

HALF-YEAR REPORT

OF THE BOARD OF DIRECTORS
AS OF JUNE 30 2021

Outline

Identification data	3
Message from the board	4
Key data 1H 2021.....	6
Individual financial statements	7
About BRK.....	11
Activity during 1H 2021	15
Dynamic and structure of total revenues	15
Obectives in 2H 2021	20
Important events during 1H 2021	21
Important events after 1H 2021	22
Board of Directors	23
Internal auditing	24
External auditing.....	24
Compliance	25
Risk management	25
Transparency and financial reporting.....	27
Financial calendar	28
BRK share	29
Shareholders.....	30
Stock market context	30
Consolidated performance.....	32
Consolidated statements.....	38
Declaration of responsible persons	45
Declaration of corporate governance	46

Identification data

Date	June 30 2021
Legal name	SSIF BRK Financial Group S.A.
Activity	Financial intermediation activities
NACE code	6612
Fiscal code	6738423
Registry of commerce	J12/3038/1994
Address	Str. Moșilor, Nr. 119, Cluj-Napoca, România
Telephone	0364 401 709 or 0364 401 710
Email	office@brk.ro
Website	www.brk.ro
Shares	337.749.919 ordinary shares with a par value de 0,16 RON/shares
Regulated market	Bucharest Stock Exchange, Main Segment, Premium Category
Ticker BVB	BRK
ISIN	ROBRKOACNOR0
Auditing	The financial statements as of June 30, 2021 are not audited

Message from the board

Dear shareholders,



Today we announce the half-yearly financial results and we will review the most important aspects of the first six months of 2021. We also invite you to take part in the teleconference on 13.08.2021, during which we will present these results and we will be happy to answer your questions.

We report a net profit of RON 14.8M through a very consistent contribution of both productive sectors, respectively the intermediation and administration of our own portfolio. To this is added the value of RON 11.89M - other elements of the overall result (revaluation of the package of shares held in Firebyte Games, which does not impact the profit and loss account but only the value of equity). Thus, by cumulating the result from the profit and loss account with the other elements of the global result, the value of RON 26.7M results. In the following, we will briefly present the evolution of the main business segments.

BRK registers revenues from the intermediation activity of RON 8.98M (vs RON 4.08M in the similar period of last year); The corporate sub-segment, which generated revenues of RON 4.65M during this period, contributes decisively to this growth on the background of consistent intermediate values. The classic intermediation activity (intermediation of transactions on the Bucharest Stock Exchange and on international markets) generated revenues increasing by 6.1% compared to the same period last year.


The positive evolution of the intermediation segment is also confirmed by the evolution of the market share: thus BRK reaches at the end of June 2021 a market share of 6.62% (vs 4.91% in H1 / 2020), on a volume of RON 1.21 billion (vs 610M in the second half of last year). Practically, BRK registered an increase of 100% in terms of intermediate turnover, given that the total turnover of the Romanian capital market increased by approximately 50%. In other words, BRK Financial Group actively participated in both public offerings of shares on the main market during this first half: it was the intermediary of the IPO conducted by One United Properties and a member of the distribution group of the offer carried out by Transport Trade Services. BRK also brokered 2 share listings and 4 private bond placements (whose listing is ongoing) on the Multilateral Trading Segment (AeRo) of the Stock Exchange.

The market making activity generated revenues of RON 2.7M (vs 1.90M in H1 / 2020), both components of this subsegment having remarkable evolutions. Thus, the activity of issuing structured products and providing liquidity generated revenues of 1.87M RON (+ 6.8% vs H1 / 2020), but we want to nuance that if in the first half of 2020 an exceptional factor could be invoked (excessive volatility markets, which caused a good performance in the first half of this year, we are talking about a recurrence of revenue, BRK being the market leader in the segment of structured products every month (unlike the similar period last year, when BRK third). In relative

terms, the market share increased from 19.83% in H1 / 2020 to 32.2% in H1 / 2021. The revenues obtained within the partnerships within the Issuer's Market Maker program generated revenues of RON 839k, compared to RON 145k in the similar period of last year. The increase is explained by the fact that BRK's customer portfolio for this service has grown to a number of eight issuers, BRK having a market share of 80% in this segment (last year this business segment was at an early-stage Development).

Cumulating the revenues from the intermediation activity with those from the market making operations and decreasing all the operating expenses results in a profit from the basic activity of RON 4.44M, in line with the objective set to have a sustained profitability from the basic activity.

The operations performed on own account (other than the liquidity provision operations on certificates) brought us a total profit of RON 10.59M, composed of: marked net gains (+ RON 2.65M), gains from market markings (+ 6.98M RON), and other elements of financial income (provisions, interest, exchange rate differences) amounting to RON 954k. Also, by marking the market position held at Firebyte Games, we add the value of RON 11.89M with the mention that this marking impacts only the equity, which reached the value of RON 95.3M (compared to RON 68.64M at the end of 2020).



BRK - 0.082 RON
December 31, 2020

Key data 1H 2021

Income from continuing operations

11.491.980 RON

Net profit

14.799.997 RON

Earnings per share

0,0438 RON

Intermediated transactions

1.216 mil. RON

Market share

6,62%

BRK - 0.306 RON
June 30, 2021

Individual financial statements

Individual Statement of Financial Position – June 30 2021

In RON

	30.06.2021	31.12.2020
Assets		
Intangible assets	496.198	600.354
Tangible assets	8.467.095	8.019.937
Real estate investments	-	-
Financial assets measured at fair value through OCI	39.444.325	-
Financial assets measured at fair value through profit or loss	43.377.605	48.761.259
Financial assets at amortized cost	-	-
Loans granted	3.919.630	7.772.861
Receivables	1.380.531	914.854
Other financial assets	53.608.455	72.450.030
Client bank accounts	225.314.851	51.746.125
Cash and equivalents	6.156.707	4.931.596
Assets held for sale	-	-
	382.165.397	195.197.016
Total assets		
Equity		
Share capital	54.039.987	54.039.987
Adjustment of share capital	4.071.591	4.071.591
Treasury shares	(24.047)	(24.047)
Share premiums	5.355	5.355
Revaluation reserves	11.893.062	0
Other reserves	13.554.203	13.715.384
Total reserves	25.447.265	0
Current result	14.799.997	1.879.074
Retained earnings	(3.001.500)	(5.041.820)
Total shareholders' equity	95.338.647	68.645.523
Liabilities		
Financial leasing	230.129	-
Provisions	-	-
Total non-current liabilities	-	-
Short-term bank liabilities	3.997.415	2.443.700
Current portion of financial leasing	51.769	0
Amounts due to customers	263.883.048	111.752.738
Payables	18.441.262	12.109.024
Income in advance	223.127	246.033
Total current liabilities	286.596.621	126.551.495
Total liabilities	286.826.750	126.551.495
Total equity and liabilities	382.165.397	195.197.016

The financial statements have been approved today, 12.08.2021.

Chairman of the Board
Robert Danila

Economic Director
Sandu Pali

CEO
Monica Ivan

Income from continuing operations
Individual Statement of Comprehensive Income
Reported on 30.06.2021
In RON

	30.06.2021	30.06.2020
Intermediation	<u>8.984.138</u>	<u>4.079.083</u>
Fee and commission income	3.655.436	3.447.004
Corporate income	4.653.657	383.200
Other intermediation income	639.046	248.879
	<u>2.715.836</u>	<u>1.903.763</u>
Income from Market Making		
Net gains from transactions	1.876.494	1.758.564
Other MM income	839.342	145.199
Other income from continuing operations	20.602	39.810
Salaries and employee benefits	(2.926.303)	(1.968.345)
Fee and commission expenses	(1.696.987)	(1.259.121)
Expenses with external benefits	(1.109.804)	(1.288.779)
Expenses related to third parties	(242.001)	(273.022)
Other expenses related to continuing operations	(555.271)	(499.993)
Adjustments related to tangible and intangible assets	(514.640)	(454.199)
Profit / (loss) from continuing operations	<u>4.639.571</u>	<u>279.198</u>
Net gains/(losses) from financial instruments	<u>2.654.796</u>	<u>(4.089.263)</u>
Dividend income	392.400	1.808.844
Income from trading with shares and bonds	3.190.535	2.285.690
Loss from trading with shares and bonds	(928.138)	(8.183.796)
Net gain/(loss) from financial assets at fair value through profit or loss	<u>6.982.271</u>	<u>(3.448.535)</u>
Income from financial assets at fair value through profit or loss	11.357.597	4.684.912
Loss from financial assets at fair value through profit or loss	(4.375.327)	(8.133.447)
Net gain/(expense) from provisions related to financial instruments	<u>(200.000)</u>	<u>462.999</u>
Income from the cancellation of provisions	300.000	2.366.249
Expenses related to provisions	(500.000)	(1.903.250)
Other net interest gain/(loss)	<u>943.651</u>	<u>450.794</u>
Interest income	198.683	296.307
Income from margin accounts	99.914	126.957
Other interest income	13.659	34.680
Interest expense	(33.339)	(171.509)
(Expenses)/Income from exchange rate differences (house)	664.735	164.359

**Individual Statement of Comprehensive Income
(continued)**

Net gain/(expense) from provisions related to risk	<u>30.513</u>	<u>5.167</u>
Expenses with provisions related to risk	-	-
Income from the cancellation of provisions	7.608	5.167
Other net provisions	22.906	-
Other net gain/(loss)	<u>(12.493)</u>	<u>(85.302)</u>
Net gain/(loss) from the sale of assets	7.373	(88.389)
Other operating expenses	(52.895)	(29.092)
Other operating income	33.029	32.180
Result from operating activities	<u>15.038.309</u>	<u>(6.424.941)</u>
Profit before taxes	15.038.309	(6.424.941)
Taxes	-	-
Profit from continuing operations	(238.312)	-
Discontinued operations	-	-
Loss from discontinued operations (after tax)	-	-
Profit for the period	<u>14.799.997</u>	<u>(6.424.941)</u>
Other elements of comprehensive income	<u>-</u>	<u>-</u>
Net change in the fair value of available-for-sale financial assets transferred through profit or loss	-	-
Elements that can be reclassified through profit and loss	<u>-</u>	<u>-</u>
Net change in the fair value of available-for-sale financial assets	-	-
Free shares received classified as available for sale	-	-
Changes in the value of fixed assets available for sale	-	-
Elements that cannot be reclassified through profit and loss	<u>-</u>	<u>-</u>
Changes in the value of fixed assets used	11.893.062	-
Changes in the value of real estate investments	-	-
Establishment / cancellation of profit reserves for granting free shares to employees	-	-
Tax related to other elements of the overall result	-	-

Individual Statement of Comprehensive Income (continued)

Total other elements of comprehensive income for the period	11.893.062	-
Total profit and loss account and other elements of comprehensive income for the period	26.693.059	(6.424.941)
Profit attributable to:	14.799.997	(6.424.941)
Shareholders	14.799.997	(6.424.941)
Non-controlling interests		
Profit for the period	14.799.997	(6.424.941)
Total comprehensive income attributable to		
Shareholders	-	-
Non-controlling interests		
Total comprehensive income	-	-
Earnings per share		
Basic earnings per share (RON)	0,0438	(0,0190)
Diluted earnings per share (RON)	-	-
Continuing operations		
Basic earnings per share (RON)	0,0438	(0,0190)
Diluted earnings per share (RON)	-	-
30.06.2021		
Weighted average number of shares:	337.749.919	337.749.919

The financial statements have been approved today, 12.08.2021.

Chairman of the Board
Robert Danila

Economic Director
Sandu Pali

CEO
Monica Ivan

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 index. The company's headquarters are located in Cluj-Napoca, while the national presence is ensured by agencies in Bucharest, Timisoara, Iasi and Suceava.

BRK Financial Group S.A. he is a founding member of the Bucharest Stock Exchange, the Romanian Commodity Exchange, and of the Investor Compensation Fund. In 2019, BRK Financial Group becomes a founding member of the Central Counterparty (CCP.RO Bucharest SA).

The company also offers a range of specialized services to issuers and potential issuers. In the past, BRK has been involved in listing on the Bucharest Stock Exchange 11 of the 12 companies initially listed on BVB. Over time, BRK traded a total of 45 companies. Among them, we mention: Antibiotice Iași, Azomureș Târgu-Mureș, Terapia Cluj-Napoca, Artrom Slatina, Astra Vagoane Arad and others. Over time, the company has gained extensive experience in corporate operations: consulting services on primary or secondary public offerings, purchase, takeover, delisting offers, consulting on admission to trading on a regulated market, issues and offers public bond sales, mandatory purchase offers, share repurchase operations, company divisions, etc. BRK Financial Group finances its operations mainly on the basis of equity, this source having a share of more than 90% in the total sources of financing of the company.

Presentation of main activity

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

Intermediation segment

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

(A) Investor brokerage services for investors:

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

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

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

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

(B) Specialized services for issuers and potential issuers:

Financing on the capital market through public issues of shares and bonds.

Intermediation of public offers for the purchase or takeover of companies listed on the BSE.

Listing companies and investment funds on the capital market through initial public offerings or based on trading prospectuses.

Consulting for financing through issues of shares and bonds or promotion on the capital market

During the last 5 years, BRK Financial Group has been placed annually in the top of SSBs from BVB, the transactions carried out by customers and those in its own name generating a market share of up to 6.62% of the annual value of total transactions per year.

In the first half of 2021, BRK Financial Group brokered transactions totaling 1.21 billion lei to BVB (vs. RON 610M in the first half of 2020, + 98%). As a market positioning, BRK ranked 6th in the top of intermediaries at BVB, the market share increasing from 4.91% in the first half of 2020 to 6.62% in the first half of 2021.

Trading on international markets was in the first half of 2021 an important source of commission income, given the increased interest of customers for transactions in international markets, as well as attracting new customers who accessed this service.

Regarding the services addressed to issuers, in the first half of 2021 BRK brokered the listing of Star Residence Invest shares, as well as the private placement followed by the listing of Firebyte Games, 4 private bond placements (Qualis Properties, Alser Forest, Nemo Express, Ansett Logistics), as well as other specific services provided to issuers (share repurchases, takeover bids, etc.). Also, on the BVB regulated market, BRK Financial Group was involved in the largest public sale offers in recent years on the Romanian stock exchange. In the case of the initial secondary public offering for sale of shares carried out by Transport Trade Services, the company was part of the distribution group of the offer, and in the case of One United Properties, the company was an intermediary of the One United Properties IPO offer and subsequently listed in the premium category. BVB. The cumulative value of the two public offers was over EUR 110 million. The operations regarding the initial primary public offering for the sale of One United Properties shares were completed during July 2021.

Trading segment

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

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

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

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

Market making and liquidity

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

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

In 2019, BRK obtained the quality of market-maker within the regulated spot market within BVB, signing a first contract within the Issuer's Market Maker program, through which an intermediary concludes a contract with an issuer in order to support its liquidity. An important feature of this program is that the market maker assumes much improved values of listing parameters (minimum volume, maximum spread, market presence) compared to the classic market making activity. In the first half of 2021, BRK Financial Group provided market-making services for AAGES, Antibiotice Iasi, Impact Developer & Contractor (both shares and bonds), MedLife, Purcari, Romcarbon, TeraPlast. BRK is also the market maker for OMV Petrom shares. After July 1, 2021, BRK concluded 3 new service contracts within the Issuer's Market Making program with: One United Properties Transport Trade Services and the Bucharest Stock Exchange.

Structured products and liquidity

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

In the first half of 2021, BRK Financial Group recorded a turnover of 208M RON on the Structured products segment, increasing by 39% compared to the first half of 2020 (149M RON) holding a market share of 32.20%, occupying the first position in the top prepared by BVB regarding the most active intermediaries on the Structured products segment.

In the first half of 2021, BRK issued 42 new structured products, as follows: 18 Turbo Long and Turbo Short certificates with Mini Sized Dow Jones Industrial Average contract support asset, 5 with Gold Futures support asset, 10 with Contract support asset futures Light Sweet Crude Oil. Also during this semester, BRK launched structured products with support assets Silver Futures (5 products issued) and Copper Futures (4 products issued). On 30/06/2021, BRK had admitted to trading a total of 39 series of products, as follows:

- 17 Turbo Long and 5 Turbo Short with asset support Contract futures Mini Sized Dow Jones Industrial Average
- 2 Turbo Long and 2 Turbo Short with Gold Futures support asset
- 2 Turbo Long and 1 Turbo Short with Silver Futures support asset

- 2 Turbo Long and 1 Turbo Short with Copper Futures support asset
- 6 Turbo Long and 1 Turbo Short with asset support Contract futures Light Sweet Crude Oil

Activity during 1H 2021

On April 16, 2021, the Board of Directors of the company approved the basic prospectus in connection with the structured product issuance program which includes the range of products that could be subject to future issues of turbo certificates and certificates with protected capital for both the domestic market as well as for Austria, Poland and Hungary. On 26 May 2021, the Financial Supervisory Authority approved the Basic Prospectus in connection with the Structured Products Issue Program and the issuance of the Certificate certifying the approval of the Basic Prospectus for notification to the competent authorities of Austria, Hungary and Poland.

BRK continues to expand the “Market maker of the issuer” business line started in 2019, increasing the addressability of the service among several issuers. Currently, BRK is Market Maker for the shares of Aages, Teraplast, Medlife, Romcarbon, Purcari Wineries, Antibiotice Iasi, Impact, Impact bond (IMP26E), OMV Petrom, One United Properties, Transport Trade Services and the Bucharest Stock Exchange.

During the EGMS of 26.04.2021, the financial auditor was re-elected for the next two years and a series of decisions were also taken regarding the reduction of the share capital, the issuance of bonds and the approval of a share repurchase program, as well as the approval of the implementation. a stock option plan of the Company's own shares to the Company's directors, directors and employees, by allocating a maximum of 1% of the total shares issued by the Company

In accordance with the corporate and group strategy, approved in the OGMS 2019, BRK continued to support subsidiaries (Firebyte Games SA, Romlogic Technology SA and Gocab Software SA and Reit Capital SA.).

Dynamic and structure of total revenues

Capital market trading services are offered by BRK Financial Group nationally and internationally, both to individuals and legal entities classified as retail, professional or institutional clients. Regarding the structure of turnovers, 71% of them are made by retail customers, and the difference by institutional customers (approx. 230 M RON).

	30-Jun-21	30-Jun-20	Var %
Income from continuing operations			
Intermediation	<u>8,948,138</u>	<u>4,079,083</u>	<u>119%</u>
Income from intermediation commissions	3,655,436	3,447,004	<u>6%</u>
Income from corporate taxes and commissions	4,653,657	383,200	<u>1114%</u>
Other intermediate income	639,046	248,879	<u>157%</u>

Each of the 3 segments of the intermediation business (domestic market trading, international market trading, services addressed to issuers) generated a consistent revenue, in line with budgeted forecasts, so that all total revenues of the intermediation segment in the first half of 2021 reached the level of 8.94M RON (vs 4.1M / 2020), increasing by 119% compared to the same period last year. The largest contribution to growth has the corrected segment, respectively the revenues obtained from the commissions charged to issuers for services. Regarding the traditional supply chain (intermediation on the domestic market), BRK brokered transactions worth a total of 1.21 billion lei to BVB in the first half of 2021 (vs. RON 610M in 2020, + 98%). As a market position, BRK ranked 6th in the top of intermediaries at BVB, the market share increasing from 4.91% in the first half of 2020 to 6.62% in the first half of 2021.

	30-Jun-21	30-Jun-20	Var
Income from market making	<u>2,715,836</u>	<u>1,903,763</u>	<u>43%</u>
Net earnings from transactions	1,876,494	1,758,564	<u>7%</u>
Other income MM	839,342	145,199	<u>478%</u>

The market making activity generated revenues of RON 2.7M (vs 1.90M in H1 / 2020), both components of this subsegment having remarkable evolutions. Thus, the activity of issuing structured products and providing liquidity generated revenues of RON 1.87M (+ 6.8% vs H1 / 2020), but we want to nuance that if in the first half of 2020 an exceptional factor could be invoked (excessive volatility markets) which caused a good evolution, in the first half of this year, we are talking about a recurrence of revenues, BRK being the market leader in the segment of structured products every month (unlike the similar period last year, when BRK occupied the position of third). In relative terms, the market share increased from 19.83% in H1 / 2020 to 32.2% in H1 / 2021, and in absolute terms we report a turnover of 208M RON (vs 149M RON in H1 / 2020). During this first half, BRK introduced silver and copper among the underlying assets of the issued structured products.

The revenues obtained within the partnerships within the Issuer's Market Maker program generated revenues of RON 839k, compared to RON 145k in the similar period of last year. The increase is explained by the fact that BRK's customer portfolio for this service has grown to a

number of eight issuers, BRK having a market share of 80% in this segment (last year this business segment being at an early stage Development).

	30-Jun-21	30-Jun-20	Var
Own portfolio management activity	10.088,274	(6.624.005)	<u>N/A</u>
Dividend income	392.400	1.808.844	-78%
Gains / (Losses) from transactions with shares and bonds realized	2.262.397	(5.898.107)	N/A
Net gains / (losses) from the measurement of financial assets measured at fair value through profit or loss	6.982.271	(3.448.535)	N/A
Net income / (expenses) net provisions financial assets	(200.000)	462.999	N/A
Other net income / (expenses) from interest and differences of exchange	651,206	450.794	58%

The operations performed on own account (other than the liquidity provision operations on certificates) brought us a total profit of RON 10.08M, composed of: net marked gains (+ 2.65M RON), gains from market markings (+ 6.98M RON), and other items of income of a financial nature (provisions, interest, exchange rate differences) amounting to RON 451k. Regarding dividend income, we explain the difference as follows: in 2020, the subsidiary SAI Broker paid the dividends in the first half of the year, while in 2021, they will be paid in the second half of the year.

	30-Jun-21	30-Jun-20	Var
Income from intermediation	8.948.138	4.079.083	<u>119%</u>
Salary expenses and employee benefits	(1.103.346)	(724.125)	<u>52%</u>
Expenses of market commissions and intermediaries	(1.208.758)	(708.664)	<u>71%</u>
Expenditure on external services	(103.952)	(355.258)	<u>-71%</u>
Expenses with collaborators	(242.001)	(273.021)	<u>-11%</u>
Other income from continuing operations	(106.880)	(337.257)	<u>-68%</u>
Total expenses from the intermediation activity	(2.764.937)	(2.398.324)	15%

The result of the intermediation segment increased from RON 1.68M in the first half of 2020 to RON 6.2M in the first half of 2021, amid the increase in business volume. In line with the increase

in revenues, some direct expenses increased (commissions paid to stock exchanges and capital market institutions in line with the increase in turnovers, salary expenses due to the recruitment of productive staff, allocation of marketing expenses and promotion to the intermediation segment).

Evolution of results on the segment of own portfolio management operations.

