to reflect the liquidity differences between the portfolio company subject to evaluation and the comparable companies considered. Appraisers estimate the illiquidity discount based on professional judgment, taking into account market conditions regarding liquidity and factors specific to the appraised company.

32. AFFILIATED PARTIES

Key Management Personnel Benefits

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

Investments in associated entities In note 18 Investments in associated entities from these financial statements, all associated entities are presented, as well as the transactions that took place with them during the period.

33. EVENTS AFTER THE BALANCE SHEET DATE

The events subsequent to the balance sheet date were taken into account when evaluating the conditions that existed on 31.12.2022 regarding the receivables positions and the significant estimates that were made, including those related to the establishment of provisions for litigation.

The events subsequent to the balance sheet date were taken into account when evaluating the conditions that existed on 31.12.2021 regarding the receivables positions and the significant estimates that were made, including those related to the establishment of provisions for litigation.

These financial statements were approved on 24.03.2023



SSIF BRK FINANCIAL GROUP S.A.

📍 Cluj-Napoca, Calea Moșilor 119

☎ (+4) 0364 401 709

✉ office@brk.ro

    BRK FINANCIAL GROUP

www.brk.ro



S.S.I.F. BRK Financial Group S.A.

Calea Motilor, nr. 119

Cluj Napoca

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of S.S.I.F. BRK Financial Group S.A.

Report on the Audit of the Consolidated Financial Statements

Opinion on the Consolidated Financial Statements

1. We have audited the consolidated financial statements of the S.S.I.F. BRK Financial Group S.A. (BRK Financial Group or the „Group”), which comprise the statement of financial position as at December 31, 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.
2. Those consolidated financial statements are identified as follow:
 - Net assets/Shareholders' Equity 61,739,389 lei
 - Loss (23,295,659) lei
3. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects the financial position of the Group as at December 31, 2022 and its financial performance and its cash flows for the year then ended in accordance with the F.S.A. Rule No. 39/2015 approving the Accounting Regulations compliant with International Financial Reporting Standards (IFRS), applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector.
4. We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company within the meaning of the Ethics Code for Professional Accountants (IESBA Code) issued by the International Ethics Standards Board for Accountants and have fulfilled our other responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Other information – Report on the compliance of the Director's Report to the Consolidated Financial Statements

5. The directors are responsible for the preparation and presentation of other information. That information includes the Directors' Report, but do not include the consolidated financial statements and the audit report.

The directors' report is not part of the consolidated financial statements. Our opinion on the consolidated financial statements do not cover the director's report.

In relation with the consolidated financial statements for the year ended December 31, 2022, our responsibility is to read that other information and to assess if this information differs significantly to the consolidated financial statements or if it is significantly misstated.

In relation with the Director's Report, we have read and we report that it was prepared, in all material respects, in accordance with the F.S.A. Rule no. 5/2018 and the Rule no. 39/2015 for entities supervised and regulated by the F.S.A.

In our opinion:

- a) Nothing was identified by us that makes us believe that the information presented in the director's report, in all material respects, is not in accordance with the consolidated financial statements
- b) The director's report mentioned above includes, in all material respects, the information requested by the F.S.A. Rule no. 39/2015 for the approval of the accounting regulations in accordance with the International Accounting Reporting Standards, applicable for the entities authorized, regulated and supervised by the Financial Supervisory Authority ("F.S.A.") for the Financial Instruments and Investments Sector.

Based on our understanding and knowledge obtained during our audit on the S.S.I.F. BRK Financial Group S.A. consolidated financial statements prepared for the year ended December 31, 2022 and, on its environment, we are asked to report if we have identified significant misstatements in the directors' Report. We have nothing to report concerning this aspect. no information that is included in the directors' report came to our attention that would make us believe that it is misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
8. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
10. We are independent towards the Group, in accordance with the Ethics Code for Professional Accountants (IESBA Code) issued by the International Ethics Standards Board for Accountants and we have fulfilled our ethical requirements in accordance with the IESBA Code.

Report on Other Legal and Regulatory Requirements

11. We were nominated by the general meeting of Shareholders to audit Group's the consolidated financial statements at December 31, 2022. The total duration of our engagement is of 4 years, covering the years ended December 31, 2019 - 2022.
12. We confirm that our opinion on the financial statements is according to the supplementary report presented to the Audit Committee. Also, we have maintained our independence towards the Group throughout our engagement.
13. We confirm that we have not provided any other non-audit services as mentioned in the art. 5 par. (1) of the EU regulation no. 537/2014.

In the name of
JPA Audit și Consultanță S.R.L.
Bd. Mircea Vodă 35, etaj 3, sector 3 Bucuresti
Registered ASPAAS FA319



Florin Toma
ASPAAS AF1747

**Autoritatea pentru Supravegherea Publică a
Activității de Audit Statutar (ASPAAS)**
Firma de Audit:
JPA AUDIT & CONSULTANȚĂ S.R.L.
Registrul Public Electronic: **FA 319**

**Autoritatea pentru Supravegherea Publică a
Activității de Audit Statutar (ASPAAS)**
Auditor financiar: **FLORIN TOMA**
Registrul Public Electronic: **AF 1747**

Bucharest
April 4th, 2023