	30-Jun-21	30-Jun-20	Var
Net gains on trading activity	11,404,601	-6,603,659	<u>N/A</u>
Salary expenses and employee benefits	(613.401)	(779.515)	<u>-21%</u>
Expenses of market commissions and intermediaries	(447.834)	(388.059)	<u>15%</u>
Expenditure on external services	(201.080)	(553.106)	<u>-64%</u>
Expenses with collaborators	-	-	<u>n.a</u>
Other income from continuing operations	(137.193)	(162.736)	<u>-16%</u>
Total expenses from the trading activity	(1.399.508)	(1.883.417)	<u>-26%</u>

Own portfolio management activity

The result of the administration activity of the own portfolio registered a cumulative net result of +11.4 M RON, the revenues being net being of 12,8 M RON, and the operating expenses being of 1.4 M RON. By net income we mean the result of all investments in which the capital of BRK Financial Group was involved (investments in shares, bonds, units of units, participations in closed companies, market making operations related to issued structural products, interest received and paid, dividends and coupons, interest related to margin trading, exchange rate differences, etc.). The result also includes the effect of marking on the market (respectively the revaluation of participations in the case of unlisted companies) of all the instruments held, as well as of the provisions (constituted or canceled).

Analysis of the structure of the financial assets portfolio

	Number of issuers		Market value	
	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20
Listed shares	29	21	46,824,317	16,861,751
Unlisted shares	16	16	27,844,414	24,898,238

Investment fund securities	7	7	8,058,524	7,001,270
Total portfolio	52	44	82,727,254	48,761,259

According to the situation presented above, we observe significant variations in the structure of the portfolio of financial instruments:

- ✓ Regarding the participations in listed companies, we report an increase in the number of positions with 8 companies, as the portfolio fragmentation. The main cause was the expansion of the client portfolio for which BRK provides the market making service to the issuer and where, implicitly, BRK holds positions.
- ✓ We explain the increase in the value of participations in listed companies, and we observe the tripling of these positions (at aggregate level) by: (i) the position held in Firebyte Games was reclassified from “Unlisted companies” to “Listed companies”. The BRK position held at Firebyte Games on 30.06.2021 is worth RON 14.63M (ii) the increase of the positions on shares where BRK activates as MM (iii) the absolute increase of some positions in the portfolio by marking on the market as an effect of the price appreciation (iv) the use of profits (and even additional credit lines) obtained for accumulations of positions
- ✓ Regarding the participations in unlisted companies, the difference comes from the acquisition of some shares in GoCab Software SA by the conversion of some receivables and the acquisition of some participations in Maia Biotechnology Inc and GTM MANAGING SERVICES SA.
- ✓ BRK maintained its participations in investment funds, without movements; the value of these participations was assessed in line with the evolution of the market from 7 to 8 million lei.

In addition to financial investments in listed companies, closed companies, fund units or other securities, the company's financial assets portfolio also includes cash, loans, financial assets related to market making and structured products and the marketable portfolio on international markets. .

	Values		Weight	
	30-Jun-2021	31-Dec-20	30-Jun-2021	31-Dec-20
Cash	6,216,019	4,931,488	6.67%	7.74%
Loans granted, of which:	4,318,422	7,884,733	4.63%	12.37%
<i>Customer lending - margin trading</i>	<i>2,718,422</i>	<i>4,004,733</i>	2.91%	6.28%
<i>Loans to other companies</i>	<i>1,600,000</i>	<i>3,880,000</i>	1.72%	6.09%
International market financial instruments	4,451,032	3,959,848	4.77%	6.21%

Financial instruments internal market	78,276,222	46,948,048	83.93%	73.67%
Total	93,261,694	63,724,117	100.0%	100.0%

Regarding the evolution of the “liquidity” and “loans” components, on 30.06.2021, the clients holding the “margin trading” product did not use the margin trading ceilings to the maximum capacity (and implicitly the unused balance of these ceilings was in the availability of the company), and the loans granted to other companies decreased following the conversion of a receivable on GoCab Software into shares, through a share capital increase to which BRK subscribed with a contribution in kind (receivable held).

Staff

On 30.06.2021, the average number of employees was 40. At the end of the reporting period, the actual number of employees of the company was 41, the employment targeting staff in the productive area (agents) and support.

The company's development strategy involves expanding the activity and 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 business volume. The company constantly encourages and supports the professional development and specialization of the staff employed in the area of competence specific to each one, by participating in the professional training programs, respectively continuous professional training. There is also an operational continuity plan for each of the existing positions in the organizational chart.

Objectives in 2H 2021

Our medium and long-term strategic objectives consist in realizing the full potential of business opportunities, improving competitiveness, ensuring quality services at competitive costs, focusing on customer needs and digitizing its experience. Punctually, for the second half of 2021, we appreciate that the following points could be reached: Construirea unor sisteme de operare inteligente, simplificarea proceselor și îmbunătățirea experienței digitale a clienților;

- Development of the research department and offering coverage with analysis on as large a number of issuers as possible;
- Maintaining the market share reached (the objective stated at the beginning of the year was 5%, and at the end of June we have 6.62%) regarding the turnovers at BVB and maintaining the market share on the structured products segment (BVB);
- Listing of structured products on other exchanges in the region (Austria, Poland and Hungary)
- Quantitative maintenance of intermediate corporate operations, in line with the first semester

- BRK Financial Group will continue to seek to support, both financial-investment and through managerial know-how, startups or ambitious entrepreneurial teams, analyzing the opportunities offered by them and coordinating their activity and initiating the governance system. The concrete objectives for the second half of 2021 focus on listing at least one more technology subsidiary, as well as developing the new REIT Capital subsidiary by expanding the scope of operations and assets under management.

Important events during 1H 2021

On February 15, 2021, the private placement regarding the share capital increase at Firebyte Games SA was concluded, by issuing shares with cash contribution. The investment was brokered by BRK Financial Group. Investors were allocated 8,800,000 new shares with a nominal value of 0.1 RON / share and a subscription price of 0.56 RON / share. A subsidiary of BRK Financial Group, Firebyte Games is the first developer in the gaming area in Romania to be listed on BVB on the AeRO market, and the capital attracted from investors is to be used for the development of the company with two new business lines.

On March 3, 2021, BRK Financial Group expands the addressability of the products and services offered, developing and launching in this regard the product "Investment account for children" through which parents (or legal representatives) can open a trading account for minors. The main benefits, related to accessing this type of account, are that parents can contribute in advance to the child's financial independence and can lay the foundations of a stock market education that can turn them into successful future investors.

Within the OGMS of April 26, 2021, the remuneration policy is approved in accordance with the legal provisions. The financial auditor JPA Audit & Consultanța SRL is appointed for the audit of the financial years 2022 and 2023.

Within the EGMS of April 26, 2021, the issuance of non-convertible bonds by the Company is approved. It is approved the implementation of a "stock option plan" type program from the own shares held by the Company, to the administrators, directors and employees of the Company, by allocating a maximum of 1% of the total shares issued by the Company. It is approved the redemption by the Company of its own shares, of a number representing maximum 1% of the share capital.

In accordance with the corporate and group strategy, BRK Financial Group continued to invest in the three technology subsidiaries (Firebyte Gamers SA, Romlogic Technology SA and Gocab Software SA).

On 26 May 2021, the Financial Supervisory Authority approved the Structured Product Issuance Program and issued the Certificate certifying the approval of the Basic Prospectus for notification to ESMA and the competent authorities of Austria, Hungary and Poland. In connection with the basic prospectus and its notification to ESMA and the competent authorities of Austria, Hungary

and Poland, BRK Financial Group was assisted by experts from the law firm Schoenherr Attorneys at Law - Vienna, Austria with regard to legal issues. Austrian.

On June 16, 2021, the Financial Supervisory Authority authorized the Initial Primary Public Offer for Sale of shares issued by One United Properties S.A. Bucharest, the intermediary of the offer being BRK Financial Group SA. The value of the contract concluded by BRK Financial Group with One United Properties falls within the limits established by the provisions of art. 234, letter i, of the FSA Regulation no. 5/2018.

Important events after 1H 2021

On July 1, 2021, a contract was concluded with a company in order to increase the share capital by private placement and listing the shares on the multilateral trading system administered by the Bucharest Stock Exchange. On July 21, 2021, a contract was concluded with a company in order to increase the share capital by private placement and listing the shares on the multilateral trading system administered by the Bucharest Stock Exchange. For each of the two contracts, the value of the contract is estimated to be 1 million lei each.

Corporate governance & Investor relations

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

La cea mai recenta evaluare realizata de catre Asociatia pentru Relatia cu Investitorii la Bursa din Romania (ARIR), prin indicativul VEKTOR, BRK Financial Group a obtinut nota 9, cu un progres de 3 puncte fata de revizuirea din 2020 si 4,5 fata de revizuirea din 2019. Prin intermediul acestui indicativ este evaluata calitatea comunicarii si a transparentei fata de investitori, iar BRK Financial Group depune toate eforturile pentru a se alinia la cele mai bune practici in zona relatiei cu investitorii. Grila de evaluare a BRK la revizuirea publicata de catre ARIR in Decembrie 2020 poate fi accesata aici: https://bvb.ro/Info/VEKTOR/BRK_20210126135935_SSIF-BRK-ro.pdf

BRK Financial Group respects the rights of its shareholders in carrying out the activities undertaken by the company in their interest. The company is constantly concerned with improving communication and relations with its shareholders, aiming to ensure fair treatment. The articles of association of the company regulate the rights of the shareholders regarding the shares held and their exercise through the participation in the General and Extraordinary Meeting of Shareholders. Also, the constitutive act regulates the management body of the company and the manner of its administration. The relationship with the shareholders is ensured at the level of the executive directors and of the Board of Directors. The BRK Financial Group website provides concise information on the organization and conduct of business, products and services offered, financial statements, Ordinary and Extraordinary General Meetings, litigation in which the

company is involved and other elements that may be of interest to shareholders, employees or customers. The company's website also includes the CVs of the members of the Board of Directors and the audit reports. All information for shareholders is available in the "Investor Relations" and "About Us" sections, both in Romanian and in English. Regarding the potential questions, opinions or suggestions that shareholders may have, the company provides the e-mail address actionariat@brk.ro to facilitate an easy and appropriate communication. Along with the information available on the company's website, shareholders can consult the reports and communiqués submitted by BRK Financial Group. These can be consulted on the website of the Bucharest Stock Exchange (BVB). The company provides annually the financial reporting schedule, the OGMS and EGMS notices, their decisions and current reports.

Board of Directors

The management of BRK Financial Group was ensured in the first half of 2021 by a Board of Directors consisting of three members elected at the General Meeting of Shareholders in April 2020.

During the first semester of 2021, the Board of Directors of BRK Financial Group SA met 7 times, either by participating in the company's headquarters or by means of distance communication, and its activity complied with legal and statutory provisions. Important topics and projects were debated, relevant to the company's activity, and decisions were issued regarding the multiple functional aspects of the company. Among the topics that were found in the agenda of the Board of Directors, having a special impact on the current activity, were the approvals of some internal policies and procedures that were updated to correspond to the changes made at the company level.

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

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

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

Committees of the Board

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

The three directors are members of all committees.

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

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

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

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

Internal auditing

During 2021, the internal audit was provided by Asconcor SRL, which operates independently, in accordance with the recommendations of corporate governance. 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 aim at verifying the correlation of the clients' balances with the analytical records, the verification of the capital adequacy reports, the verification by sampling of the clients' cash availabilities and other relevant aspects of the company's activity.

External auditing

According to the legal provisions, the financial-accounting statements and operations of BRK Financial Group are audited by an independent financial auditor, who meets both the criteria

established by the Financial Supervisory Authority and those of the Romanian Chamber of Financial Auditors.

During the OGMS held on 07/29/2019, the election of the financial auditor JPA Audit & Consultancy SRL for the years 2019, 2020 and 2021 was approved. and 2023.

Compliance

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

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

The Internal Control and Compliance Department reports monthly to the company's Board of Directors, executive management and the internal auditor on the activity carried out and the issues notified, if applicable. CCI proposes to the management measures to remedy the problematic aspects, following that the decision regarding the application of the proposed measures will be taken by the members of the Board of Directors and / or the executive management. The decision is to be brought to the attention of those involved by the representatives of the executive management.

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

During the first semester of 2021, the Internal Control and Compliance Department prepared control reports, which were carried out in accordance with the Annual Control and Compliance Plan or at the request of management. Control reports were reported accordingly. Following the proposals made in the control reports prepared in the first half of 2021, the company's management took remedial measures by modifying 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 responsibilities for monitoring the risk at company level. The monitoring of the risks specific to the activity carried out is done in accordance with the Policies on risk management - Rules and mechanisms for risk assessment and management, approved by the Board of Directors. In the process of identifying and assessing financial risks, as

well as the indicators used in risk management, EU Regulation no. 575/2013 on prudential requirements for credit institutions and investment companies, as provided by the European legislator, but also the regulations and legislation of the Financial Supervisory Authority.

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

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

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

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

At the level of SSIF BRK Financial Group SA, the financial, investment and operational risks were evaluated / quantified, monitored and treated in order to reduce their impact according to the classification presented above. When establishing this risk classification structure, the magnitude

of the impact of that risk was taken into account in the event that it would materialize on the levels of own funds held by SSIF BRK Financial Group SA.

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

Principles:

As a general principle, when establishing the current quantitative levels of financial risks, the risk profile of SSIF BRK Financial Group SA was taken into account, the current structure of the portfolio, the possible dynamics of assets, as well as ensuring prudent levels of liquidity and adequacy. capital so as to include shock absorbers for possible crisis situations established by the European regulator.

Issues considered:

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

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

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

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

Thus, on 30.06.2021, the level of SSIF BRK Financial Group's own funds registered the value of 63,413,924.93 lei. Also, the value of risk-weighted exposures on 30.06.2021 was 349,201,471.74 lei. The increased level of these risk-weighted exposures is temporary, largely due to the availability of customers (in RON and foreign currency) held in the company's accounts at the reporting date. In early July 2021, customer cash was used to a significant extent for the settlement of share purchase transactions under the One United Properties IPO brokered by the company. Eliminating the temporary influence of these available customer balances, the company's risk-weighted exposures are around RON 250 million:

Transparency and financial reporting

In order to ensure transparency on the activity carried out and on the financial statements, SSIF BRK Financial Group makes available to all interested parties, through communications sent to

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

Following the evaluation of VEKTOR (indicator of communication with investors for companies listed on the stock exchange) conducted by the Association for Investor Relations on the Romanian Stock Exchange (ARIR), BRK Financial Group obtained a grade of 9/10 for communication and investor relations.

Avoidance of conflicts of interest

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

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

Social responsibility

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

In the first semester of 2021, BRK contributed to planting, financial education and sponsorship of certain cultural and sports activities. We are on schedule with our plans to get involved in the community, respectively we started participating in the action of Cluj Napoca City Hall "adopt a green space".

Financial calendar

April 19 2021	Publication of financial results for the first quarter
April 26 2021	General Meeting of Shareholders for the approval of the 2020 annual financial results
April 27 2021	Publication of the 2020 Annual Report

13 August 2021

Publication of half-yearly financial results / Conference with investors and analysts

12 Noiembrie 2021

Publicarea rezultatelor financiare pentru trimestrul III

BRK share

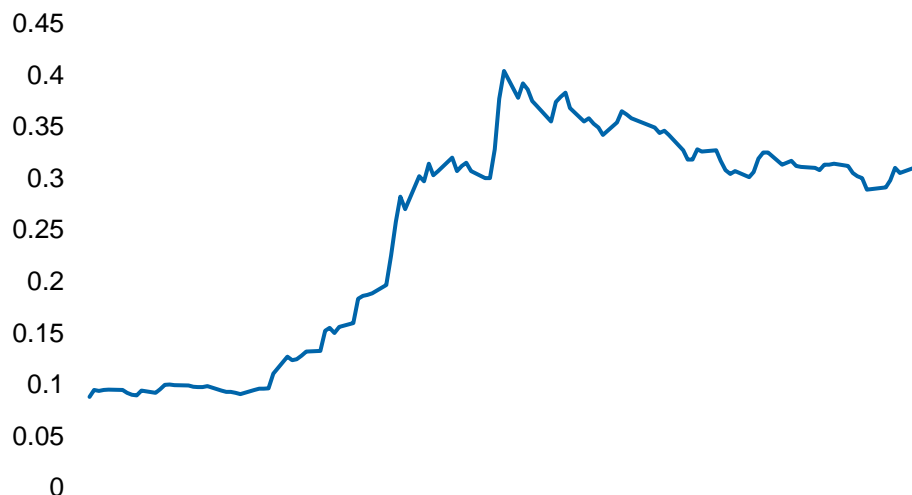
BRK Financial Group shares are issued in dematerialized, ordinary, indivisible and freely negotiable form from the date of admission to trading on the Bucharest Stock Exchange (BVB). The shares of BRK Financial Group were admitted to trading on the main market administered by the Bucharest Stock Exchange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

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

The records of the shares are kept by the Central Depository, an independent registry company, authorized by the Financial Supervisory Authority. The total number of shares issued by BRK is 337,749,919, and the nominal value of one share is RON 0.16.

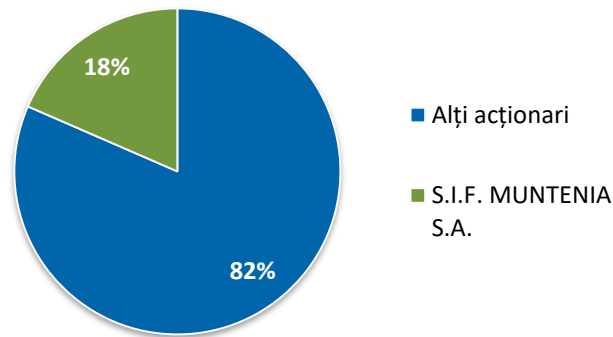
During the first half of 2021, the average price of BRK share was 0.246 RON / share. On June 30, 2021, the price of BRK share was 0.306 RON / share. Compared to December 30, 2020, BRK's share price increased by 278% due to the performance of the first quarter and the events of the second quarter. The graph below shows the evolution of the BRK share price from the beginning of the year until June 30, 2021..

Share price evolution in 1H 2021(RO)



Shareholders

As of June 30, 2020, the shareholding structure of BRK Financial Group is as follows:



Stock market context

As COVID-19 vaccination rates increase, so does the global economy. This economic growth has benefited the stocks relative to the bonds. At the same time, inflation in the European Union was 2.2% in the first six months of 2021, up from the same period last year, when the inflation rate was 0.8%.

Regarding the evolution of the indices presented in the table below, in the first six months of 2021, we can notice an upward evolution of them. The European Union indices shown in the table below increased by more than 10%. The highest increase in the first six months of this year was recorded by the BET index, the reference index of the local capital market, of 21%, followed by the reference index of the French stock market, CAC 40, which had an increase of 16% in the first semester.

The S&P 500, the stock market index that tracks the top 500 listed companies in the United States, being one of the most watched indices globally, recorded a 16% increase in the first half of this year. Also, in the case of Asian indices, the evolution was positive during the first half of 2021.

Region	Index	Ticker	Value as of June 30, 2021	Variation in the first semester of 2021 (%)	Variation in the first half of 2020 (%)
CEE & EU	Bucuresti (BET)	BET Index	11,873	21.1	-12.70
	Prague (PX)	PX Index	1,153	12.0	-18.3
	Budapest (BUX)	BUX Index	47,238	11.6	-22.5
	Warsaw (WIG20)	WIG Index	2,218	10.4	-20.1
	Deutsche Boerse (DAX)	DAX Index	15,531	13.1	-8.0
	Euronext Paris (CAC)	CAC Index	6,508	16.4	-18.3
	EURO STOXX 50	SX5E Index	4,064	14.0	-14.7
USA	Dow Jones Industrial (INDU)	INDU Index	34,503	14.2	-10.6
	S&P 500 (SPX)	SPX Index	4,298	16.1	-4.8
	NASDAQ (CCMP)	CCMP Index	14,504	14.2	10.6
Asia	Hong Kong Hang Seng (HIS)	HIS Index	28,828	5.9	-14.4
	Shanghai (SHCOMP)	SHCOMP Index	3,606	3.8	-3.3
	Shenzhen (SZCOMP)	SZCOMP Index	2,468	6.0	12.5
	Korea (KOSPI)	KOSPI Index	3,286	14.2	-3.1
	Taiwan (TWSE)	TWSE Index	17,755	19.1	-4.0
	Jappan Nikkei 225 (NKY)	NKY Index	28,686	5.6	-4.0

The Romanian capital market registered significant increases in the first half of 2021, compared to the first half of the previous year when their evolution was negative. The most significant increase was recorded by the BET-BK, BET-TR and BET-XT-TR indices, of 24%. BET-NG, the sectoral index that reflects the evolution of listed companies whose main field of activity is energy and related utilities, appreciated by 12% in the first half of 2021. The BET index, the reference index of the local capital market, reached in June an all-time high of 12,000 points. In the first half of 2021, the BET index appreciated by 21%.

The stock market capitalization of issuers traded on the main segment reached at the end of June 2021 the value of RON 190.5 billion, increasing by 23% compared to the beginning of this year. This trend was similar on the Multilateral Trading Segment of BVB, where the market capitalization of issuers increased in the first half by 28.5%, and the number of transactions almost doubled.

Index	1H, 2021 (%)	1H, 2020 (%)
BET	21%	-12.7%
BET-BK	24%	-11.4%
BET-FI	23%	-9.4%
BET-NG	12%	-15%
BET-TR	24%	-10%
BET-XT	20%	-13%
BET-XT-TR	24%	-10%

BETPlus	21%	-13%
ROTX	21%	-14%

Consolidated performance

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

Company within the group	Main field of activity	Number of financial instruments held	Nominal value of the financial instrument	Participation June 30, 2021 (%)
SAI BROKER SA	Fund management activities	220,581	10	99.98%
Firebyte Games SA	Custom software development activities	16,866,123	0.1	47.89%
Gocab Software SA	Custom software development activities	23,915,100	0.1	35.45%
Romlogic Technology SA	Manufacture of computers and peripheral equipment	1,061,484	10	90.74%
REIT Capital SA	Business and management consultancy activities	8,955	10	99.5%

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

Information about SAI Broker

SAI Broker SA was established in the second half of 2012, and wants to offer investors viable investment alternatives through the products it intends to launch, so that through an adequate management of the financial assets portfolio it tends to optimize the ratio between the potential return and the investment risk assumed. The company has the dynamism and tenacity necessary for such a challenge, as well as the experience gained over the years which, together, are the prerequisites for the success of a policy focused on customer needs.

The main field of activity of the company is: 663 - "Fund management activities". The main object of activity of the company classified according to the Classification of Activities in the National Economy (CAEN) is: 6630 "Fund management activities": (1) administration of collective investment undertakings (UCITS) established in Romania or in another state (2) in addition to the management of the UCITS, the company may manage alternative investment funds (AIF).

Main achievements of SAI Broker

At the end of June 2021, the value of assets managed by SAI Broker SA was 185 million lei, increasing by 6 million lei compared to 31.12.2020. In the first half of 2021, all nine funds managed by SAI Broker SA registered positive evolutions of the unit net asset, the increases being between 1.5% and 48.8%.

Main strategy of SAI Broker

The strategy of SAI Broker SA aims to increase the assets and the number of investors in the managed public funds. Achieving superior performance to the established benchmarks and being in the top of the best performing investment funds distributed nationwide, within the risk category to which each fund belongs, is one of the main objectives of the company.

Internal and external audit of SAI Broker

The internal audit is provided by MBO Auditing & Accounting SRL, and the financial audit by JPA Audit & Consulting SRL.

Environment policy of SAI Broker

At the level of SAI Broker SA, a procedure is adopted regarding the risks related to sustainability in the investment decision-making processes, this including the elements considered in terms of environmental protection.

Information about Firebyte Games

Firebyte Games SA is a joint stock company organized and operating in accordance with Romanian legislation, being registered at the Cluj Trade Register Office under no. J12 / 6845/2017, CUI 38624397. The company has its registered office in Cluj-Napoca, Calea Moșilor no. 119 et.3, Cluj County. As at 31.12.2020, the share capital, subscribed and fully paid up of the Issuer is 1,222,070 lei, divided into 122,207 shares, with a nominal value of 10 lei / share. According to the Articles of Incorporation, the main objective of the company is Activities to make custom software (customer-oriented software) - CAEN code 6201.

Firebyte Games S.A. was established in December 2017, specializing in the development of games for mobile devices. The company's activity takes place 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 held the position of general manager since its establishment until now. The financial support of the company was provided by the BRK Financial Group and by Mr. Andrici Adrian. The expertise of Mr. Ovidiu Stegaru, as well as the experience of him and the team he proposed for the launch and development of the Firebyte project, corroborated 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, whose development extended throughout 2018 and in the first part of 2019. Starting with 2019, the company has partnered 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 largely depends

on the marketing budget used in the publishing campaign. During the 3 years of activity, the company has developed 45 games or prototypes of games for mobile devices, most of them being of the Hypercasual type within the "revenue share" type partnerships.

Main achievements of Firebyte Games SA

In order to achieve our goal of establishment, namely to become a globally important gaming studio in the mobile gaming segment, it is necessary to develop our own projects to be published under the name Firebyte Games. The company's management considers it appropriate to develop this line of business, even if it involves important resources, especially in terms of marketing budgets aimed at acquiring user-players.

During the last 3 years the company has developed over 45 projects consisting of games for mobile devices. Most of the games developed are Hypercasual, based on partnerships with publishers, but more complex projects have been made in the category of mid-core games such as: Castle Siege: War of Legends and Cooking game, which brought a large capital of image of the company among the partners.

Main strategy of Firebyte Games SA

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

Principalii factori care stau la baza succesului unei companii din industria de jocuri dezvoltate pentru dispozitive mobile sunt:

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

The company's business model focuses on two directions:

- Development of games in collaboration with external partners, through revenue-share agreements
- Development and publication of casual games on their own.

Audit of Firebyte Games SA

The auditor of the company is MBO Auditing & Accounting SRL, he has been appointed since the establishment of the Company, respectively December 2017.

Information about Gocab Software SA

Gocab Software SA is a joint stock company organized and operating in accordance with Romanian legislation, being registered at the Trade Register Office under no. J40 / 15360/2019, CUI 41884893. The company has its registered office in Bucharest, str. Gramont, no. 38, sector 4. As at 31.12.2020, the share capital, subscribed and fully paid up of the Issuer is 912,500 lei. According to the Articles of Incorporation, the main objective of the company is Activities to make custom software (customer-oriented software) - CAEN code 6201.

The company has over 15 years of experience in the field of taxi, collaborating with the best taxi companies in Romania. It sells an intelligent taxi system (Equinox), in its second version - which replaces multiple devices required for taxi activity (traditional charging device, GPS navigation, tablet / phone for mobile applications, radio station). In addition, the company has developed the GoCab taxi ordering application.

Main achievements of Gocab Software SA

Modules developed and integrated within the GoCab application:

- Feedback
- Orders
- Dispatchers / Transporters
- Corporate
- Float
- Receipts and payments
- Bonus
- Partners
- Notifications
- Users
- Feedback

The GoCab application is present in over 20 cities nationwide, being downloaded by over 80,000 customers and over 10,000 taxi drivers.

Main strategy of Gocab Software SA

Company objectives:

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

The main two investment directions of the company aim:

- Development of the suite of applications, through the implementation of modules to facilitate and / or automate the processes used in the taxi business.
- Marketing campaigns addressed to customers and drivers using the GoCab application.

The monetization model adopted / targeted:

- GoCab Pro service through which customers will receive the guarantee of fulfilling the order made, and taxi drivers will be guaranteed a minimum number of orders for a predefined period
- Related services, through partnerships, developed by the company, in the interest of GoCab affiliates, which will generate an important component of operating revenues.
- Monetizing orders sent within the standard service will be an alternative source of operating income.

Audit of Gocab Software SA

The auditor of the company is MBO Auditing & Accounting SRL.

Information about Romlogic Technology SA

Romlogic Technology SA is a joint stock company organized and operating in accordance with Romanian legislation, being registered at the Trade Register Office under no. J40 / 6575/2015 CUI 34586533. The company has its registered office in Bucharest, str. Cuza Vodă, no. 75A, sector 4. As at 31.12.2020, the share capital, subscribed and fully paid up of the Issuer is 11,697,740 lei. According to the Articles of Incorporation, the main objective of the company is the manufacture of computers and peripheral equipment - CAEN code 2620.

The company was born at the beginning of 2013. It started the activity through a technical blog meant to support several projects. One of them involved a long-term collaboration with a taxi dispatcher in Bucharest. Growing very fast and reaching a high level, it has become a complete and efficient service solution in the field of transport.

Main achievements of Romlogic Technology SA

The company provides software support for various projects, hardware maintenance and implementation of IT infrastructure. Innovation is a key element of the company's activity. She is constantly preoccupied with discovering the novelties in the market and implementing them in the services she offers, in order to become more efficient and to expand her area of knowledge. A very good example of innovation is the Equinox device, which incorporates a radio transceiver, a GPS, software dedicated to commands and, of course, the classic taxi. The company sold 1273 devices in 2021.

Main strategy of Romlogic Technology SA

- Increasing the sales on the domestic market considering that there is the obligation for all economic agents to connect to the ANAF servers the fiscal devices with electronic diary until 31.11.2021.
- Expanding sales on the foreign market, with the Greece project being a priority.

Audit of Romlogic Technology SA

The auditor of the company is MBO Auditing & Accounting SRL.

Information about REIT Capital SA

REIT Capital SA, is the Sole Administrator of STAR RESIDENCE INVEST SA, registered at the Trade Register Office of Cluj under no. J12 / 2922/2020, Unique Registration Code 43070891, headquartered in Str. Moșilor, Nr. 119, Cluj-Napoca and legally represented by Mrs. Monica Ivan.

Reit Capital SA, the company that took over the administration of Star Residence Invest SA, for a period of four years starting with December 2020, also a newly established company and owned by SSIF BRK Financial Group SA, wanted to lay the foundations of a professional structure investment in real estate, managed transparently, which generates constant returns to investors through the distribution of dividends.

Main strategy of REIT Capital SA

By outsourcing the administration of Star Residence Invest to Reit Capital SA (Sole Administrator) based on the Management and Administration Agreement concluded in 2020. Reit Capital SA guarantees the commitment of the management team to carry out the business development plan to the objectives set in The business plan, and contains performance clauses according to which the remuneration of the management team is calculated.

Based on the Administration and Management Contract, Reit Capital SA will provide qualified administration and management services for Star Residence Invest, the most important prerogatives being the following:

- will fulfill all the acts necessary for the administration and development of the company's activity, except for those reserved for the General Meeting of Shareholders if they have not already been delegated to it
- will be the company's representative for the entire duration of the contract in relations with third parties with unlimited powers except those within the competence of the General Meeting of Shareholders who have not been delegated to the director, not limited to real estate acquisitions, rentals, capitalization, representation with full powers on behalf of Star Residence Invest SA before the authorities, within the legal provisions
- will act in the interest of the company, in an honest, fair, professional and transparent way, in accordance with the company's strategy and in compliance with the provisions of the articles of association and the legal provisions in force

- will perform the management in good faith and will ensure that the number of employees is sufficient and that the employees with attributions in the management of the company's assets have the skills and training necessary to achieve an efficient administration
- will avoid as much as possible any situations potentially generating conflicts of interest, and where it is not possible to avoid them will treat them with maximum responsibility and transparency, respecting first of all the interests of the company
- will apply the highest standard of professionalism, dedication and diligence in providing management services and fulfilling the tasks and obligations related to its function, and will always act in the best interest and benefit of the Issuer

Audit of REIT Capital SA

The company's auditor is MBO Auditing & Accounting SRL.

Consolidated statements

Consolidated statement of financial position June 30 2021

Consolidated statement of financial position as of June 30, 2021

<i>In RON</i>	30.06.2021	31.12.2020
Assets		
Intangible assets	9.073.032	8.247.222
Tangible fixed assets	8.994.882	9.282.735
Real estate investments	-	0
Financial assets measured at fair value through profit or loss	45.595.375	15.044.375
Financial assets measured at fair value through other comprehensive income	1.233.128	8.247.222
Loans and advances granted	-	-
Trade and other receivables	9.524.312	4.874.879
Other financial assets on behalf of clients	52.113.571	76.213.915
Bank account for customers	225.314.851	51.746.125
Cash and cash equivalents	10.315.071	5.481.628
Assets classified as held for sale	-	-
Inventories	6.820.765	6.407.718
Total assets	368.984.987	177.298.597
Equity		
Share capital	62.794.736	59.249.769
Share premiums	5.754.417	4.813.355
Own shares	(24.047)	(24.047)
Other reserves	16.473.204	2.726.312
Retained earnings	(25.600.589)	(23.545.343)
Current result	10.888.228	243.245
	-	-
Total equity attributable to the Company's shareholders	70.285.949	43.463.291
Non-controlling interests	5.312.149	1.215.057
Total equity	75.598.098	44.678.348

Liabilities

Financial leasing liabilities	118.750	-
Provisions	-	-
Loans from the issue Bonds	3.000.000	3.000.000
Total long-term debt	3.118.750	3.000.000
Trade and other payables	21.594.227	13.892.727
Deferred tax liabilities	15.150	3.058
Amounts owed to customers (customer availability)	264.004.882	112.632.585
Current portion of financial leasing liabilities	343.800	61.589
Short-term bank debt	3.997.415	2.443.700
Provisions	312.664	586.589
Total current debts	290.268.137	129.620.248
Total debt	293.386.888	132.620.248
Total equity and debt	368.984.986	177.298.596

Chairman of the Board
Economic Director
Robert Danila
Sandu Pali
CEO
Monica Ivan
Consolidated statement of comprehensive income June 30 2021

Consolidated statement of comprehensive income
Reported on 30.06.2021

<i>In RON</i>	30.06.2021	30.06.2020
Income from continuing operations	<u>12.476.796</u>	<u>7.174.393</u>
Fee and commission income from intermediation	3.500.524	3.447.004
Corporate income	4.653.657	383.200
Other intermediation income	639.046	248.879
Income from fund management	1.512.306	1.675.999
Venituri din vanzare produse finite	1.593.659	552.400
Revenue from the sale of goods	337.003	10.263
Stock variation	(643.857)	728.762
Revenue from Software services	884.459	127.887
Market making activity	<u>2.715.836</u>	<u>1.903.763</u>
Net earnings from transactions	1.876.494	1.758.564
Other income MM	839.342	145.199
Other income from continuing operations	20.602	39.810
Salary expenses and employee benefits	(5.151.435)	(3.220.036)
Market commission and intermediary expenses	(1.542.075)	(1.259.121)
Expenditures on external services	(1.842.703)	(1.881.652)
Expenses with collaborators	(425.689)	(480.433)
Expenditures on raw materials and materials	(191.475)	(167.574)
Expenses with goods	(416.289)	(15.829)
Other basic activity expenses	(2.980.144)	(1.861.992)
Value adjustments of intangible and tangible assets	(918.165)	(801.493)

Profit / (loss) from the basic activity	1.745.259	(570.163)
<hr/>		
Net gains / (losses) realized from financial instruments	<u>2.654.796</u>	<u>(4.089.263)</u>
Dividend income	392.400	1.808.844
Income from transactions with shares and bonds performed	3.190.535	2.285.690
Losses from transactions with shares and bonds performed	(928.138)	(8.183.796)
Net gains / (losses) from the measurement of financial assets measured at fair value through profit or loss	<u>6.982.271</u>	<u>(3.448.535)</u>
Income from the valuation of financial assets measured at fair value through profit or loss	11.357.597	4.684.912
Losses from the measurement of financial assets measured at fair value through profit or loss	(4.375.327)	(8.133.447)
Net income / (expenses) provisions for fixed financial assets	<u>(573.353)</u>	<u>462.999</u>
Revenue cancellation of provisions for fixed financial assets	300.000	2.366.249
Provisions for fixed assets, financial assets	(873.353)	(1.903.250)
Other net income / (expenses) from interest and exchange rate differences	<u>426.968</u>	<u>450.794</u>
Interest income on loans and bonds	51.547	296.307
Individual situation of the overall result (continued)		
Interest income margin loans	99.914	126.957
Other interest income	13.659	34.680
Interest expenses	(204.203)	(664.647)
(Expenses) / House different exchange rate income	664.735	164.359
Net income / (expenses) provisions for risks and expenses	<u>30.513</u>	<u>5.167</u>
Expenses with provisions for risks and expenses	-	-
Provisional cancellation income for risks and expenses	7.608	5.167
Other net provisions	22.906	-

Other net income / (expenses)	(101.099)	(85.302)
Net gains / (losses) from the sale of assets	(64.725)	(88.389)
Other operating expenses	(72.115)	(29.092)
Other operating income	35.741	32.180
The result of the exploitation activities	11.165.356	(7.274.303)
Profit before tax	11.165.356	(7.274.303)
Income tax expense		
Profit from continuous activities	(277.128)	(14.689)
Interrupted activities	-	-
Loss from discontinued operations (after tax)	-	-
Profit of the period	10.888.228	(7.288.992)
Other elements of the overall result	-	-
Net change in the fair value of available-for-sale financial assets transferred to profit or loss	-	-
Positions that can be reclassified to profit and loss	-	-
Net change in the fair value of available-for-sale financial assets	-	-
Free shares received classified as available for sale	-	-
Changes in the value of fixed assets available for sale	-	-
Positions that cannot be reclassified to profit and loss	-	-
Changes in the value of fixed assets used	-	-
Changes in the value of real estate investments	-	-
Establishment / cancellation of profit reserves for granting free shares to employees	-	-
Tax related to other elements of the overall result	-	-

Individual situation of the overall result (continued)

Total other elements of the overall result for the period	-	-
Total profit and loss account and other elements of the overall result for the period	10.888.228	(7.288.992)
Attributable profit:	10.888.228	(7.288.992)
Shareholders of the Company	11.671.477	(7.295.184)
Uncontrolled interests	(783.249)	6.193
Profit of the period	10.888.228	(7.288.992)
Total attributable overall result:		
Shareholders of the Company	-	-
Non-controlling interests	-	-
Total overall result for the period	-	-
Earnings per share		
Basic earnings per share (lei)	0,0346	(0,0216)
Diluted earnings per share (lei)	-	-
Continuous activities		
Basic earnings per share (lei)	0,0346	(0,0216)
Diluted earnings per share (lei)	-	-
30.06.2021		
Weighted average number of shares in the balance:	337.749.919	337.749.919

These financial statements were approved today 12.08.2021.

Chairman of the Board

Robert Danila

CEO

Monica Ivan

Economic Director

Sandu Pali

Declaration of responsible persons

The undersigned, Robert Dănila, Chairman of the Board of Directors, Monica Ivan, General Manager, Pali Sandu Mircea, Economic Director, declare on our own responsibility that, to our knowledge, the individual and consolidated financial-accounting statements as at 30.06.2021, prepared in accordance with the applicable accounting standards, provide a correct image and comply with the reality 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 ASF provisions and includes a correct analysis of development and the Company's performance as well as a description of the main risks and uncertainties specific to the activity carried out. SSIF BRK Financial Group SA carries out its activity in conditions of continuity.

Chairman of the Board of Directors

Robert Dănila

CEO

Monica Ivan

Economic Director

Sandu Pali

Declaration of corporate governance

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

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

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

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

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



CALEA MOTILOR 119, CLUJ-NAPOCA, ROMANIA

+40 364 401 709

office@brk.ro

WWW.BRK.RO

INDIVIDUAL FINANCIAL STATEMENTS 1H 2021

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

OUTLINE

PAGE

Consolidated financial statements

Consolidated statement of financial position	3
Consolidated statement of comprehensive income	4
Consolidated statement of changes in equity	7
Consolidated statement of cash flows	9
Notes to the individual financial statements	11

Individual Statement of Financial Position – June 30 2021

<i>In RON</i>		30.06.2021	31.12.2020
Assets			
Intangible assets	8	496.198	600.354
Tangible assets	9	8.467.095	8.019.937
Real estate investments	10	-	-
Financial assets measured at fair value through OCI		39.444.325	-
Financial assets measured at fair value through profit or loss	11	43.377.605	48.761.259
Financial assets at amortized cost	11	-	-
Loans granted	15	3.919.630	7.772.861
Receivables	15	1.380.531	914.854
Other financial assets		53.608.455	72.450.030
Client bank accounts	17	225.314.851	51.746.125
Cash and equivalents	17	6.156.707	4.931.596
Assets held for sale	14	-	-
Total assets		382.165.397	195.197.016
Equity			
Share capital	18	54.039.987	54.039.987
Adjustment of share capital	18	4.071.591	4.071.591
Treasury shares	18	(24.047)	(24.047)
Share premiums	18	5.355	5.355
Revaluation reserves		11.893.062	0
Other reserves	19	13.554.203	13.715.384
Total reserves	19	25.447.265	0
Current result	20	14.799.997	1.879.074
Retained earnings	20	(3.001.500)	(5.041.820)
Total shareholders' equity		95.338.647	68.645.523
Liabilities			
Financial leasing	26	230.129	-
Provisions		-	-
Total non-current liabilities		-	-
Short-term bank liabilities	22	3.997.415	2.443.700
Current portion of financial leasing	22	51.769	-
Amounts due to customers	22	263.883.048	111.752.738
Payables	21	18.441.262	12.109.024
Income in advance	23	223.127	246.033
Total current liabilities		286.596.621	126.551.495
Total liabilities		286.826.750	126.551.495
Total equity and liabilities		382.165.397	195.197.016

The financial statements have been approved today, 12.08.2021.

Chairman of the Board
Robert Danila

Economic Director
Sandu Pali

CEO
Monica Ivan

Income from continuing operations

Individual Statement of Comprehensive Income

Reported on 30.06.2021

In RON

		30.06.2021	30.06.2020
Intermediation		<u>8.948.138</u>	<u>4.079.083</u>
Fee and commission income	25	3.655.436	3.447.004
Corporate income	25	4.653.657	383.200
Other intermediation income	25	639.046	248.879
Income from Market Making		<u>2.715.836</u>	<u>1.903.763</u>
Net gains from transactions	26	1.876.494	1.758.564
Other MM income	26	839.342	145.199
Other income from continuing operations		<u>20.602</u>	<u>39.810</u>
Salaries and employee benefits	27	(2.926.303)	(1.968.345)
Fee and commission expenses	28	(1.696.987)	(1.259.121)
Expenses with external benefits	29	(1.109.804)	(1.288.779)
Expenses related to third parties	30	(242.001)	(273.022)
Other expenses related to continuing operations	30	(555.271)	(499.993)
Adjustments related to tangible and intangible assets	30	(514.640)	(454.199)
Profit / (loss) from continuing operations		<u>4.639.571</u>	<u>279.198</u>
Net gains/(losses) from financial instruments		<u>2.654.796</u>	<u>(4.089.263)</u>
Dividend income	31	392.400	1.808.844
Income from trading with shares and bonds	31a	3.190.535	2.285.690
Loss from trading with shares and bonds	31	(928.138)	(8.183.796)
Net gain/(loss) from financial assets at fair value through profit or loss		<u>6.982.271</u>	<u>(3.448.535)</u>
Income from financial assets at fair value through profit or loss	31	11.357.597	4.684.912
Loss from financial assets at fair value through profit or loss	31	(4.375.327)	(8.133.447)
Net gain/(expense) from provisions related to financial instruments		<u>(200.000)</u>	<u>462.999</u>
Income from the cancellation of provisions	31	300.000	2.366.249
Expenses related to provisions	31	(500.000)	(1.903.250)
Other net interest gain/(loss)		<u>943.651</u>	<u>450.794</u>
Interest income	31	198.683	296.307
Income from margin accounts	31	99.914	126.957
Other interest income	31	13.659	34.680
Interest expense	31	(33.339)	(171.509)
(Expenses)/Income from exchange rate differences (house)	31	664.735	164.359

Individual Statement of Comprehensive Income
(continued)

Net gain/(expense) from provisions related to risk		<u>30.513</u>	<u>5.167</u>
Expenses with provisions related to risk	31	-	-
Income from the cancellation of provisions	31	7.608	5.167
Other net provisions	31	22.906	-
Other net gain/(loss)		<u>(12.493)</u>	<u>(85.302)</u>
Net gain/(loss) from the sale of assets	31	7.373	(88.389)
Other operating expenses	31	(52.895)	(29.092)
Other operating income	31	33.029	32.180
Result from operating activities		<u>15.038.309</u>	<u>(6.424.941)</u>
Profit before taxes		15.038.309	(6.424.941)
Taxes			
Profit from continuing operations		(238.312)	-
Discontinued operations		-	-
Loss from discontinued operations (after tax)		-	-
Profit for the period		<u>14.799.997</u>	<u>(6.424.941)</u>
Other elements of comprehensive income		<u>-</u>	<u>-</u>
Net change in the fair value of available-for-sale financial assets transferred through profit or loss		-	-
Elements that can be reclassified through profit and loss		<u>-</u>	<u>-</u>
Net change in the fair value of available-for-sale financial assets		-	-
Free shares received classified as available for sale		-	-
Changes in the value of fixed assets available for sale		-	-
Elements that cannot be reclassified through profit and loss		<u>-</u>	<u>-</u>
Changes in the value of fixed assets used		11.893.062	-
Changes in the value of real estate investments		-	-
Establishment / cancellation of profit reserves for granting free shares to employees		-	-
Tax related to other elements of the overall result		-	-
Total other elements of comprehensive income for the period		<u>11.893.062</u>	<u>-</u>
Total profit and loss account and other elements of comprehensive income for the period		<u>26.693.059</u>	<u>(6.424.941)</u>
Profit attributable to:			
Total other elements of comprehensive income for the period		<u>14.799.997</u>	<u>(6.424.941)</u>
Shareholders			

	14.799.997	(6.424.941)
Non-controlling interests		
Individual Statement of Comprehensive Income (continued)		
Profit for the period	14.799.997	(6.424.941)
Total comprehensive income attributable to		
Shareholders	-	-
Non-controlling interests		
Total comprehensive income	-	-
Earnings per share		
Basic earnings per share (RON)	0.0438	(0.0190)
Diluted earnings per share (RON)	-	-
Continuing operations		
Basic earnings per share (RON)	0.0438	(0.0190)
Diluted earnings per share (RON)	-	-
30.06.2021		
Weighted average number of shares:	337.749.919	337.749.919

The financial statements have been approved today, 12.08.2021.

Chairman of the Board
Robert Danila

Economic Director
Sandu Pali

CEO
Monica Ivan

Individual statement of changes in equity - 30.06.2021

<i>In RON</i>	Share capital	Adjustment of share capital	Treasury shares	Share premiums	Revaluation differences	Legal reserves	Reported result from IFRS transition	Reported result	Total equity	Share capital
Balance Jan 1 2021	54.039.986	4.071.590	(24.048)	5.354	5.877.144	-	5.089.478	2.748.759	(3.162.740)	68.645.523
Profit for the period	-	-	-	-	-	-	-	-	14.799.997	14.799.997
Other elements of comprehensive income	-	-	-	-	-	-	-	-	-	-
Gains from profit and loss	-	-	-	-	-	-	-	-	-	-
Changes in the value of fixed assets available for sale	-	-	-	-	-	11.893.062	-	-	-	11.893.062
Changes in the value of fixed assets used	-	-	-	-	-	-	-	-	-	-
Changes in the value of real estate investments	-	-	-	-	-	-	-	-	-	-
Other capital changes	-	-	-	-	-	-	-	-	-	-
Deferred income tax related to fixed assets	-	-	-	-	-	-	-	-	-	-
Changes in the comprehensive profit and loss account	-	-	-	-	-	-	-	-	-	-
Decreases of share capital	-	-	-	-	-	-	-	-	-	-
Transfer of revaluation differences for assets sold at reserves	-	-	-	-	-	-	-	-	-	-
Transfers in the reported result	-	-	-	-	-	-	-	-	-	-
Total other elements of comprehensive income	-	-	-	-	-	11.893.062	-	-	-	11.893.062
Total comprehensive income for the period	-	-	-	-	-	11.893.062	-	-	14.799.997	26.693.059
Trading with own shares	-	-	-	-	-	-	-	-	-	-
Own share buybacks	-	-	-	-	-	-	-	-	-	-
Total trading with own shares	-	-	-	-	-	-	-	-	-	-
Sold la 30 Iunie 2021	54.039.986	4.071.590	(24.048)	5.354	5.877.144	11.893.062	5.089.478	2.748.759	11.637.322	95.338.647

The financial statements have been approved today, 12.08.2021.

Chairman of the Board
Robert Danila

Economic Director
Sandu Pali

CEO
Monica Ivan

Situatia individuala a modificarii capitalurilor proprii pentru 31.12.2020

<i>In RON</i>	Share capital	Adjustment of share capital	Treasury shares	Share premiums	Revaluation differences	Legal reserves	Reported result from IFRS transition	Reported result	Total equity	Share capital	Share capital
Balance Jan 1 2020	54.039.986	4.071.590	(24.048)	5.354	3.524.052	-		4.995.524	2.748.759	(4.173.240)	64.413.423
Profit for the period	-	-	-	-	-	-		-	-	1.879.074	1.879.074
Other elements of comprehensive income	-	-	-	-	-	-		-	-	-	-
Gains from profit and loss	-	-	-	-	-	-		93.954	-	(93.954)	-
Changes in the value of fixed assets available for sale	-	-	-	-	-	-		-	-	-	-
Changes in the value of fixed assets used	-	-	-	-	-	-		-	-	-	-
Changes in the value of real estate investments	-	-	-	-	2.353.092	-		-	-	-	-
Other capital changes	-	-	-	-	-	-		-	-	-	-
Deferred income tax related to fixed assets	-	-	-	-	-	-		-	-	-	-
Changes in the comprehensive profit and loss account	-	-	-	-	-	-		-	-	-	-
Decreases of share capital	-	-	-	-	-	-		-	-	-	-
Transfer of revaluation differences for assets sold at reserves	-	-	-	-	-	-		-	-	-	-
Transfers in the reported result	-	-	-	-	-	-		-	-	-	-
Total other elements of comprehensive income	-	-	-	-	-	-		-	-	-	-
Total comprehensive income for the period	-	-	-	-	2.353.092	-		93.954	-	1.785.120	-
Trading with own shares	-	-	-	-	-	-		-	-	-	-
Own share buybacks	-	-	-	-	-	-		-	-	-	-
Total trading with own shares	-	-	-	-	-	-		-	-	-	-
Balance Dec 31 2020	54.039.986	4.071.590	(24.048)	5.354	5.877.144	-		5.089.478	2.748.759	(3.162.740)	68.645.523

The financial statements have been approved today, 12.08.2021

Chairman of the Board
Robert Danila

Economic Director
Sandu Pali

CEO
Monica Ivan

Individual statement of cash flows for 30.06.2021

	30.06.2021	30.06.2020
	RON	RON
Operating activities:		
Gross profit	14.799.997	(6.424.942)
Adjustments to reconcile net income with net cash used in operating activities:		
Adjustments to the value of tangible and intangible assets	514.640	456.056
Income from redemption of own shares	-	-
Impairment losses on available-for-sale financial assets	-	-
Gains (-) / (+) unrealized losses from the valuation of financial assets	(7.282.271)	2.577.312
Adjustments to the value of short-term investments	-	-
Income tax	238.312	-
Provisions for current and fixed assets	(7.608)	-
Provisions for risks and expenses	-	-
Interest expenses	33.339	171.509
Interest income	(751.457)	(988.514)
Dividend income	(172.942)	(1.808.844)
Relative earnings certified turbo	(1.876.494)	(1.758.564)
Gain / (loss) on the sale of property, plant and equipment	(7.373)	88.389
Income from exchange rate diff	(969.061)	-
Increase / (decrease) in operating cash before changes in working capital	4.519.082	(7.687.598)
Changes in working capital:		
(Increase) / Decrease in the balances of other receivables	465.677	366.451
Increase / (Decrease) in trade and other debt balances	144.755.042	(6.197.866)
Increase / (Decrease) in available-for-sale asset balances	-	-
Net cash flow generated by operating activities	149.739.800	(13.519.012)
Cash flows from operating activities:		
Paid income taxes	(238.312)	-
Interest receipts	451.846	575.128
Paid interest	(33.339)	(170.828)
Net cash flows generated by operating activities	149.919.995	(13.114.712)
Cash flows from investment activities:		
Cash payment for the purchase of tangible and intangible assets and real estate investments	(707.437)	(36.718)
Payment in cash for the purchase of financial instruments	23.380.017	8.465.545
Cash receipts from the sale of land and buildings, plant and equipment, intangible assets and other long-term assets	7.373	215.000
Dividends received	172.942	308.844
(Loans granted) / reimbursed affiliates and customer margin accounts	(700.000)	(1.200.000)
	7.065.865	4.401.487
Net position in sales from turbo certificate sales and IG payments IG	20.520	8.026
Interest receipts	-	133.116
Net cash flow generated by investment activities	29.239.280	12.295.300

	30.06.2021	30.06.2020
	RON	
Cash flows from financing activities:		
Payment for purchase through leasing	(56.596)	-
Receipts / payments for short-term bank loans	1.553.715	(2.773.130)
Net cash flow generated by financing activities	1.497.119	(2.773.130)
Cash flows - total	180.656.395	(3.592.542)
Changes in cash and cash equivalents		
Cash and cash equivalents at the beginning of the period	50.815.163	54.407.705
Increase / (decrease) in cash and cash equivalents	180.656.395	(3.592.542)
The effect of changes in the exchange rate on the opening balance of cash and cash equivalents	-	-
Cash and cash equivalents at the end of the period	231.471.558	50.815.163
	-	-
Of which :		
Cash held on behalf of clients	225.314.851	42.628.002
Cash held on behalf of the company	6.156.707	8.187.162

The financial statements have been approved today, 12.08.2021

Chairman of the Board
Robert Danila

Economic Director
Sandu Pali

CEO
Monica Ivan

1. REPORTING ENTITY

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

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

The individual half-yearly financial statements related to the financial year 2021 and 2020 have been prepared based on the regulations, accounting standards and policies included in these financial statements.

SSIF BRK FINANCIAL GROUP SA issues for the financial statements 30.06.2020 also consolidated financial statements in accordance with the International Financial Reporting Standards adopted by the European Union ("IFRS").

2. BASIS OF PREPARATION

a) Statement of compliance

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

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

b) Basis of evaluation

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

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

2. BASIS OF PREPARATION (continued)

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

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

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

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

Continuity of activity

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

Determining fair values

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

- i. Equity and bond investments

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

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

2. BASIS OF PREPARATION (continued)

ii. Trade and other receivables

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

iii. Derivatives

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

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

iv. Financial liabilities

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

v. Loans granted

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

c) Used currency

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

d) Moneda straina

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

The exchange rates of the main foreign currencies, published by the National Bank of Romania on June 30, 2020 are the following: 4.9297Lei/EUR ;4.1425 Lei/USD and 5.7374 Lei/GBP (December 31, 2020 are the following: 4.8694 Lei/EUR ;3.9660 Lei/USD si 5.4201 Lei/GBP

e) Use of estimates and professional judgement

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

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

2. BASIS OF PREPARATION (continued)

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Company will be presented below. These separate financial statements have been prepared in accordance to IFRS and the Company's accounting policies as presented below. The responsibility for these financial statements lies with the management of BRK Financial Group SA.

The accounting policies presented below have been consistently applied for all the periods presented in these financial statements.

a) Adoption of IFR9

The adoption of IFRS 9 "Financial Instruments" replaces the existing provisions of IAS 39 "Financial Instruments: Recognition and measurement" and includes new principles as regards the classifications and measurement of financial instruments, a new model of credit risk to calculate the impairment of financial assets and new general requirements on hedge accounting. Also, it keeps similar principles to IAS 39 on the recognition and de-recognition of financial instruments.

SSIF BRK FINANCIAL GROUP SA adopted IFRS 9 as of its initial application, i.e., January 1, 2018. The Company holds the following types of financial instruments: investments, bonds, cash and current accounts, fund units in closed funds, financial derivatives, other financial assets and liabilities. Further to the analysis made, as of the initial application of IFRS 9, BRK decided to state all investments at fair value through profit or loss (implicit option as per IFRS 9). Such an approach is in line with the business model of the Company of managing the performance of its portfolio at fair value, with the intended purpose of maximizing the returns for shareholders and increasing the net asset value per share through investments made, mainly in Romanian shares and securities.

There were no changes in the carrying amount of financial assets and liabilities upon transition to IFRS9 as of January 1, 2018 compared to their previous amount under IAS39, except those presented below

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Financial instruments

i. Financial instruments

The company initially recognizes the loans, receivables and deposits at the date they were initiated. All other financial assets (including assets designated at fair value through profit or loss) are initially recognized at the date when the entity becomes part of the contractual terms of the instrument.

The entity derecognizes a financial asset when the contractual rights on the cash flows generated by the asset expire..

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

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

Further to the adoption of IFRS 9, as of January 1, 2018 the Company classified all of the investments at fair value through profit or loss (implicit option under 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 designated as such on initial recognition. Financial assets are designated at fair value through profit or loss if the entity manages those investments and makes purchase or sale decisions based on fair value in accordance with the investment and risk management strategy. Upon initial recognition, attributable trading costs are recognized in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value and subsequent changes are stated to profit or loss. Financial assets at fair value through profit or loss are not subject to impairment testing. Loans to affiliates are tested for impairment depending on the fulfillment of the established scenarios that take into account probabilities of repaying such loans on term.

- *Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted on an active market. Such assets are initially recognized at fair value plus any directly attributable trading costs. Subsequent to initial recognition, loans and receivables are measured at fair value, loans granted to affiliates and customers, and other receivables at amortized cost.

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

- *Financial assets and liabilities and amortized cost*

Financial assets at amortized cost are tested for impairment in accordance with IFRS 9.

In this sense, these instruments are classified in stage 1, stage 2 or stage 3 according to their absolute or relative credit quality in terms of initial payments. So:

Stage 1: includes (I) newly recognized exposures; (ii) exposures for which the credit risk has not been significantly impaired since initial recognition; (iii) low credit risk exposures (low credit risk exemption).

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

Stage 3: includes impaired credit exposures.

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

With regards to bank deposits and amortized cost bonds, the Company has opted to apply the low credit risk exemption in full compliance with IFRS 9.

Adjustments for impairment of receivables are based on the present value of the expected cash flows of the principal. To determine the present value of future cash flows, the basic requirement is to identify estimated collections, the payment schedule and the discount rate used.

The company defined as "non-performing" exposures receivables that meet one or both criteria:

- exposures for which the Company evaluates that it is unlikely that the debtor will pay its obligations in full, regardless of the value of the exposures and the number of days for which the exposure is overdue;
 - Unpaid amounts.
- Financial assets designated at fair value through other comprehensive income ("FVTOCI")

After initial recognition, a financial asset (debt instrument) is classified as measured 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 preserve 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 exclusively principal and interest payments.

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

The Company 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 must be recognized in other comprehensive income, excluding dividend income.

ii. Derivatives

Derivatives are initially recognized at fair value; trading costs are recognized in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value and subsequent changes are recognized immediately to profit or loss

i. Financial assets (including receivables)

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

The objective evidence that the financial assets (including equity instruments) are impaired may include a debtor's failure to meet the payment obligations, the restructuring of an amount owed to the entity under terms that the entity would otherwise not accept, indication that a borrower or an issuer will go bankrupt, and the disappearance of an active market for an instrument.

In addition, for a capital investment, a significant and long-term decline in 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 because the Company has opted to measure equity and debt instruments at fair value through profit or loss.

i. 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 any evidence of impairment. If such evidence exists, the recoverable amount of the asset is estimated. For goodwill and intangible assets with indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year.

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Tangible assets

i. Recognition and evaluation

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

Gains or losses upon the disposal of a tangible asset are determined by comparing the proceeds from disposal of the asset with the carrying amount of the tangible asset and are recognized at net value under other revenues in profit or loss. When revalued assets are sold, the amounts included in the re-evaluation reserves are transferred to retained earnings. The re-evaluation reserves are reduced in each financial year by the amount corresponding to the amortization and then, transferred to retained earnings.

ii. Reclassification as investment property

Investment property is defined below, under Investment property (letter e) section.

When the use of a property changes from real estate used by the owner to investment property, the property is re-evaluated at fair value and reclassified as investment property.

iii. Subsequent costs

The cost of replacing a tangible asset component is recognized in the carrying amount of the asset if it is probable that the future economic benefits embedded in that component will flow to the entity and its cost can be measured reliably. The accounting value of the replaced component is derecognized. Expenses with the current maintenance of the tangible asset are recognized in profit or loss as they are incurred.

iv. Depreciation and amortization of property, plant and equipment

Depreciation is calculated for the depreciable amount, which is the cost of the asset, or another value that substitutes cost, less the residual value.

Depreciation is recognized in profit or loss on a straight-line basis for the useful life estimated for each component of a tangible asset. Leased assets are depreciated over the shortest of the lease term and the useful life, unless it is reasonably certain that the entity will acquire the ownership right at the end of the lease. Land is not depreciated.

Lifespans of assets for the current and comparative periods are as follows:

- Buildings - 40 years
- Plant and equipment - 2-10 years; with a 5 year average value
- Vehicles - 5 years
- Other assets - 3-10 years; with a 5 year average value

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Intangible assets

i. Goodwill

Goodwill resulting from the acquisition of subsidiaries is included in intangible assets. It is measured at cost less accumulated impairment losses.

ii. Subsequent expenses

Subsequent expenses are capitalized only when they increase the amount of future economic benefits embedded in the asset for which they are intended. All other expenses, including goodwill, are recognized in profit or loss when incurred.

iii. Amortization of intangible assets

Amortization is calculated for the cost of the asset or another value that replaces cost, less the residual value.

Amortization is recognized in profit or loss on a straight-line basis for the useful life estimated for intangible assets other than goodwill from the date they are available for use, this way reflecting the most accurately the expected pattern of consumption of the economic benefits embedded by the asset.

Estimated lifespan for the current and comparative periods are as follows: 3 years for all intangible assets, except goodwill.

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

e) Investment property

Investment property means property owned either to be leased or to increase the value of the capital 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 as assets used at fair value. Any appreciation or depreciation in their value is recognized in profit or loss.

f) Leasing assets

Leases by which the entity substantially assumes the risks and rewards of ownership are classified as finance leases. At the time of initial recognition, the asset subject to the lease is measured at the minimum of the 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 leasing contracts are classified as operating leases.

g) Leasing payments

Lease payments under an operating lease are recognized as an expense in profit or loss on a straight-line basis over the lease term. The operating lease facilities received are recognized as an integral part of the total lease expense, over the lease term.

The minimum lease payments under finance leases are divided on a pro rate basis between lease interest expenses and reduction of lease debt. The lease interest expense is allocated to each lease term so as to generate a constant interest rate for the remaining lease debt.

Determining the extent to which an arrangement contains a lease: When initiating an arrangement, the entity determines whether the arrangement is or contains a lease operation.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Tangible assets held for sale

Tangible assets or disposal groups containing assets or liabilities whose carrying amount is expected to be recovered principally through a sale operation and not through continuing use are classified as held for sale.

Prior to reclassification to tangible assets held for sale, the assets or components of a disposal group are revalued in accordance with the entity's accounting policies. Generally, assets or components of disposal groups are subsequently valued at the minimum of the carrying amount and the fair value less costs to sell.

Impairment losses related to a sales group are first allocated to goodwill and then pro rate to the remaining amount of assets and liabilities, except that no impairment will be allocated to inventories, financial assets, deferred tax assets, employee benefits and investment property, which continue to be valued 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 recognized to profit or loss. Gains that exceed accumulated impairment losses are not recognized.

i) Non-derivative financial liabilities

Liabilities are recognized on the date when the entity becomes part of the instrument's contractual terms.

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

The entity has the following non-derivative financial liabilities: trade payables, debts to customers on their deposits and other liabilities.

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

j) Share capital

Ordinary shares

Ordinary shares are classified as part of equity. Additional direct costs attributable to the issue of ordinary shares are recognized as a reduction in equity at net book value.

Sharebuybacks

When the share capital recognized as part of equity is bought back, the amount of the consideration paid, which includes other directly attributable costs, net of tax effects, is recognized as a decrease in equity. Redeemed shares are classified as treasury shares and presented as a reduction in equity. When treasury shares are subsequently sold or re-issued, the amount received is recognized as an increase in equity and the surplus or deficit arising from the transaction is transferred to or from the retained earnings.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Employee benefits

- i. Beneficii pe termen scurt

Employees' short-term benefits are assessed without being updated, and the expense is recognized as the related services are rendered.

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

l) Provisions

A provision is recognized if, as a result of a prior event, the entity has a present legal or constructive obligation that can be estimated 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 debt specific risks. The amortized discount is recognized as financial expense.

m) Sale of goods and provisions services

Income from sales during the current period is measured at the fair value of the consideration received or receivable. Income is recognized when the risks and rewards resulting from ownership of the goods are transferred significantly and the amount of income can be measured reliably. The moment when transfers of risks and rewards varies depending on the individual terms in the sales contracts.

In the case of intermediation activity, commission income is recognized on the transaction date. Dividend income is recognized when the right to receive them arises.

n) Income from rentals

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

o) Financial income and expenses

Financial revenues include:

- Revenues from interest on bank deposits,
- Dividend revenues,
- Gains on sales of: o assets at fair value through profit or loss,
- Changes in the fair value of assets at fair value through profit or loss.

Interest income is recognized in the income statement based on accrual accounting, using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

p) Financial income and expenses (continued)

Dividend income is recognized in the income statement on the date on which the entity's right to collect dividends is established, which in the case of quoted instruments is given ex-dividend.

Financial expenses include:

- impairment losses recognized in financial assets recorded at fair value through profit or loss;
- Foreign exchange gains and losses are reported on a net basis.

q) Income tax

Expenses with income tax include current tax and deferred tax. Current and deferred tax is recognized in profit or loss, unless they are attributable to business combinations or items recognized directly in equity or other comprehensive income.

Current tax is the tax that is expected to be paid or received for the taxable income or deductible loss incurred in the current year using tax rates adopted or substantially adopted at the reporting date and any adjustment to tax liability on profits for previous years.

Deferred tax is recognized for the temporary differences that arise between the carrying amount of assets and liabilities used for the purpose of financial reporting and the tax base used for the tax calculation.

Deferred tax is not recognized for the temporary differences arising on the initial recognition of goodwill.

Deferred tax assets and liabilities are offset only if there is a legal right to offset current tax liabilities and receivables and are related to taxes levied by the same tax authority for the same taxable entity or for different tax entities, but which intends to settle receivables and debts with current tax on a net basis, or whose tax assets and liabilities will be simultaneously incurred.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences only to the extent that it is probable that future profits may be used to cover the tax loss. Deferred tax assets are reviewed at each reporting date and are diminished to the extent that the related tax benefit is no longer probable. The Note on deferred tax assets and liabilities includes cases where deferred tax assets have not been recognized as assets.

r) Earnings per share

The Group presents information on basic and diluted earnings per share for its ordinary shares. The result per basic share is calculated by dividing the profit or loss attributable to the holders of ordinary shares of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted by the value of own shares held. Diluted earnings per share are determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of outstanding shares, adjusted by the value of treasury shares held, with the dilution effects of all potential ordinary shares, including share options granted to employees.

s) Segment reporting

An operating segment is a component of the entity that engages in activities that can generate revenues and expenses, including revenues and expenses related to transactions with any of the entity's other components.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

§) Segment reporting (continued)

The operating results of an operating segment are periodically reviewed by the Company's management to make decisions about the 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 January 1, 2020

There are new standards, amendments and interpretations that apply for annual periods beginning after January 1, 2020 and that have not been applied to the preparation of these financial statements. Below are the standards / interpretations that have been issued and are applicable starting with or after the period January 1, 2020.

- **Defining the concept of significance - Amendment to IAS 1 and IAS 8**

The IASB amended IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies that use a definition of significance throughout IFRS and in the Conceptual Framework.

The amendment clarifies:

The fact that the significance threshold is assessed in the context of the financial statements as a whole

The meaning of the main users of the financial statements to which the financial statements are addressed changes by adding "existing and potential investors, creditors and other creditors" who must rely on the financial statements to find out most of the financial data.

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

The modified definition of a business involves an acquisition to include input data and a background process that, together, contributes significantly to the company's ability to create results. The definition of "results" is modified to focus on goods and services delivered to customers, which generate investment and other income and exclude returns in the form of reduced costs or other economic benefits.

These changes may lead to an increase in acquisitions that are considered asset acquisitions.

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

The amendments modify certain requirements of hedge accounting to provide some exemptions regarding the reference interest rate reform.

- **Amendments to the IFRS Conceptual Framework (effective January 1, 2020)** - The IASB issued a revised Conceptual Framework for financial reporting. It sets out the fundamental concepts of financial reporting that guide the board in developing IFRS standards. The main changes are:

- An increase in the importance of management for the purpose of financial reporting
- Restoring prudence as a component of neutrality
- Defining a reporting entity, which can be a legal entity or a part of an entity
- Reviewing the definitions of assets and liabilities
- Removing the probability threshold for recognition and adding a guide for de-recognition
- Adding various evaluation bases and

Mention that the income statement is the main performance indicator and that, in principle, income and expenses from other elements of the global income statement should only be recycled when this improves the relevance and accurate picture of the financial statements.

b) As of September 31, 2020, the following standards and interpretations were issued, but were not mandatory for the annual reporting periods ended on December 31, 2020.

- **IFRS 17 Insurance Contracts** (January 1, 2021, probably extended until January 1, 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 revalued each year. Contracts are evaluated taking into account the following elements:

- Cash flows updated weighted according to the probability of realization

- An explicit risk adjustment and
- A contractual service margin that represents the profit from the contract recognized as income of the period covered.

- **Rent reductions due to COVID-19** - Amendments to IFRS 16

Following COVID-19, numerous rent reductions were granted to tenants. These discounts can take various forms, including deferral of payment. In May 2020, the IASb issued an amendment to IFRS 16 that allows tenants to treat rent benefits as a change in the lease. Entities applying this amendment must disclose this in their financial statements.

- **Classification of current and long-term debt** - Amendments to IAS 1

The amendment to IAS 1 states that liabilities must be presented on the basis of eligibility, depending on the rights that exist at the balance sheet date. The classification is not affected by the expectations of the entity or the events after the reporting date. The amendment also clarifies what is meant by "extinguishing" a debt.

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

The amendment prohibits the Group from deducting from the cost of a tangible asset income generated as a result of using the asset for the period in which the asset is being brought to the level necessary for operation.

- **Annual improvements for the 2018 - 2020 cycle (in force starting with January 1, 2019)**

- - IFRS 9 - Financial Instruments - clarifies what kind of fees should be included in the 10% test when recognizing financial liabilities.
- - IFRS 16 - Rents - amendment of Example 13, which removes the illustration of landlord payments regarding modernizations, to remove confusion regarding the treatment of rent advantages.
- - IFRS 1 - Adoption for the first time of IFRS - allows entities to measure assets and liabilities at book values recorded in the financial statements of the parent company, together with any related exchange rate differences.
- - IAS 41 - Agriculture - remove the requirement for entities to exclude cash flows for taxes determined by measurement at fair value in accordance with IAS 41.

The Company has reviewed the impact of adopting IFRS 16 and the other standards mentioned above and anticipate that they will not have any significant impact on its annual financial statements in the year in which they are first applied. The company will apply these standards from the effective date of their application.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Standards and interpretations issued by IASB, but not yet adopted by the EU

As of the reporting date of these financial statements, IFRS as adopted by the EU do not significantly differ from regulations adopted by the IASB except for the following new standards, amendments and interpretations, which are also applicable to the Company and which were not endorsed for use in EU as of the date of authorization 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 further amendments (effective date deferred indefinitely until the research project on the equity method has been concluded),
- Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" - Definition of Material (effective for annual periods beginning on or after January 1st 2019),
- 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 January 1st 2019),
- Amendments to various standards due to "Improvements to IFRSs (cycle 2015 -2017)" resulting from the annual improvement project of IFRS (IFRS 3, IFRS 11, IAS 12 and IAS 23) primarily with a view to removing inconsistencies and clarifying wording (effective for annual periods beginning on or after January 1st 2019),
- Amendments to References to the Conceptual Framework in IFRS Standards (effective for annual periods beginning on or after January 1st 2020).

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

4. FINANCIAL ROSK MANAGEMENT

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

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

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

4. FINANCIAL RISK MANAGEMENT (continued)

General risk management framework

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

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

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

Regularly, missions are performed to verify and monitor compliance with the provisions of internal procedures and regulations in force and reports are prepared to the Executive Management of the company and to the Board of Directors.

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

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

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

The Board of Directors of BRK Financial Group approved, at the beginning of 2020, the modification of the Company's Risk Profile, compliance with the levels thus assumed being monitored throughout the year by the specialized Department. At the time of preparing the financial statements, the Risk Profile is summarized in the table below; any adjustments to it will be made in the first part of 2021 and made public to interested parties on the company's website.

Tolerance limits / Risk categories		Very low	Low	Medium	High	Very high
Color corresponding to the proposed maximum level						
		(0 - 5%)	(5% - 10%)	(10% - 25%)	(25% - 40%)	> 40% <i>din fp</i>
Market risk	Securities					Foarte ridicat
	Debt securities		Low			
	OPCVM			Medium		
Currency risk		Very low (0 - 5%)	Low (5% - 10%)	Medium (10% - 12%)	High (12% - 15%)	Very high > 15% <i>din fp</i>
Riscul de credit		Very low (0 - 40%)	Low (40% - 80%)	Medium (80% - 120%)	High (120% - 140%)	Very high > 140% <i>din fp</i>
Counterparty risk		Very low (0 - 4%)	Low (4% - 8%)	Medium (8% - 12%)	High (12% - 15%)	Very high >15%
Concentration risk		Very low	Low	Medium	High	Very high
	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% <i>din fp</i>
LCR (liquidity indicator)		Very low > 5	Low (3.5 - 5)	Medium (2 - 3.5)	High (1 - 2)	Very high < 1
Portfolio liquidity		Very low > 50%	Low (40% - 50%)	Medium (30% - 40%)	High (20% - 30%)	Very high < 20% <i>din total</i>

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

					<i>portofoliu</i>
Leverage	Very low	Low	Medium	High	Very high
	> 50%	(40% - 50 %)	(30% - 40%)	(20% - 30%)	< 20%
RAC (adequacy rate)	Very low	Low	Medium	High	Very high
	> 50%	(35% - 50%)	(25% - 35%)	(18% - 25%)	< 18%

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

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

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

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

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

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

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

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

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

Risk categories

Credit risk

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

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

Credit risk exposure

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

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

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

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

4. FINANCIAL RISK MANAGEMENT (continued)

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

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

The types of exposures are as follows:

<i>In RON</i>	June-21	December-20
Banca Transilvania	169.729.337	27.378.164
BRD - Group Societe Generale	4.604.927	564.716
UniCredit Bank	7.428	78.010
First Bank	-	277.187
Idea Bank	16.805.238	14.112.510
Libra Bank	2.936	-
Intesa San Paolo Bank	17.157.330	2.143.013
Banca Comerciala Feroviara	22.000.005	12.050.937
Other commercial banks	491	121.496
Total deposits	-	-
Cash	9.397	401
Total current accounts and bank deposits	230.317.088	56.726.434

Fair value bond exposures

<i>In RON</i>	June-21	December-20
Corporate bonds Cellini	5.356	5.356
Corporate bonds Impact developers	204.636	-
Corporate bonds MAIA BIOTECHNOLOGY	2.295.789	928.000
Total bonds	2.505.781	933.356

Fair value exposure to loans granted

<i>In RON</i>	June-21	December-20
Romlogic Technology SA	1.701.208	1.136.592
Firebyte Games SA	-	818.017
Gocab Software	-	2.113.519
Total loans granted	1.701.208	4.068.128

4. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

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

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

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

The risk of liquidity takes two forms:

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

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

Determination:

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

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

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

The following holdings were classified as high liquidity:

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

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

4. FINANCIAL RISK MANAGEMENT (continued)

The values factored in in the calculation of the liquidity risk of SSIF BRK Financial Group as at 31.12.2020 were the following:

In RON

	Book value	Below 3 months	3 to 12 months	More than 1 year	No maturity
30 June 2021					
Financial assets					
Cash and equivalents	231.471.558	-	-	-	231.471.558
Deposits	-	-	-	-	-
Fair value assets through profit or loss	40.871.824	-	-	-	40.871.824
Fair value financial assets through other comprehensive income	39.444.324				
Bonds at fair value through profit or loss	2.505.781	-	2.505.781	-	-
Loans granted	3.919.630	-	1.201.208	2.718.422	-
Other financial assets	53.608.455				53.608.455
Total financial assets	371.821.572	-	3.706.989	2.718.422	325.951.837
Financial liabilities	3.997.415	-	3.997.415	-	-
Dividends payable	-	-	-	-	-
Liabilities at amortized cost	-	-	-	-	-
Total financial liabilities	3.997.415	-	3.997.415	-	-

In RON

	Book value	Below 3 months	3 to 12 months	More than 1 year	No maturity
31 December 2020					
Financial assets					
Cash and equivalents	56.726.033	56.726.033	-	-	-
Deposits	-	-	-	-	-
Fair value assets through profit or loss	47.814.957	-	-	-	47.814.957
Loans granted	7.772.861	315.000	7.257.861	200.000	-
Bonds at fair value	946.302	-	-	946.302	-
Other financial assets	72.450.030				72.450.030
Total financial assets	185.710.183	57.041.033	7.257.861	1.146.302	120.264.987
Financial liabilities	2.443.700	-	2,443.700	-	-
Dividends payable	-	-	-	-	-
Liabilities at amortized cost	-	-	-	-	-
Total financial liabilities	2.443.700	-	2.443.700	-	-

4. FINANCIAL RISK MANAGEMENT (continued)

Market risk

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

Investment opportunities are selected through:

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

The Company is exposed to the following market risk categories:

i) Price risk

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

Sector	June-21 Value (RON)	%	Dec-20 Value (RON)	%
Agriculture forestry and fishing	397.606	0,49%	251.447	0,52%
Wholesale and retail trade	5.934.391	7,36%	3.284.822	6,74%
Construction	2.892.486	3,59%	575.216	1,18%
Extractive industry	355.238	0,44%	1.852.629	3,80%
Health	945.771	1,17%	-	0,00%
Manufacturing	16.443.448	20,39%	5.237.438	10,74%
Information and communication	31.970.745	39,64%	16.339.381	33,51%
Financial intermediation and insurance	16.029.226	19,88%	18.507.558	37,96%
Real estate transactions	3.483.031	4,32%	2.705.550	5,55%
Transport and storage	2.194.500	2,72%	-	0,00%
Total	80.646.442		48.754.041	

As it can be seen from the table above, as of June 30, 2021, the Company mainly held shares in companies operating in the Information and communication field, with a share of 39,64% of the total portfolio, on December 31, 2020 the main share in its own portfolio was allocated to companies operating in the financial and insurance field.

4. FINANCIAL RISK MANAGEMENT (continued)

Operational risk

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

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

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

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

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

Interest rate risk

As of June 30, 2021 SSIF BRK FINANCIAL GROUP SA has a credit line granted for a period of 1 year to support the company's current activity. The interest related to the credit lines is composed of the 3-month ROBOR reference index and a fixed margin. The value of the credit lines is in the amount of 5,217,000 RON.

Interest rates at fair value

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

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

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

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

4. FINANCIAL RISK MANAGEMENT (continued)

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

In RON

	Book value	Below 3 months	3 to 12 months	More than 1 year	No maturity
30 June 2021					
Financial assets					
Cash and equivalents	231.471.558	-	-	-	231.471.558
Deposits	-	-	-	-	-
Fair value assets through profit or loss	40.871.824	-	-	-	40.871.824
Fair value financial assets through other comprehensive income	39.444.324				
Bonds at fair value through profit or loss	2.505.781	-	2.505.781	-	-
Loans granted	3.919.630	-	1.201.208	2.718.422	-
Other financial assets	53.608.455		-	-	53.608.455
Total financial assets	371.821.572	-	3.706.989	2.718.422	325.951.837
Financial liabilities	3.997.415	-	3.997.415	-	-
Dividends payable	-	-	-	-	-
Liabilities at amortized cost	-	-	-	-	-
Total financial liabilities	3.997.415	-	3.997.415	-	-

In RON

	Book value	Below 3 months	3 to 12 months	More than 1 year	No maturity
31 December 2020					
Financial assets					
Cash and equivalents	56.726.033	56.726.033	-	-	-
Deposits	-	-	-	-	-
Fair value assets through profit or loss	47.814.957	-	-	-	47.814.957
Loans granted	7.772.861	315.000	7.257.861	200.000	-
Bonds at fair value	946.302	-	-	946.302	-
Other financial assets	72.450.030		-	-	72.450.030
Total financial liabilities	185.710.183	57.041.033	7.257.861	1.146.302	120.264.987
Financial liabilities	2.443.700	-	2.443.700	-	-
Dividends payable	-	-	-	-	-
Liabilities at amortized cost	-	-	-	-	-
Total financial liabilities	2.443.700	-	2.443.700	-	-

Currency risk

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

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

4. FINANCIAL RISK MANAGEMENT (continued)

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

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

Expunerile la riscul valutar sunt compuse din urmatoarele elemente :

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

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

In RON

30 June 2021

Financial assets	RON	EUR	USD	Other currency
Cash and equivalents	162.478.196	6.846.562	62.144.771	2.029
Deposits	-	-	-	-
Fair value assets through profit or loss	38.696.336	-	2.175.488	-
Financial assets at fair value through other comprehensive income	39.444.324	-	-	-
Fair value bonds through profit or loss	5.356	-	2.295.789	204.636
Loans and advances granted	3.919.630	-	-	-
Other financial assets	6.321.791	25.717.611	21.569.053	-
Total financial assets	250.865.634	32.564.173	88.185.101	206.665
Financial liabilities	3.997.415	-	-	-
Dividends payable	-	-	-	-
Liabilities at amortized cost	-	-	-	-
Total financial liabilities	3.997.415	-	-	-

In RON

31 December 2020

Financial assets	RON	EUR	USD	Other currency
Cash and equivalents	55.667.801	1.026.968	4.498	26.767
Deposits	-	-	-	-
Fair value assets through profit or loss	45.955.110	-	7.218	1.852.629
Financial assets at fair value through other comprehensive income	-	-	-	-
Fair value bonds through profit or loss	946.302	-	-	-
Loans and advances granted	7.772.861	-	-	-

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

Other financial assets	1.962.417	49.587.171	20.900.442	-
Total financial assets	112.304.491	50.614.139	20.912.158	1.879.395
Financial liabilities				
Dividends payable	-			
Liabilities at amortized cost	-			
Total financial liabilities	4.187.543	-	-	-

5. CAPITAL MANAGEMENT

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

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

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

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

Indicator	Reported on 30 June 2021	Reported on 31 December 2020
Total own funds	63.413.925	50.310.624
Total capital requirements	27.936.118	13.060.765
Risk exposure	349.201.472	134.005.407

5. CAPITAL MANAGEMENT (continued)

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

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

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

6. OPERATIONAL SEGMENTS

Intermediation

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

(A) Investor brokerage services for investors:

- Intermediation of transactions for sale and purchase of securities traded on the Bucharest Stock Exchange (BVB). For this type of services, clients can choose to be assisted by a broker in performing transactions, respectively they can choose the option of online trading on their own. Within this segment, BRK also offers clients the possibility to trade in margin (based on a credit line granted by the client company), liquid shares listed on the Bucharest Stock Exchange.
- Intermediation of transactions on international markets, the company's customers having access to over 100 foreign markets in Europe, North America and Asia. The range of financial instruments is very varied (stocks, bonds, structured products, ETFs, CFDs, futures, etc.), and the costs involved in trading on international markets through BRK Financial Group are among the most attractive on the market.
- Intermediation of transactions with corporate, municipal and state bonds at BVB and OTC, respectively intermediation of transactions with structured products on the dedicated market segment of the Bucharest Stock Exchange.
- Intermediation of transactions on the domestic and international market for institutional clients.

(B) Specialized services for issuers and potential issuers:

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

During the last 5 years, BRK Financial Group has been placed annually in the top of SSBs from BVB, the transactions carried out by customers and those in its own name generating a market share of up to 6.62% of the annual value of total transactions per year, share segment.

The positive evolution of the intermediation segment is also confirmed by the evolution of the market share: thus BRK reaches at the end of June 2021 a market share of 6.62% (vs 4.91% in H1 / 2020), on a volume of RON 1.21 billion (vs 610M in the second half of last year). Practically, BRK registered an increase of 200% in terms of intermediate turnover, given that the total turnover of the Romanian capital market increased by approximately 50%. In other words, BRK Financial Group actively participated in both public offerings of shares on the main market during this first half: it was the intermediary of the IPO conducted by One United Properties and a member of the distribution group of the offer carried out by

Transport Trade Services. BRK also brokered 2 share listings and 4 private bond placements (the listing of which is ongoing) on the Multilateral Trading Segment (AeRo) of the Stock Exchange.

Asset management

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

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

- Trading portfolio (shares and bonds listed on BVB - usually short or medium term investments, portfolio of financial instruments listed on international markets - usually speculative investments)
- Fund units
- Investments in private companies and loans to subsidiaries
- Capital allocated to the business segment - "Margin loans"
- Capital alocat segmentul de business "Emitere de produse Structurate și operațiuni de market making"

We mention that the operations of issuing structured products as well as the provision of liquidity on our own structured products is performed in conditions of full coverage through hedging operations on the market of the underlying asset and as such we consider it the nature of the core business. Other self-employed operations (including domestic market making operations where there are no hedging instruments) are not included in what we call "core business", as they are exposed and correlated with market risk, being included in the business operating and presented as a separate segment. riscului de piață. fiind incluse în activitatea de exploatare și prezentate ca segment separat.

Market making and liquidity

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

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

In 2019, BRK obtained the quality of market-maker within the regulated spot market within BVB, signing a first contract within the Issuer's Market Maker program, through which an intermediary concludes a contract with an issuer in order to support its liquidity. An important feature of this program is that the market maker assumes much improved values of listing parameters (minimum volume, maximum spread, market presence) compared to the classic market making activity. In the first half of 2021, BRK Financial Group provided market-making services for AAGES, Antibiotice Iasi, Impact Developer & Contractor (both shares and bonds), MedLife, Purcari, Romcarbon, TeraPlast. BRK is also the market maker for OMV Petrom shares. After July 1, 2021, BRK concluded 3 new service contracts within the Issuer's Market Making program with: One United Properties Transport Trade Services and the Bucharest Stock Exchange.

The information regarding the reportable segments is presented as follows:

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

6. OPERATIONAL SEGMENTS (continued)

Information regarding the reporting segments

	June- 2021				June- 2020				2021	2020
	Total of which:	Intermediation	Trading	Unallocated	Total of which:	Intermediation	Trading	Unallocated	All reporting segments	
Intermediation activity	8,948,138	8,948,138	-	-	4,079,083	4,079,083	-	-	8,948,138	4,079,083
Market Making activity	2,715,836	-	2,715,836	-	1,903,763	-	1,903,763	-	2,715,836	1,903,763
Other income from continuing operations	20,602	-	-	20,602	39,810	-	-	39,810	20,602	39,810
Net Income / (Losses) realized from financial instruments	2,654,796	-	2,654,796	-	(4,089,263)	-	(4,089,263)	-	2,654,796	(4,089,263)
Net Income / (losses) from the measurement of financial assets measured at fair value through profit or loss	6,982,271	-	6,982,271	-	(3,448,535)	-	(3,448,535)	-	6,982,271	(3,448,535)
Net income / (expenses) provisions for fixed financial assets	(200,000)	-	(200,000)	-	462,999	-	462,999	-	(200,000)	462,999
Other net income / (expenses) from interest and exchange rate differences	943,651	292,446	651,206	-	450,794	-	450,794	-	943,651	450,794
Net income / (expenses) provisions for risks and expenses	30,513	-	-	30,513	5,167	-	-	5,167	30,513	5,167
Other net income / (expenses)	(12,493)	-	-	(12,493)	(85,302)	-	-	(85,302)	(12,493)	(85,302)
Salary expenses and employee benefits	(2,926,303)	(1,103,346)	(613,401)	(1,209,556)	(1,968,345)	(724,125)	(779,515)	(464,705)	(2,926,303)	(1,968,345)
Market commission and intermediary expenses	(1,696,987)	(1,208,758)	(447,834)	(40,395)	(1,259,121)	(708,664)	(388,059)	(162,398)	(1,696,987)	(1,259,121)
Expenditures on external services	(1,109,804)	(103,952)	(201,080)	(804,772)	(1,288,779)	(355,258)	(553,106)	(380,416)	(1,109,804)	(1,288,779)
Expenses with collaborators	(242,001)	(242,001)	-	-	(273,022)	(273,021)	-	(0)	(242,001)	(273,022)
Other expenses	(555,271)	(106,880)	(137,193)	(311,198)	(499,993)	(337,257)	(162,736)	-	(555,271)	(499,993)
Adjustments of value tangible and intangible assets	(514,640)	-	-	(514,640)	(454,199)	-	-	(454,199)	(514,640)	(454,199)
Total:	15,038,309	6,475,647	11,404,601	(2,841,938)	(6,424,941)	1,680,759	(6,603,659)	(1,502,042)	15,038,309	(6,424,941)
Profit of the segment before taxes	15,038,309	6,475,647	11,404,601	(2,841,938)	(6,424,941)	1,680,759	(6,603,659)	(1,502,042)	15,038,309	(6,424,941)

Activele segmentului raportabil. din care:

- Intangible assets	373,202,104	277,106,336	89,912,157	6,183,611	186,576,725	121,732,099	59,704,716	5,139,911	373,202,104	186,576,725
- Tangible assets	496,198	-	-	496,198	600,354	-	-	600,354	496,198	1,858,723
- Real estate investments	8,467,095	-	-	8,467,095	8,019,937	-	-	8,019,937	8,467,095	6,705,637

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

- Financial investments	-	-	-	-	-	-	-	-	-	918,186
- Loans and advances granted	82,821,931	-	82,821,931	-	48,761,259	-	48,761,259	-	82,821,931	44,644,883
- Receivables	3,919,630		3,919,630		7,772,861		7,772,861			
- Available amounts	54,988,986	51,791,486	3,170,597	26,904	73,364,611	69,985,974	3,170,597	208,041	54,988,986	37,531,349
Liabilities, of which:	231,471,558	225,314,851	-	6,156,707	56,677,995	51,746,125	-	4,931,870	231,471,558	54,424,236
- client amounts	286,826,750	263,883,048	-	22,943,702	126,551,496	111,752,738	-	14,798,758	286,826,750	80,261,128

8. INTANGIBLE ASSETS

<i>In RON</i>	Licenses and software	Prepayments	Total
Cost			
Balance January 1 st 2020	4.862.130	27.820	4.889.950
Purchases	1.151	-	1.151
By transfers	-	-	-
Outflows	(22.523)	-	(22.523)
By transfers	-	-	-
Balance December 31st 2020	4.840.759	27.820	4.868.578
Balance January 1 st 2020	4.840.759	27.820	4.868.578
Purchases	162.247	-	162.247
By transfers	-	-	-
Outflows	(69)	-	(69)
By transfers	-	-	-
Balance 30 June 2021	5.002.936	27.820	5.030.756
Losses from depreciation and amortization			
	Licenses and software	Prepayments	Total
Balance January 1 st 2020	3.676.221	-	3.676.221
Amortization during the year	614.526	-	614.526
Losses from depreciation recognized on expenses	-	-	-
Amortization of outflows	(22.523)	-	(22.523)
Balance December 31st 2020	4.268.224	-	4.268.224
Balance January 1 st 2021	4.268.224	-	4.268.224
Amortization during the year	266.403	-	266.403
Losses from depreciation recognized on expenses	-	-	-
Amortization of outflows	-	-	-
Balance 30 June 2021	4.534.627	-	4.534.627
Carrying amounts			
Balance January 1 st 2020	1.185.909	27.820	1.213.729
Balance December 31 st 2020	572.535	27.820	600.354
Balance January 1 st 2021	572.535	27.820	600.354
Balance 30 June 2021	468.309	27.820	496.129

8. INTANGIBLE ASSETS (continued)

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

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

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

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

9. TANGIBLE ASSETS

<i>In RON</i>	Land and buildings	Plant and equipment	Office equipment	Non-current assets in usage	Total
Balance 01.01.2020	6.036.262	1.583.595	305.467	22.343	7.947.665
Purchases and upgrades	-	66.675	15.950	-	82.625
Ongoing transfers	-	-	-	-	-
Inflows as a result of guarantees	-	-	-	-	-
Re-evaluation:	-	-	-	-	-
Compensation for depreciation	(665.966)	-	-	-	(665.966)
Value increases	2.416.363	-	-	-	2.416.363
Transfers to assets held for sale	-	-	-	-	-
Transfers from real estate investments	-	-	-	-	-
Outflows of tangible assets:	-	-	-	-	-
- Through sale	-	-	-	-	-
- Through scrap	-	(51.963)	-	-	(51.963)
Balance 31.12.2020	7.786.659	1.598.307	321.416	22.343	9.728.724
Balance 01.01.2021	7.786.659	1.598.307	321.416	22.343	9.728.724
Purchases and upgrades	-	675.404	19.992	-	695.396
Ongoing transfers	-	-	-	-	-
Inflows as a result of guarantees	-	-	-	-	-
Re-evaluation:	-	-	-	-	-
Compensation for depreciation	-	-	-	-	-
Value increases	-	-	-	-	-
Transfers to assets held for sale	-	-	-	-	-
Transfers from real estate investments	-	-	-	-	-
Outflows of tangible assets:	-	-	-	-	-
- Through sale	-	-	-	-	-
- Through scrap	-	-	-	-	-
Balance 30.06.2021	7.786.659	2.273.710	341.409	22.343	10.424.120

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

9. TANGIBLE ASSETS (continued)

In RON	Land and buildings	Plant and equipment	Office equipment	Non-current assets in usage	Total
Losses from Depreciation and Amortization					
Balance 01.01.2020	396.754	1.392.250	271.654	-	2.060.658
Amortization during the year	199.937	71.789	25.058	-	296.783
Losses from depreciation, of which:	-	-	-	-	-
- Expensed	-	-	-	-	-
- Deducted from the comprehensive income	-	-	-	-	-
Depreciation related to fixed assets outflows	-	(51.963)	-	-	(51.963)
Amortization of disposed non-current assets	-	-	-	-	-
Compensation of depreciation against re-evaluation	(596.690)	-	-	-	(596.690)
Balance 31.12.2020	-	1.412.076	296.712	-	1.708.788
Balance 01.01.2021	-	1.412.076	296.712	-	1.708.788
Amortization during the year	144.961	60.499	42.777	-	248.237
Losses from depreciation, of which:	-	-	-	-	-
- Expense	-	-	-	-	-
- Deducted from the comprehensive income	-	-	-	-	-
Non-current assets outflows	-	-	-	-	-
Amortization of disposed non-current assets	-	-	-	-	-
Compensation of depreciation against re-evaluation	-	-	-	-	-
Balance 30.06.2021	144.961	1.472.575	339.489	-	1.957.025
Carrying amounts:					
Balance 01.01.2020	5.639.508	191.344	33.813	22.343	5.864.665
Balance 31.12.2020	7.786.659	186.231	24.705	22.343	8.019.938
Balance 01.01.2021	5.639.508	191.344	33.813	22.343	5.887.008
Balance 30.06.2021	7.641.698	801.136	1.920	22.343	8.467.095

9. TANGIBLE ASSETS (continued)

On December 31st 2020 the company uses its registered office in Cluj-Napoca, Str. Motilor nr. 119, as well as the real estate owned in Bucharest, Suceava and Iasi, where the brokerage agencies operate.

On December 31st 2020, the Company does not own land, and the ones related to the buildings used are included in the value of the building.

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

Mortgaged or pledged property, plant and equipment

The company repaid in advance part of the loan granted through the credit agreement with Libra Internet Bank so that the credit line was reduced from 3,498,894 lei to 723,080 lei. As a result of the early repayment of the amount of 2,774,814 lei, the pledge applied on the building from Moșilor Street no. 119, Cluj-Napoca. Also, on 08.04.2021, a credit agreement was signed with TechVentures Bank for granting a credit line in the amount of 4,500,000 lei, the credit guarantee being made with real estate and movable mortgage.

Re-evaluation presentations

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

10. REAL ESTATE INVESTMENTS

In RON

	June-2021	December- 2020
Balance January 1st 2021	-	669.959
Fixed asset transfers during the year	-	-
Inflows from received guarantees	-	-
Purchases during the year (exchanges of assets)	-	-
Inflows of investment property in progress	-	-
Outflows of investment property in progress	-	-
Investments property advances	-	-
Disposals of investment property (exchanges of assets)	-	(669.959)
Plus re-evaluation	-	-
Less re-evaluation	-	-
Balance June 30th 2021	-	-

11. FINANCIAL INVESTMENTS

In RON

		June-21	December-20
Financial assets at fair value through profit or loss			
Financial assets measured at fair value through other comprehensive income	Shares	39.444.324	-
Total financial assets designated at fair value through other comprehensive income		39.444.324	-
Financial assets designated at fair value through profit or loss			
	listed shares	29.804.570	14.524.751
	listed fund units	-	-
	unlisted fund units	8.058.509	7.001.270
	listed bonds	204.636	2.337.000
	unlisted bonds	2.301.145	946.302
	unlisted shares	833.258	23.944.718
	other financial instruments	2.175.488	7.218
Total financial assets designated at fair value through profit or loss		43.377.606	48.761.259
Total financial investments		82.821.931	48.761.259

11. FINANCIAL INVESTMENTS (continued)

Listed securities: shares, bonds and fund units are evaluated at the exchange rate of December 31st 2020, published by the Bucharest Stock Exchange.

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

The structured products held are valued at the quotation from 30.06.2021.

Financial instruments traded on international markets are futures, options and contracts for difference (CFDs) and are used for speculative and hedging purposes for market maker operations. They are evaluated at the exchange rate of 30.06.2021.

12. LOANS AND ADVANCES GRANTED

<i>In RON</i>	June-21	December-20
Gross margin loans	2.718.422	4.004.733
Loans to affiliated parties	1.600.000	3.880.000
Interest on loans granted	101.208	188.128
Receivables increases in share capital of affiliated parties	(500.000)	(300.000)
Net value of loans and advances granted	3.919.630	7.772.861

In the first semester of 2021, the company Brk Financial Group SA granted loans to the affiliated companies as follows: to the company Romlogic Technology SA - 500,000 lei, GoCab Software the amount of 200,000 lei. To determine fair value, the Company's management has taken into account future net cash flows from these Loans. these loans maturing over 1 year on June 30, 2021. For each loan, 3 scenarios were defined regarding the recoverability of the amounts granted in the time interval until the maturity of the loan agreement.

Loans to affiliates are included in stage 2 in accordance with the policy described in Note 3 to these financial statements.

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

For the loan granted to Romlogic Technology SA. BRk Financial Group's management, based on the accounting policy described in these financial statements in Note 3, considers that these loans are in default stage 2. so that a depreciation of 100% of the total value of the loan in the absolute amount of 500,000 lei was taken into account to determine the fair value.

For the Loan granted to GOCAB Software, the adjustments made in 2020 in the amount of 300,000 were resumed at income. the loans being converted into GOCAB SOFTWARE shares.

The company maintained the service offered to customers to perform margin transactions. The credit balance in the margin granted to the clients on 30.06.2021 was of 2,718,422 lei.

For the margin loans, the clients bring as guarantees the securities purchased with these loans. Therefore, there are no indications of depreciation and this represents the fair value at June 30 2021

13. INVESTMENTS IN ASSOCIATES

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

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

Societate	Stake %-June 2021	Value of stake June 2021	Stake % December 2020	Value of stake - December 2020
Sai Broker	99.98%	7.186.529	99.98%	7.186.529
Romlogic Technology	90.75%	13.905.440	90.75%	13.905.440
Firebyte Games	47.89%	14.639.794	63.84%	2.746.733
Reit Capital SA	99.5%	89.550	99.5%	89.550
GOCAB SOFTWARE SA	34.45%	2.391.510	0.33%	3.000
Total		38.212.823		23.931.252

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

In the first half of 2021, there were no dividends to be collected from the associated companies.

In the first semester of 2021. the transactions with the affiliated parties are presented as follows:

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

Company	The nature of affiliation	The nature of activity	Volume and weight of the activity
SAI Broker	Ownership 99.98%	Asset management	- Fee income 1.353 Lei - Intermediation and dividend income 0 lei - Rent income 17.100 lei
Romlogic Technology SA	Ownership 90.75%		- Interest income 64.614 lei - conversion of loans into share capital in the amount of 780,000 lei - Loans granted 500.000 lei
Gocab Software	Ownership 0,33%		- Loans granted 200.000 lei - Interest income 74.991 LEI - Conversion to share capital 2.200.000 lei
Firebyte Games SA	Ownership 63.84%	Game development	- Conversion to share capital 780.000lei -Rent income 11.670 lei
Reit Capital SA	Ownership 99.5%	Business and management consulting activities	N/A.

Transactions with related parties were made at market value.

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

13. INVESTMENT IN ASSOCIATES (continued)

On 30.06.2021 and 31.12.2020 the balances of the company's receivables from the relations with the affiliated parties were the following:

<i>In RON</i>	June-2021	December-2020
SAI Broker	-	2.850
REIT CAPITAL SA	-	-
Firebyte Games SA	-	818.017
Romlogic Technology SA	1.701.208	1.813.519
Total	1.701.208	3.770.978

14. NON-CURRENT ASSETS HELD FOR SALE

<i>In RON</i>	June-2021	December-2020
Balance January 1st	303.389	303.389
Transfers of property during the year	-	-
Inflows of guarantees	-	-
Inflows during the year (exchanges of assets)	-	-
Disposals	-	(303.389)
Plus re-evaluation	-	-
Minus re-evaluation	-	-
Balance June 30th 2021	-	-

15. TRADE RECEIVABLES

<i>In RON</i>	June-21	Decemmber-20
Receivables	188.933	27.140
Receivables (state budget)	-	-
Net debtor receivables	269.082	267.871
Employees engaged in payables	28.698	33.733
Debtors (previous employees)	240.384	234.138
Others	922.516	619.843
Total receivables	1.380.531	914.854

15. TRADE RECEIVABLES (continued)

The debtors from the trading of the company's financial instruments come from transactions concluded in June 2021 which have as settlement date the first two days of July 2021.

Similar debtors from financial instruments settled by clients come from transactions concluded in June 2021 which have as settlement date the first two days of July 2021.

In RON

	June-21	December-20
Borrowers (financial instruments of the company)	8.389.692	4.255.134
Client borrowers	45.218.763	68.194.896
Oher financial assets	53.608.455	72.450.030

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

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

In lei

	June-21	December-20
Borrowers (ex-employees) – Stage 3	1.806.106	1.809.845
Depreciation	(1.779.515)	(1.783.747)
Net value – borrowers (ex-employees)	26.591	26.098

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

In RON

	June-21	December-20
Balance January 1st	1.874.425	1.879.592
Additional provisions	-	-
Cancelling of provisions	(4.232)	(95.845)
Balance June 30th 2021	1.870.193	1.783.747

In the first half of 2021, adjustments to receivables amounting to 4,232 lei were resumed at income.

16. DEFERRED TAXES

Deferred income tax not recognized

	June-21	December-20
Differences from revaluation of fixed assets	5.877.144	5.877.144
	5.877.144	5.877.144
Tax rate	16%	16%
Unrecognized deferred tax receivables	940.343	940.343

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

17. CASH AND EQUIVALENTS

<i>In RON</i>	June-21	December-20
Client accounts	225.314.851	51.746.125
Cash and equivalents	6.156.707	4.931.596
Balance June 30th 2021	231.471.558	56.677.722

The cash and cash equivalents position also includes short-term deposits. Client balances in bank accounts are highlighted and managed separately from those of the company and can be used on the basis of clients' trading orders.

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

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

18. EQUITY AND RESERVES

The share capital and reserves are as follows:

<i>In RON</i>	Share capital value	Number of ordinary shares	Nominal value/share
On January 1, 2020	54.039.987	54.039.987	0.16
On December 31, 2020	54.039.987	54.039.987	0.16
On January 1, 2021	54.039.987	54.039.987	0.16
June 31 st 2021	54.039.987	54.039.987	0.16

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

18. EQUITY AND RESERVES (continued)

In the first half of 2021 there were no changes in the share capital or the number of shares issued.

The own shares held by the company on June 30, 2021 are in number of 319,967 shares.

<i>In RON</i>	June-21	December-20
Share capital	54.039.987	54.039.987
Adjustment of share capital	4.071.591	4.071.591
Own shares	(24.047)	(24.047)
Premiums	5.355	5.355
Total	58.092.886	58.092.886

19. RESERVES AND RE-EVALUATION DIFFERENCES

<i>In RON</i>	June-21	December-20
Re-evaluation differences of property, plant and equipment	5.809.917	5.877.144
Legal reserves	4.995.460	4.587.875
Fair value reserves	11.893.062	-
Other reserves	2.748.760	2.748.760
-of which IAS 29 (adjusted for inflation)	2.748.760	2.748.760
Legal reserves from own shares	-	-
Total reserves and re-evaluation differences	25.447.265	13.621.364

Re-evaluation differences

The revaluation differences registered changes during 2021 of 67,277 lei.

Re-evaluation differences

The revaluation differences registered changes during 2020 of 2,353,092 lei.

Legal reserves

Legal reserves represent the amounts created annually from the gross profit at a share of 5%, up to 20% of the share capital, recognized as a deduction in the profit tax calculation.

Fair value reserves

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

Further to 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

No dividends were granted during 2020

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

20. Retained earnings

<i>In RON</i>	June-21	December-20
Profit carried forward as a result of IFRS transition		
Retained earnings as a result of IFRS9 application	2.713.367	2.713.367
Retained earnings according to IAS 29	3.392.306	3.392.306
Retained earnings from recycling current results of prior periods	(6.880.234)	(6.880.234)
Retained earnings	(4.173.239)	(11.918.605)
Current result	1.879.074	8.153.064
Reported profit	2.713.367	(405.118)
Total Retained earnings	11.798.497	(3.068.727)

Retained earnings by transitioning to IFRS

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

Retained earnings IAS 29

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

The applied inflation index recorded the following values during the updated period:

Year	2003	2002	2001	2000	1999	1998	1997	1996	1995
Discount index	1.00	1.15	1.41	1.90	2.77	4.04	6.42	16.36	22.71

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

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

* Incorporated re-evaluation reserves from 2011.

**Incorporated in 2007 upon merger with Investco.

21. TRADE AND OTHER PAYABLES

<i>In RON</i>	June-21	December-20
Payables	542.032	524.684
Liabilities to employees	219.711	158.873
Liabilities with state budget	286.493	217.093
Sundry creditors from house transactions	3.018.494	1.462.483
Sundry creditors from clients' transactions	1.997.174	7.728.308
Various creditors result from financial instruments on foreign markets	12.350.453	2.017.584
<i>In RON</i>	18.414.357	12.109.024

21. TRADE AND OTHER PAYABLES (continued)

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

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

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

22. BORROWINGS

The loans contracted by The Company are as follows:

In RON

Long-term debt	June-21	December-20
Guaranteed lines of credit	230.129	-
Total long-term debt	230.129	-

In RON

Datorii pe termen scurt	June-21	December-20
Guaranteed credit lines	3.997.415	2.443.700
Current part of financial leasing liabilities	78.674	-
Current liabilities	4.076.089	2.443.700

In the first half of 2021, a leasing contract was contracted for the purchase of a car. The credit line of credit to LIBRA INTERNET BANK was reduced by the amount of 2,774,814 lei. Also during the first semester of 2021, a new line of credit was contracted from TechVentures bank in the amount of 4,500,000 lei, being guaranteed with patrimonial real estate.

22. BORROWINGS (continued)

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

<i>In RON</i>	June-21	December-20
Payable to clients		
Creditors (domestic market)	225.036.004	46.807.871
Creditors (international markets)	38.847.045	64.944.867
Corporate creditors	-	-
Balance June 30th 2021	263.883.048	111.752.738

23. PROVISIONS

<i>In RON</i>	June-21	December-20
Provisions		
Balance January 1st	246.033	2.802.547
Cancelled during the period	(22.906)	(2.712.000)
Established during the period	-	155.486
June 30th 2021	246.033	246.033

During 2021, 22,906 lei were resumed in income from provisions.

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

24. CONTINGENT ASSETS AND LIABILITIES

In parallel with the disputes mentioned in the Note on Provisions and in the previous paragraph, there are ongoing litigation filed by SSIF BRK FINANCIAL GROUP SA against former employees, as well as litigations in which SSIF BRK FINANCIAL GROUP SA is an active party to the amounts it claims. Not in all cases the claimed amounts can be determined accurately. There are some processes, in which SSIF BRK FINANCIAL GROUP SA had the quality of active procedural part, which have been won but at which the chances of effective recovery are reduced.

25. INTERMEDIATION INCOME

<i>In RON</i>	Ongoing activities		Halted actives		Total	
	June 2021	June 2020	June 2021	June 2020	June 2021	June 2020
Revenues from commissions on the domestic market and administration Investment funds	2.271.804	1.638.881	-	-	2.271.804	1.638.881
Revenues from commissions on the foreign market	1.310.951	1.463.575	-	-	1.310.951	1.463.575
Income from related activities	210.887	344.548	-	-	210.887	344.548
Subtotal income from intermediation commissions and related activities	3.793.641	3.447.004	-	-	3.793.641	3.447.004
Income from corporate operations	4.515.451	383.200	-	-	4.515.451	383.200
Other intermediate income	639.046	248.879	-	-	639.046	248.879
Total income	8.948.138	4.079.083	-	-	8.948.138	4.079.083

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

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

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

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

26. INCOME FROM MARKET MAKING

<i>In RON</i>	June-21	June-20
Net gains from spot market	(3.267.005)	3.253.318
Net gains from international markets	5.143.499	(1.494.754)
Other revenue MM	839.342	145.199
Market Making Result	2.715.836	1.903.763

27. PERSONNEL EXPENSES

<i>In RON</i>	June-21	June-20
Staff	(1.889.899)	(1.121.043)
Social contributions	(929.733)	(708.572)
Employee profit sharing	-	-
BoA remunerations	(106.671)	(138.730)
BoA profit sharing	-	-
Total personnel expenses through comprehensive income	(2.926.303)	(1.968.345)

The remuneration of the general managers is established by the Decision of the Board of Directors of the Company. and other benefits granted are in accordance with the collective labor agreement at unit level. During 2021, the management of the company was ensured by the General Manager Monica-Adriana Ivan and by the Deputy General Manager Razvan Rat.

During 2021, the allowances granted to the members of the Board of Directors amounted to 106,671 lei.

28. COMMISSION AND INTERMEDIATE EXPENSES

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

<i>In RON</i>	June-21	June-20
Internal Market commission expenses	(1.191.236)	(902.976)
International Market commission expenses	(505.751)	(356.145)
Total	(1.696.987)	(1.259.121)

29. EXPENDITURE ON SERVICES

<i>In RON</i>	June-21	June-20
Expenses regarding audit fees, lawyers	(173.982)	(198.296)
Expenses with computer maintenance software services	(400.111)	(530.832)
Expenses with consulting and training services	(12.910)	(10.770)
Other expenses	(522.800)	(548.882)
Total	(1.109.804)	(1.288.779)

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

30. OTHER OPERATING EXPENSES

The expenses with the collaborators refer to the expenses with the delegate agencies in the amount of 242,001 lei (June 2020: 273,022 lei).

Other expenses with the basic activity refer mainly to:

In RON	June-21	June-20
Raw materials expenses	(128.576)	(135.640)
Expenses with other taxes and fees	(29.001)	(87.382)
Expenses with utilities	(73.180)	(79.982)
Expenses with financial services	(89.363)	(47.024)
Expenses with publicity	(68.102)	(34.911)
Telecommunication expenses	(34.983)	(36.004)
Insurance expenses	(34.191)	(24.570)
Maintenance and repair expenses	(12.688)	(11.940)
Transport expenses	(43.467)	(28.011)
Rent expenses	(24.607)	(9.888)
Other expenses	(17.113)	(4.640)
Total	(555.271)	(499.993)

Value adjustments of intangible and tangible assets include depreciation expenses in the amount of 917,323 lei (2019: 994,922 lei).

31. TRADING ACTIVITY INCOME/(LOSSES)

in RON	June-21	June-20
Net Gains/(Losses) from financial instruments, of which:	2.654.796	(4.089.263)
Dividend income	392.400	1.808.844
Income from transactions with shares and bonds performed	3.190.535	2.285.690
Losses from transactions with shares and bonds performed	(928.138)	(8.183.796)
Net Gains/(Losses) from market making activity:	2.715.836	1.903.763
Net Gains/(Losses) Related to financial assets at fair value through profit or loss, of which:	6.982.271	(3.448.535)
Gains related to financial assets at fair value through profit or loss	11.357.597	4.684.912
Losses related to financial assets at fair value through profit or loss	(4.375.327)	(8.133.447)
Net income/(expenses) net fixed financial assets provisions, of which:	(200.000)	462.999
Revenue cancellation of provisions for fixed financial assets	300.000	2.366.249
Provisions for fixed assets, financial assets	(500.000)	(1.903.250)
Other net income / (expenses) from interest and exchange rate differences, of which:	943.651	450.794
Interest income on loans and bonds	198.683	296.307
Revenues from interest on margin contracts	99.914	126.957
Other interest income	13.659	34.680
Interest expenses	(33.339)	(171.509)
(Expenses)/Income different exchange rate house	664.735	164.359
Net financial result through profit or loss	13.096.554	(4.720.242)

Recognized to other comprehensive income

In RON

Detailed on the following page

-	-
---	---

Recognized to other comprehensive income

in lei

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

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

Unrealized net gains / (losses) from the measurement of investments at fair value through profit or loss for during 2021 were mainly generated by the net change in the fair value of financial instruments that are part of the trading book for which The company analyzed the sales opportunities.

Gains/(Losses) on trading in financial assets at fair value through profit or loss means revenues from the disposal of securities less cost of those securities for transactions for which the difference is positive.

31a. Dividend income is recorded in profit or loss at net value. Dividend tax rates for the period ended December 31, 2019 were 5% and (2018: 5%)

<i>In RON</i>	June-21	June-20
TOTAL	392.400	1.808.844

31. INCOME TAX EXPENSES

Reconciliation of the effective tax rate

In RON

	June-21	June-20
Profit for the period	14,799,997	(6,424,942)
Total income tax expense	245,980	0
Profit before tax (including halted activities)	14,799,997	(6,424,942)
Tax rate	16%	16%
Income tax calculated by applying the tax rate to book profit	2,367,999	(1,027,991)
Impact of non-deductible expenses	112,604	313,880
Impact of non-taxable revenues	(715,369)	(678,924)
The influence of the expenses resulting from the restatement on IFRS considered at the calculation of the profit tax	0	0
Cumulative tax losses	1,537,376	8,706,464
The influence of fiscal losses of previous periods	0	(1,393,034)
Total income tax expense calculated according to the tax rate	245,980	5,920,395
Unrecorded income tax expense for negative amounts	0	(5,920,395)
Final income tax expense	245,980	-
Final profit tax rate	245,980	-

32. EARNINGS PER SHARE

Basic earnings per share

The calculation of the result per basic share as of June 30, 2021 is based on the profit attributable to the shareholders (totally ordinary shareholders) and the average number of ordinary shares in circulation of 337,749,919 shares. As of December 31, 2020, the average number of ordinary shares outstanding was the same. of 337,749,919 shares.

Profit attributable to shareholders

	June-21	June-20
Profit attributable to:		
Company shareholders	14.799.997	(6.424.941)
Non-controlling interests	-	-
Profit for the period	14.799.997	(6.424.941)
Total comprehensive income attributable to:		
Company shareholders	14.799.997	(6.424.941)
Non-controlling interests	-	-
Total comprehensive income for the period	14.799.997	(6.424.941)
Earnings per share		

32. EARNINGS PER SHARE (continued)

The result presented follows the calculation of income tax.

	June-21	June-20
Profit attributable to:		
Shareholders	14.799.997	(6.424.941)
Non-controlling interests	-	-
Profit for the period	14.799.997	(6.424.941)
Total comprehensive income for the period to:		
Shareholders	14.799.997	(6.424.941)
Non-controlling interests	-	-
Total comprehensive income for the period	14.799.997	(6.424.941)
Earnings per share		
Basic earnings per share (lei)	0,0438	(0,0190)
Diluted earnings per share (lei)	0,0438	(0,0190)
Continuing activities		
Basic earnings per share (lei)	0,0438	(0,0190)
Diluted earnings per share (lei)	0,0438	(0,0190)

Weighted average number of ordinary shares

In 2015, the Company annulled 931,948 shares at a nominal value of RON 0.25 and no changes in the number of shares occurred since

Year	June-2021	2020	2019	2018	2017
Number of shares	337.749.919	337.749.919	337.749.919	337.749.919	338.681.867

33. FAIR VALUE HIERARCHY

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

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

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

33. FAIR VALUE HIERARCHY (continued)

In RON

June 30th 2021

	Level 1	Level 2	Level 3	Total
Fair value assets through profit or loss of which:	19.890.091	18.177.624	46.493.001	84.560.716
Quoted shares	19.685.455	10.119.115	-	29.804.570
Quoted fund units	-	-	-	-
Unquoted fund units	-	8.058.509	-	8.058.509
Quoted bonds	204.636	-	-	204.636
Unquoted bonds	-	-	2.295.789	2.295.789
Unquoted shares	-	-	833.258	833.258
Loans granted	-	-	3.919.630	3.919.630
Financial assets at fair value through other comprehensive income, of which:	-	-	39.444.324	39.444.324
Other financial instruments				
TOTAL	19.890.091	18.177.624	46.493.001	84.560.716

In RON

December 31 2020

	Level 1	Level 2	Level 3	Total
Fair value assets through profit or loss of which:	11.174.083	12.696.156	32.663.881	56.534.119
Quoted shares	8.829.865	5.694.886	-	14.524.751
Quoted fund units	-	-	-	-
Unquoted fund units	-	7.001.270	-	7.001.270
Quoted bonds	2.337.000	-	-	2.337.000
Unquoted bonds	-	-	946.302	946.302
Unquoted shares	-	-	23.944.718	23.944.718
Loans granted	-	-	7.772.861	7.772.861
Other financial instruments	7.218	-	-	7.218
TOTAL	11.174.083	12.696.156	32.663.881	56.534.119

In RON

December 31 2020

	Nivel1	Nivel2	Nivel3	Total
Fair value assets through profit or loss of which:	11.174.083	12.696.156	32.663.881	56.534.119

33. FAIR VALUE HIERARCHY (continued)

The table below shows the change in the carrying amount of investments classified in Level 3 of the fair value hierarchy in the first half of 2021 and 2020:

Changes in fair value of stage 3

in RON

	June 2021	December 2020
As of January 1 st	23.854.358	23.834.175
Total gain / (loss) through profit or loss	(2.548.487)	3.021.401
Total unrecognized gains / (losses) through comprehensive income		
Acquisitions	16.332.864	9.309.353
Sales	(3.853.231)	(12.310.572)
Stage 3 fair value transfers	(1.926.941)	
As of December 31st	31.858.563	23.854.358

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

33. FAIR VALUE HIERARCHY (continued)

No	Financial assets	Fair value as of June 30, 2021 in RON	Valuation method	Unobservable input ranges	Relationship between fair value and unobservable inputs
1	Unquoted majority interests	10.899.089	Discounted cash flows	Weighted average cost of capital: 11,39 % Long-term income growth rate: 2,6%	The lower the weighted average cost of capital, the higher the fair value The higher the long-term income growth rate, the higher the fair value
2	Unquoted majority interests	13.905.440	Discounted cash flows	Weighted average cost of capital: 12,75% Lack of liquidity discount: 15,60% Long-term income growth rate: 1,30%	The lower the weighted average cost of capital, the higher the fair value The lower the discount for the lack of liquidity, the higher the fair value The higher the long-term income growth rate, the higher the fair value
3	Unquoted minority interests	606.759	Net asset value	Net asset value of the reporting entity	The book value is identified by equity. The lower the resulting price/accounting value, the lower the fair value.
4	Unquoted minority interests	226.499	Discounted cash flows	Weighted average cost of capital: 10,50% Lack of control discount: 10% Long-term income growth rate: 2%	The lower the weighted average cost of capital, the higher the fair value The lower the discount for the lack of control, the higher the fair value The higher the long-term income growth rate, the higher the fair value
5	Unquoted bonds	2.301.145	Net asset value at amortized cost	Return rate of (IRR): 8,23%	The lower the cash flow discount rate, the higher the fair value
6	Loans granted	3.919.630	Discounted cash flows	Cash flow discount rate – 5.5%	The lower the cash flow discount rate, the higher the fair value
	Total	31.858.563			

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

33. FAIR VALUE HIERARCHY (continued)

No	Financial assets	Fair value as of 31 December 2020 in lei	Valuation method	Unobservable input ranges	Relationship between fair value and unobservable inputs
1	Unquoted majority interests	9.206.020	Discounted cash flows	Weighted average cost of capital: 11,39 % Long-term income growth rate: 2,6%	The lower the weighted average cost of capital, the higher the fair value The higher the long-term income growth rate, the higher the fair value
2	Unquoted majority interests	-	Discounted cash flows	Weighted average cost of capital: 12,75% Lack of liquidity discount: 15,60% Long-term income growth rate: 1,30%	The lower the weighted average cost of capital, the higher the fair value The lower the discount for the lack of liquidity, the higher the fair value The higher the long-term income growth rate, the higher the fair value
3	Unquoted minority interests	606.759	Net asset value	Net asset value of the reporting entity Weighted average cost of capital: 10,50%	The book value is identified by equity. The lower the resulting price/accounting value, the lower the fair value. The lower the weighted average cost of capital, the higher the fair value
4	Unquoted minority interests	14.131.939	Discounted cash flows	Lack of control discount: 10% Long-term income growth rate: 2%	The lower the discount for the lack of control, the higher the fair value The higher the long-term income growth rate, the higher the fair value
5	Unquoted bonds	946.302	Net asset value at amortized cost	Return rate of (IRR): 8,23%	The lower the cash flow discount rate, the higher the fair value
6	Loans granted	7.772.861	Discounted cash flows	Cash flow discount rate – 5.5%	The lower the cash flow discount rate, the higher the fair value
	Total	32.663.881			

33. FAIR VALUE HIERARCHY (continued)

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

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

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

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

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

34. AFFILIATED PARTIES

Benefits of key management staff

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

Investment in associates.

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

These financial statements have been approved on 12.08.2021



CALEA MOTILOR 119, CLUJ-NAPOCA, ROMANIA
+40 364 401 709
office@brk.ro

WWW.BRK.RO

CONSOLIDATED FINANCIAL STATEMENTS S1 2021

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

OUTLINE	PAGE
Consolidated financial statements	
Consolidated statement of financial position	4
Consolidated statement of comprehensive income	5
Consolidated statement of changes in equity	7
Consolidated statement of cash flows	9
Notes to the individual financial statements	11

SSIF BRK FINANCIAL GROUP SA
Consolidated and simplified IFRS financial statements June 30 2021

Consolidated statement of financial position as of June 30, 2021

In RON

		30.06.2021	31.12.2020
Assets			
Intangible assets	8	9.073.032	8.247.222
Tangible fixed assets	9	8.994.882	9.282.735
Real estate investments	10	-	0
Financial assets measured at fair value through profit or loss	11	45.595.375	15.044.375
Financial assets measured at fair value through other comprehensive income	11	1.233.128	8.247.222
Loans and advances granted	15	-	-
Trade and other receivables	15	9.524.312	4.874.879
Other financial assets on behalf of clients		52.113.571	76.213.915
Bank account for customers	17	225.314.851	51.746.125
Cash and cash equivalents	17	10.315.071	5.481.628
Assets classified as held for sale	14	-	-
Inventories	14	6.820.765	6.407.718
Total assets		368.984.987	177.298.597
Equity			
Share capital	18	62.794.736	59.249.769
Share premiums	18	5.754.417	4.813.355
Own shares	18	(24.047)	(24.047)
Other reserves	19	16.473.204	2.726.312
Retained earnings	20	(25.600.589)	(23.545.343)
Current result	20	10.888.228	243.245
		-	-
Total equity attributable to the Company's shareholders		70.285.949	43.463.291
Non-controlling interests		5.312.149	1.215.057
Total equity		75.598.098	44.678.348
Liabilities			
Financial leasing liabilities	26	118.750	-
Provisions		-	-
Loans from the issue Bonds		3.000.000	3.000.000
Total long-term debt		3.118.750	3.000.000
Trade and other payables	22	21.594.227	13.892.727
Deferred tax liabilities		15.150	3.058
Amounts owed to customers (customer availability)	22	264.004.882	112.632.585
Current portion of financial leasing liabilities	22	343.800	61.589
Short-term bank debt	21	3.997.415	2.443.700
Provisions	23	312.664	586.589
Total current debts		290.268.137	129.620.248
Total debt		293.386.888	132.620.248
Total equity and liabilities		368.984.986	177.298.596

Chairman of the Board
Robert Danila

CEO
Monica Ivan

Economic Director
Sandu Pali

SSIF BRK FINANCIAL GROUP SA
Consolidated and simplified IFRS financial statements June 30 2021

Income from continuing operations

Consolidated statement of comprehensive income

Reported on 30.06.2021

In RON

		30.06.2021	30.06.2020
Income		<u>12.476.796</u>	<u>7.174.393</u>
Fee and commission income from intermediation	25	3.500.524	3.447.004
Corporate income	25	4.653.657	383.200
Other intermediation income	25	639.046	248.879
Income from fund management		1.512.306	1.675.999
Venituri din vanzare produse finite		1.593.659	552.400
Revenue from the sale of goods		337.003	10.263
Stock variation		(643.857)	728.762
Revenue from Software services		884.459	127.887
Market making activity		<u>2.715.836</u>	<u>1.903.763</u>
Net earnings from transactions	26	1.876.494	1.758.564
Other income MM	26	839.342	145.199
Other income from continuing operations		20.602	39.810
Salary expenses and employee benefits	27	(5.151.435)	(3.220.036)
Market commission and intermediary expenses	28	(1.542.075)	(1.259.121)
Expenditures on external services	29	(1.842.703)	(1.881.652)
Expenses with collaborators	30	(425.689)	(480.433)
Expenditures on raw materials and materials		(191.475)	(167.574)
Expenses with goods		(416.289)	(15.829)
Other basic activity expenses	30	(2.980.144)	(1.861.992)
Value adjustments of intangible and tangible assets	30	(918.165)	(801.493)
Profit / (loss) from the basic activity		1.745.259	(570.163)
Net gains / (losses) realized from financial instruments		<u>2.654.796</u>	<u>(4.089.263)</u>
Dividend income	31	392.400	1.808.844
Income from transactions with shares and bonds performed	31a	3.190.535	2.285.690
Losses from transactions with shares and bonds performed	31	(928.138)	(8.183.796)
Net gains / (losses) from the measurement of financial assets measured at fair value through profit or loss		<u>6.982.271</u>	<u>(3.448.535)</u>
Income from the valuation of financial assets measured at fair value through profit or loss	31	11.357.597	4.684.912
Losses from the measurement of financial assets measured at fair value through profit or loss	31	(4.375.327)	(8.133.447)
Net income / (expenses) provisions for fixed financial assets		<u>(573.353)</u>	<u>462.999</u>
Revenue cancellation of provisions for fixed financial assets	31	300.000	2.366.249
Provisions for fixed assets, financial assets	31	(873.353)	(1.903.250)
Other net income / (expenses) from interest and exchange rate differences		<u>426.968</u>	<u>450.794</u>
Interest income on loans and bonds	31	51.547	296.307

SSIF BRK FINANCIAL GROUP SA
Consolidated and simplified IFRS financial statements June 30 2021

Individual situation of the overall result (continued)			
Interest income margin loans	31	99.914	126.957
Other interest income	31	13.659	34.680
Interest expenses	31	(204.203)	(664.647)
(Expenses) / House different exchange rate income	31	664.735	164.359
Net income / (expenses) provisions for risks and expenses		<u>30.513</u>	<u>5.167</u>
Expenses with provisions for risks and expenses	31	-	-
Provisional cancellation income for risks and expenses	31	7.608	5.167
Other net provisions	31	22.906	-
Other net income / (expenses)		<u>(101.099)</u>	<u>(85.302)</u>
Net gains / (losses) from the sale of assets	31	(64.725)	(88.389)
Other operating expenses	31	(72.115)	(29.092)
Other operating income	31	35.741	32.180
The result of the exploitation activities		<u>11.165.356</u>	<u>(7.274.303)</u>
Profit before tax		11.165.356	(7.274.303)
Income tax expense			
Profit from continuous activities		(277.128)	(14.689)
Interrupted activities		-	-
Loss from discontinued operations (after tax)		-	-
Profit of the period		<u>10.888.228</u>	<u>(7.288.992)</u>
Other elements of the overall result		<u>-</u>	<u>-</u>
Net change in the fair value of available-for-sale financial assets transferred to profit or loss		-	-
Positions that can be reclassified to profit and loss		<u>-</u>	<u>-</u>
Net change in the fair value of available-for-sale financial assets		-	-
Free shares received classified as available for sale		-	-
Changes in the value of fixed assets available for sale		-	-
Positions that cannot be reclassified to profit and loss		<u>-</u>	<u>-</u>
Changes in the value of fixed assets used		-	-
Changes in the value of real estate investments		-	-
Establishment / cancellation of profit reserves for granting free shares to employees		-	-
Tax related to other elements of the overall result		-	-
Total other elements of the overall result for the period		<u>-</u>	<u>-</u>
Total profit and loss account and other elements of the overall result for the period		<u>10.888.228</u>	<u>(7.288.992)</u>
Attributable profit:			

SSIF BRK FINANCIAL GROUP SA
Consolidated and simplified IFRS financial statements June 30 2021

	10.888.228	(7.288.992)
Individual situation of the overall result (continued)		
Shareholders of the Company	11.671.477	(7.295.184)
Uncontrolled interests	(783.249)	6.193
Profit of the period	10.888.228	(7.288.992)
Total rezultat global atribuibil:		
Actionarilor Societatii	-	-
Intereselor fara control	-	-
Total attributable overall result:	-	-
Earnings per share		
Basic earnings per share (lei)	0,0346	(0,0216)
Diluted earnings per share (lei)	-	-
Continuous activities		
Basic earnings per share (lei)	0,0346	(0,0216)
Diluted earnings per share (lei)	-	-
30.06.2021		
Weighted average number of shares in the balance:	337.749.919	337.749.919

These financial statements were approved today 12.08.2021

Chairman of the Board
Robert Danila

CEO
Monica Ivan

Economic Director
Sandu Pali

SSIF BRK FINANCIAL GROUP SA
Consolidated and simplified IFRS financial statements June 30 2021

Individual statement of changes in equity - 30.06.2021

<i>In RON</i>	Share capital	Share capital adjustments	Capital premium	Other reserves	Rezultat Reportat	Profit for the period	Undistributed profit	Total	Non-controlling interests	Total Equity
Sold la 1 ianuarie 2021	55.154.131	4.071.591	4.813.355	14.726.312	-35.324.649	246.737	-220.694	43.466.783	1.215.057	44.681.840
Amounts resulting from the combination companies		11.893.062	4.048.000	1.840.846	-5.149.200			12.632.708	4.880.342	17.513.049
Profit for the period				-93.954	-126.740	11.671.477	220.694	11.671.477	-783.249	10.888.228
Other elements of comprehensive income	-	-	-	-	-	-	0	-	-	-
Gains from profit and loss	-	-	-	-	-	-	-	-	-	-
Changes in the value of fixed assets available for sale	-	-	-	-	-	-	-	-	-	-
Changes in the value of fixed assets used	-	-	-	-	-	-	-	-	-	-
Changes in the value of real estate investments	-	-	-	-	-	-	-	-	-	-
Other capital changes	-	-	-	-	-	-	-	-	-	-
Deferred income tax related to fixed assets	-	-	-	-	-	-	-	-	-	-
Changes in the comprehensive profit and loss account	-	-	-	-	-	-	-	-	-	-
Decreases of share capital	-	-	-	-	-	-	-	-	-	-
Transfer of revaluation differences for assets sold at reserves	-	-	-	-	-	-	-	-	-	-
Transfers in the reported result	-	-	-	-	-	-246.737	-	-	-	-
Total other elements of comprehensive income	-	-	-	-93.954,00	-126.740	11.671.477	220.694	11.671.477	-783.249	10.888.228
Total comprehensive income for the period	3.547.966	-	-	-	-	-	-	-	-	3.547.966
Trading with own shares										
Own share buybacks		-	-	-	-	-	-	-	-	-
Total trading with own shares										
Balance June 30 2021	58.699.098	15.964.653	8.861.355	16.473.204	-40.600.589	10.888.228	246.737	70.285.949	5.312.149	75.598.098

Chairman of the Board
Robert Danila

CEO
Monica Ivan

Economic Director
Sandu Pali

SSIF BRK FINANCIAL GROUP SA
Situatiile financiare consolidate simplificate IFRS la 30 iunie 2020

Individual statement of cash flows for 30.06.2021

	30.06.2021	30.06.2020
	RON	
Operating activities:		
Gross profit	11.165.355	(7.274.304)
Adjustments to reconcile net income with net cash used in operating activities:		
Adjustments to the value of tangible and intangible assets	973.397	779.558
Impairment adjustments on current assets - net	201.216	-
Adjustments for provisions for risks and charges - net	-	-
Interest income	(795.775)	(1.058.597)
Interest charges	351.339	664.647
Loss / (Profit) from the sale and disposal of tangible and intangible assets	(64.725)	(379.777)
Depreciation and impairment adjustments for property, plant and equipment and intangible assets	973.397	779.558
Impairment adjustments on current assets - net	201.216	-
Operating profit before changes in working capital	11.830.807	(7.268.473)
Changes in working capital:		
Decrease / (Increase) of commercial and other receivables	2.551.305	(42.793.136)
(Increase) / Decrease in inventory	(413.047)	(316.135)
(Decrease) / Increase in trade and other debts	158.334.395	37.422.711
Net cash flow generated from operating activities:	172.303.460	(12.955.033)
Interest paid	-	(664.647)
Profit tax paid	(285.095)	(10.104)
Cash flows from operating activities:	172.018.365	(13.629.784)
Cash flows from investment activities:		
Payments for the purchase of property, plant and equipment	(408.507)	(61.631)
Proceeds from the sale of tangible and intangible assets	-	-
Payment in cash for the acquisition of participation interests, investments in financial assets or investment securities	-	-
Interest received	795.775	1.058.597
Loans granted or received, including loans to related parties	-	-
Increase in share capital	3.548.825	5.476.930
Cash receipts from the sale of financial assets or short-term investments assigned	493.037	1.085.187
Net cash flow generated by investment activities	4.429.130	7.559.083
	30.06.2021	30.06.2020
	RON	
Cash flows from financing activities:		
Net variation of loans	1.954.676	(2.807.559)
Loans granted to affiliated entities	-	-
Dividends paid	-	-
Payment of debts related to financial leasing	-	-
Net cash flow generated by financing activities	1.954.676	(2.807.559)
Cash flows - total	178.402.171	(8.878.260)
Changes in cash and cash equivalents		
Cash and cash equivalents at the beginning of the period	57.227.753	69.450.139
Increase / (decrease) in cash and cash equivalents	178.402.171	(8.878.260)
The effect of changes in the exchange rate on the opening balance of cash and cash equivalents		
Cash and cash equivalents at the end of the period	235.629.922	60.571.879
From which:		
Cash held on behalf of clients	225.314.851	

SSIF BRK FINANCIAL GROUP SA
Situatiile financiare consolidate simplificate IFRS la 30 iunie 2020

		51.746.125
Cash held on behalf of the company	10.315.071	5.481.628

Chairman of the Board
Robert Danila

CEO
Monica Ivan

Economic Director
Sandu Pali

SSIF BRK FINANCIAL GROUP SA
Consolidated and simplified IFRS financial statements June 30 2021

1. REPORTING ENTITY

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

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

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

SSIF BRK FINANCIAL GROUP SA issues for the financial year ended 30.06.2021 consolidated financial statements in accordance with the International Financial Reporting Standards adopted by the European Union ("IFRS").

These consolidated financial statements were approved on August 12, 2021 by the Board of Directors of SSIF BRK FINANCIAL GROUP SA, without the possibility of their modification after this date.

Group entities

Subsidiaries of the group

As of June 30, 2020, the Group consolidated a subsidiary, presented below:

Entity	Headquarters	Type	Stake	
			June 2021	December 2020
S.A.I. Broker S.A.	Cluj-Napoca, Romania	subsidiary	99.98%	99.98%
ROMLOGIC TECHNOLOGY SA	Bucuresti, Romania	subsidiary	90.75%	90.75%
Firebyte Games SA	Cluj-Napoca, Romania	subsidiary	47,89%	63,84%
Gocab Software SA	Bucuresti, Romania	subsidiary	34,45%	0,33%
REIT Capital SA	Cluj-Napoca, Romania	subsidiary	99,5%	99,5%

The name of the affiliate: S.A.I. Broker S.A.

The registered office of the company: Cluj-Napoca, str. Motilor nr. 119, judet Cluj

Place of activity: Cluj-Napoca, str Motilor nr. 119

Legal form: S.A.

Unique code: 30706475

Main activity: Alte intermediari financiare

Description: At the end of June 2021, the value of assets managed by SAI Broker SA was 185 million lei, increasing by 6 million lei compared to 31.12.2020. In the first half of 2021, all nine funds managed by SAI Broker SA registered positive evolutions of the unit net asset, the increases being between 1.5% and 48.8%.

S.A.I. Broker S.A. manages on 30.06.2021, 9 investment funds:

- Closed-End Investment Fund BET-FI Index Invest
- FIX INVEST Open-End Investment Fund
- SMART Money Private Investment Fund

- Optim Invest Closed-End Investment Fund
- Prosper Invest Open-End Investment Fund
- Fortuna Classic Open-End Investment Fund
- Fortuna Gold Open-End Investment Fund
- H.Y.B Invest Open-End Investment Fund;
- ALPHA Invest Open-End Fund.

The name of the affiliate: ROMLOGIC TECHNOLOGY S.A.

The registered office of the company: BUCURESTI sect. 4 str. CUZA VODA nr. 75A

Place of activity: Bucuresti

Legal form: S.A.

Unique code: RO34586533

Main activity: Manufacture of computers and peripheral equipment

Description: The company provides software support for various projects, hardware maintenance and implementation of IT infrastructure. Innovation is a key element of the company's activity. She is constantly preoccupied with discovering the novelties in the market and implementing them in the services she offers, in order to become more efficient and to expand her area of knowledge. A very good example of innovation is the Equinox device, which incorporates a radio transceiver, a GPS, software dedicated to commands and, of course, the classic taxi. The company sold 1273 devices in 2021.

The increase of the sales on the domestic market considering that there is the obligation for all economic agents to connect to the ANAF servers the fiscal devices with electronic diary until 31.11.2021. Expanding sales abroad, with the Greece project a priority.

The name of the affiliate: Firebyte Games SA

The registered office of the company: Cluj-Napoca, Calea Moșilor nr.119 et.3

Place of activity: Cluj-Napoca, Calea Moșilor nr.119 et.3

Legal form: S.A.

Unique code: 38624397

Main activity: Custom software development activities

Descriere: Firebyte Games S.A., was established in December 2017, specializing in the development of games for mobile devices. The company's activity takes place 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 held the position of general manager since its establishment until now. The financial support of the company was provided by the BRK Financial Group and by Mr. Andrici Adrian. The expertise of Mr. Ovidiu Stegaru, as well as the experience of him and the team he proposed for the launch and development of the Firebyte project, corroborated 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, whose development extended throughout 2018 and in the first part of 2019. Starting with 2019, the company has partnered 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 largely depends on the marketing budget used in the publishing campaign. During the 3 years of activity, the company has developed 45 games or prototypes of games for mobile devices, most of them being of the Hypercasual type within the "revenueshare" type partnerships.

The main elements of the strategy of Firebyte Games SA

Since its inception, the company has set a bold goal in the medium and long term, to become an important and globally recognized game studio, both in the area of development and publishing of games made for mobile devices. In the three years of operation, the company has invested significantly in staff

development, management and data collection, as well as improving the monitoring and project management processes of the executive management.

The main factors that underlie the success of a company in the gaming industry developed for mobile devices are:

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

The company's business model focuses on two directions:

- Development of games in collaboration with external partners, through revenue-share agreements
- Development and publication of casual games on their own

The name of the affiliate: GOCAB SOFTWARE SA

The registered office of the company: BUCURESTI sect. 4 str. GRAMONT nr. 38 et. 1 ap. R2

Place of activity: BUCURESTI sect. 4 str. GRAMONT nr. 38 et. 1 ap. R2

Legal form: S.A.

Unique code: RO41884893

Main activity: Custom software development activities

Description: The company has over 15 years of experience in the field of taxi, collaborating with the best taxi companies in Romania. It sells an intelligent taxi system (Equinox), in its second version - which replaces multiple devices required for taxi activity (traditional charging device, GPS navigation, tablet / phone for mobile applications, radio station). In addition, the company has developed the GoCab taxi ordering application.

The main achievements of Gocab Software SA

Modules developed and integrated within the GoCab application:

- Orders
- Dispatchers / Transporters
- Corporate
- Float
- Receipts and payments
- Bonus
- Partners
- Notifications
- Users

The main elements of the strategy of Gocab Software SA

Company objectives:

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

The two main investment directions of the company aim at:

- Development of the suite of applications, through the implementation of modules to facilitate and / or automate the processes used in the taxi business.
- Marketing campaigns addressed to customers and drivers using the GoCab application.
Monetization model adopted / targeted:
 - GoCab Pro service through which customers will receive the guarantee of fulfilling the order made, and taxi drivers will be guaranteed a minimum number of orders for a predefined period
 - Related services, through partnerships, developed by the company, in the interest of GoCab affiliates, which will generate an important component of operating revenues.
 - Monetizing orders sent within the standard service will be an alternative source of operating income.

2. BASIS OF PREPARATION

Statement of compliance

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

3. SIGNIFICANT ACCOUNTING POLICIES

The calculation methods and accounting policies used in these simplified consolidated financial statements are the same as those used in the most recent annual financial statements prepared for the financial year ended 31 December 2020.

The only change in accounting policies is the addition of the following valuation methods for the companies in which SSIF BRK Financial Group has control. These holdings will be evaluated as:

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

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

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

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

The Company 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 a equity instrument measured at fair value through other comprehensive income must be recognized in other comprehensive income, excluding dividend income.

The income tax for the interim periods is calculated using the tax rate and the calculation methodology that is estimated to be used for the entire annual profit (loss).

4. APPRAISALS

The preparation of simplified consolidated financial statements requires management to use reasoning, estimates and assumptions that affect the application of accounting policies, as well as the reported value of assets, liabilities, income and expenses. Actual results may differ from estimated values.

In preparing these simplified consolidated financial statements, the significant reasoning given by management in applying the company's accounting policies and the main sources of uncertainty in the estimates are the same as those applied in preparing the annual consolidated financial statements for the financial year ended 31 December 2020.

5. FINANCIAL RISK MANAGEMENT

Factori de risc financiar

The simplified consolidated financial statements do not include all the information related to the management of the financial risks required for the annual financial statements; these statements must be read in conjunction with the company's annual financial statements as at 31 December 2020.

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

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

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

Risk categories

5.1 Credit risk

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

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

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

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

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

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

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

- 1 derivative financial instruments traded on OTC and credit derivative financial instruments;
- 2 repo agreements, reverse repo agreements, operations of giving or taking securities / goods with Loan that are based on securities or goods included in the trading book;
- 3 margin lending transactions In connection with securities or commodities and
- 4 long-term settlement transactions.

5.2 Liquidity risk

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

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

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

5.3 Market risk

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

Investment opportunities are selected through:

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

5.4 Operational risk

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

5.5 Interest rate risk

Interest rates used to determine fair value

In order to determine the fair value or the impairment test of financial instruments, interest rates were not used to update cash flows as there was no case of trade receivables or other financial instruments whose collection was significantly delayed in time.

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

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

5.6 Currency risk

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

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

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

Exposures to currency risk are composed of the following elements:

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

6. OPERATIONAL SEGMENTS

The group has four main segments that have different characteristics, so they require separate presentation:

- the intermediation segment;
- trading segment;
- investment funds management segment;
- the production segment of peripheral equipment and software services;

Strategic business units offer different services and products, being managed separately because they require different know-how and marketing strategies. The executive director reviews at least monthly the activities related to the main segments. Some of the segments also have common expenses that cannot be separated without a very high degree of subjectivism.

a) The intermediation activity includes the intermediation transactions for clients on the spot market.

The significant positions in the financial statements that are influenced by these operations are:

- Revenues from commissions collected from clients, expenses regarding commissions paid to market institutions;
- Net receivables regarding the amounts receivable from the stock exchange for clients, following the transactions performed by clients.
- Debts to customers representing the availability of customers deposited for trading purposes.

b) The trading activity includes the operations of purchase and sale of investment securities and derivative products. The significant positions in the financial statements that are influenced by these operations are:

- the investments made, which may include securities available for sale, financial instruments at fair value through profit or loss, the market value of derivative products;

- expenses and revenues from trading;

- adjustment of the value of investments, recognized either in the income statement, in the case of financial instruments at fair value through profit or loss and in derivative products, or in the global income statement in the case of securities available for sale;

c) The activity of managing the investment funds. SAI BROKER SA manages on 30.06.2021 a number of 9 investment funds.

The fund management segment generated revenues from the administration of the following investment funds:

Closed-End Investment Fund BET-FI Index Invest registered with the Financial Supervisory Authority under no. PJR05SAIR / 120031 dated 29.01.2013.

The purpose of establishing the Fund is exclusive and consists in attracting the financial resources available from individuals and legal entities through a regular public offer of fund units and investing these

resources mainly in shares that are part of the BET-FI index.

FIX INVEST Open-End Investment Fund, authorized by the Financial Supervisory Authority no. A / 8 / 14.02.2014.

SMART Money Private Investment Fund endorsed by the Financial Supervisory Authority with no. A / 19 / 09.04.2014.

The Optim Invest Closed-End Investment Fund operates on the basis of the Authorization of the Financial Supervisory Authority (A.S.F.) no. A / 171 / 22.05.2015 and is registered in the A.S.F Register under no. CSC08FIIRS / 120040.

6. OPERATIONAL SEGMENTS (Continued)

The fund is set up to attract, privately, the financial resources of qualified investors natural or legal persons, in order to invest them mainly in shares issued by companies and participation titles of UCITS and / or AOPC, in accordance with the provisions of the regulatory framework incident.

.

The Prosper Invest Open-End Investment Fund operates based on the Authorization of the Financial Supervisory Authority (FSA) no. A / 44 / 20.03.2015 and is registered in the FSA Register under no. CSC06FDIR / 120093.

The objective of the fund consists in the mobilization of financial resources, through a continuous offer of participation titles, in order to make investments on the capital markets, in the conditions of a high degree of assumed risk, specific to the investment policy provided in the Issue Prospectus.

Fortuna Classic Open-End Investment Fund is registered with FSA. with the number CSC06FDIR / 120008 dated 18.12.2003. The sole purpose of the fund is to make collective investments, placing financial resources in liquid financial instruments and operating on the principle of risk diversification and prudential management.

The Fortuna Gold Fund is registered with FSA. with the number CSC06FDIR / 120009 dated 18.12.2003. The sole purpose of the fund is to make collective investments, placing financial resources in liquid financial instruments and operating on the principle of risk diversification and prudential management.

FIA H.Y.B. Invest is registered with FSA. with the number CSC09FIAR / 120003 dated 08.08.2019. The objective of the Fund is to increase the long-term capital invested through investments in debt instruments such as high-yield bonds (non-investment grade or junk).

FIA Alpha Invest is registered with FSA. with the number CSC09FIAR / 120002 dated 08.08.2019. The objective of the Fund is to increase the long-term capital invested through investments in listed shares with favorable development prospects.

The information regarding the reportable segments is presented as follows:

:

SSIF BRK FINANCIAL GROUP SA
Consolidated and simplified IFRS financial statements June 30 2021

6. OPERATIONAL SEGMENTS (Continued)

Information on reportable segments

	June- 2021						June- 2020						2021	2020
	Total, from which:	brokerage	Trading	Fund management	Production of peripheral equipment and software services	unallocated	Total, from which:	brokerage	Trading	Fund management	Production of peripheral equipment and software services	unallocated	Total reportable segments	
Intermediation activity	9.555.142	8.042.836	-	1.512.306	-	-	5.755.082	4.079.083	-	1.675.999	-	-	9.555.142	5.755.082
Market making activity	2.679.332	-	2.679.332	-	-	-	1.903.763	-	1.903.763	-	-	-	2.679.332	1.903.763
Other basic activity income	2.000.117	-	-	-	1.979.515	20.602	1.459.122	-	-	-	1.419.312	39.810	2.000.117	1.459.122
Net gains / (Losses) realized from financial instruments								(4.089.263)						
Net gains / (losses) from the measurement of financial assets measured at fair value through profit or loss	2.654.796	-	2.654.796	-	-	-	(4.089.263)						2.654.796	(4.089.263)
Net income / (expenses) provisions for fixed financial assets	6.982.271	-	6.982.271	-	-	-	(3.448.535)	-	(3.448.535)	-	-	-	6.982.271	(3.448.535)
Other net income / (expenses) from interest and exchange rate differences	(200.000)	-	(200.000)	-	-	-	462.999	-	462.999	-	-	-	(200.000)	462.999
Net income / (expenses) provisions for risks and expenses	943.652	292.446	651.206	-	-	-	450.794	-	-	-	-	-	943.652	450.794
Other net income / (expenses)	30.513	-	-	-	-	30.513	5.167	-	-	-	-	5.167	30.513	5.167
Salary expenses and employee benefits	(12.493)	-	-	-	-	(12.493)	(85.302)	-	-	-	-	(85.302)	(12.493)	(85.302)
Market commission and intermediary expenses	(5.151.435)	(1.103.346)	(613.401)	(760.848)	(1.464.284)	(1.209.556)	(3.220.036)	(724.125)	(779.515)	(601.918)	(756.746)	(357.732)	(5.151.435)	(3.220.036)
Expenditures on external services	(1.542.075)	(1.052.427)	(447.834)	(1.419)	-	(40.395)	(1.259.121)	(708.664)	(388.059)	(1.764)	-	(160.634)	(1.542.075)	(1.259.121)
Expenses with collaborators	(1.842.703)	(103.952)	(201.080)	(23.233)	(709.666)	(804.772)	(1.881.652)	(355.258)	(553.106)	(68.485)	(806.029)	(98.774)	(425.689)	(480.433)
Expenditures on raw materials and materials	(425.689)	(242.001)	-	(77.017)	(106.671)	-	(480.433)	(273.021)	-	(68.681)	-	(138.731)	(191.475)	(167.574)
Expenses with goods	(191.475)						(167.574)				(167.574)		(416.289)	(15.829)
Other basic activity expenses	(416.289)						(15.829)				(15.829)		(2.980.144)	(1.861.992)
	(2.980.144)	(106.880)	(100.689)	(36.504)	(2.233.124)	(502.947)	(1.861.992)	(337.257)	(162.736)	-	(1.361.999)			

SSIF BRK FINANCIAL GROUP SA
Consolidated and simplified IFRS financial statements June 30 2021

7. Intangible assets

	Costs of formation	Expenses of development	Concessions, patents, licenses trademarks, rights and values similar and other property ASSETS	Goodwill	Intangible assets exploration and evaluation of resources	overtures	<u>Total</u>
	(lei)	(lei)	(lei)	(lei)	(lei)	(lei)	(lei)
Gross value							
Balance on January 1, 2021	2.150	3.372.589	12.333.337	-	-	27.820	15.735.896
increases	-	216.293	791.480	-	-	-	1.007.772
Assignments, transfers and other reductions	-	<u>216.293</u>	<u>482.602</u>	-	-	-	<u>698.895</u>
Balance as of June 30, 2021	2.150	3.372.589	12.642.215	-	-	27.820	16.044.773
Cumulative depreciation							
Balance on January 1, 2021	-	540.823	5.912.339	-	-	-	6.453.161
Depreciation recorded during year	-	40.049	556.681	-	-	-	596.730
Reductions or resumes	-	-	-	-	-	-	-
Balance on June 30, 2021	-	580.871	6.469.020	-	-	-	7.049.891
Provisions							
Balance on January 1, 2021	-	-	-	-	-	-	-
increases	-	-	-	-	-	-	-
reductions	-	-	-	-	-	-	-
Sold la 30 Iunie 2021	-	-	-	-	-	-	-
Net book value as of January 1, 2021	2.150	2.831.766	6.421.000	-	-	27.820	9.282.734
Net book value as of June 30, 2021	2.150	2.791.718	6.173.195	-	-	27.820	8.994.882

SSIF BRK FINANCIAL GROUP SA
Consolidated and simplified IFRS financial statements June 30 2021

8. Tangible fixed assets

	<u>Land and Constructions</u>	<u>Installations technically and machinery</u>	<u>Other installations, machinery and furniture</u>	<u>Property, plant and equipment in progress execution</u>	<u>overtures</u>	<u>Total</u>
	(lei)	(lei)	(lei)	(lei)	(lei)	(lei)
Gross value						
Balance on January 1, 2021	7.834.700	1.825.068	633.147	22.343	-	10.315.259
increases	56.517	1.000.534	94.448	-	-	1.151.498
Assignments, transfers and other reductions	=	=	=	=	=	=
Balance as of June 30, 2021	7.891.217	2.825.602	727.595	22.343	-	11.466.757
Cumulative depreciation						
Balance on January 1, 2021	48.041	1.610.396	409.598	-	-	2.068.036
Depreciation recorded during year	144.961	83.799	96.929	-	-	325.690
Reductions or resumes	-	-	-	-	-	-
Balance on June 30, 2021	193.003	1.694.195	506.527	-	-	2.393.725
Provisions						
Balance on January 1, 2021	-	-	-	-	-	-
increases	-	-	-	-	-	-
reductions	-	-	-	-	-	-
Sold la 30 Iunie 2021	-	-	-	-	-	-
	-	-	-	-	-	-
Net book value as of January 1, 2021	7.786.659	214.671	223.549	22.343	-	8.247.222
Net book value as of June 30, 2021	7.698.215	1.131.406	221.067	22.343	-	9.073.032
Cumulative depreciation	7.698.215	1.131.406	221.067	22.343	-	9.073.032

SSIF BRK FINANCIAL GROUP SA

Consolidated and simplified IFRS financial statements June 30 2021

The component of the balance of intangible assets consists of computer programs and software licenses.

The significant value in the total intangible assets is represented by the back office system.

The useful lives used to calculate intangible assets are on average 3 years, the depreciation method used is linear.

The expenses regarding the annual amortization of intangible assets are included in the statement of comprehensive income under the item Value adjustments of tangible and intangible assets.

8. TANGIBLE FIXED ASSETS (continued)

On 30.06.2021, the parent company has in operation for the activity the headquarters in Cluj Napoca, str. Motilor 119, as well as the buildings owned in Bucharest, Suceava, Iasi where the agencies for the intermediation activity operate.

The company does not own on 30.06.2021 lands for the exploitation activity, and those related to the buildings in operation are incorporated in the value of the building.

The depreciation expenses for the year are included in the global income statement under the item Value adjustments of tangible and intangible assets.

Pledged or mortgaged property, plant and equipment

The parent company partially repaid in advance the loan from Libra Internet Bank, so that the credit line was reduced from 3,498,894 lei to 723,080 lei. As a result of the early repayment of the amount of 2,774,814 lei, the pledge applied on the building from Moșilor Street no. 119, Cluj-Napoca. Also, on 08.04.2021, a credit agreement was signed with TechVentures Bank for granting a credit line in the amount of 4,500,000 lei, the credit guarantee being made with a real estate mortgage.

10. REAL ESTATE INVESTMENTS

In lei

	June-2021	December- 2020
Balance January 1st 2021	-	669.959
Fixed asset transfers during the year	-	-
Inflows from received guarantees	-	-
Purchases during the year (exchanges of assets)	-	-
Inflows of investment property in progress	-	-
Outflows of investment property in progress	-	-
Investments property advances	-	-
Disposals of investment property (exchanges of assets)	-	(669.959)
Plus re-evaluation	-	-
Less re-evaluation	-	-
Balance June 30th 2021	-	-

Real estate investments include the following categories of assets: Cluj-Napoca (Einstein) building and related land.

SSIF BRK FINANCIAL GROUP SA
Consolidated and simplified IFRS financial statements June 30 2021

10. REAL ESTATE INVESTMENTS

Reevaluation presentations

Real estate investments representing buildings and land were revalued on 31.12.2020. The evaluation was performed by an expert evaluator, in accordance with the International Evaluation Standards and the working methodology recommended by ANEVAR.

There were no significant increases in real estate investments for the exploitation activity in the first semester of 2021.

11. FINANCIAL INVESTMENTS

In lei

Financial assets at fair value through profit or loss

		June-2021	December- 2020
	listed shares	32.022.339	4.524.751
	listed fund units	-	-
	unlisted fund units	8.058.509	7.001.270
	quoted bonds	204.636	2.337.000
	unlisted bonds	2.301.145	946.302
	unlisted shares	833.258	227.834
Other financial instruments	structured products	2.175.488	7.218
Total financial assets designated at fair value through profit or loss		45.595.375	15.044.375
Total financial investments		45.595.375	15.044.375

11. FINANCIAL INVESTMENTS (continued)

Listed securities: shares, bonds and fund units are valued at the exchange rate on 30.06.2021 published by the Bucharest Stock Exchange.

The unlisted fund units are valued at the value of the net unit asset, and the unlisted bonds at amortized cost.

Financial instruments traded on international markets are of the type of futures contracts, options and difference contracts (CFDs) and are used for speculative and hedging purposes for market maker operations. These are valued at the quotation on 30.06.2021

The category "unlisted fund units" includes fund units held in investment funds FDI Certinvest Obligatiuni, Fdi Transilvania, Fdi SanoGloinvest. These holdings have been reclassified from available-for-sale financial assets to fair value financial assets through profit or loss as a result of the adoption of IFRS 9.

12. LOANS AND ADVANCES GRANTED

In the first semester of 2021, the parent company BRK Financial Group SA granted loans to the affiliated companies as follows: to the company Romlogic Technology SA - 500,000 lei, GoCab Software the amount of 200,000 lei. In order to determine the fair value, the Company's management took into account the future net cash flows related to these loans, maturing for 1 year on June 30, 2021. For each loan, 3 scenarios were defined regarding the recoverability of the amounts granted in the period of time until the maturity of the loan agreement.

Loans to affiliates are included in stage 2 in accordance with the policy described in Note 3 to these financial statements.

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

For the loan 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 default stage 2, so that a depreciation of 100% was taken into account. from the total value of the loan in the absolute amount of 500,000 lei to determine the fair value.

For the Loan granted to GOCAB Software, the adjustments made in 2020 in the amount of 300,000 lei were resumed as income, and the loans granted during the previous year were converted into GOCAB SOFTWARE shares.

The company maintained the service offered to customers to perform margin transactions. The credit balance in the margin granted to the clients on 30.06.2021 was of 2,718,422 lei.

For the margin loans, the clients bring as guarantees the securities purchased with these loans. Therefore, there are no indications of depreciation and this represents the fair value as of June 30, 2021

SSIF BRK FINANCIAL GROUP SA
Consolidated and simplified IFRS financial statements June 30 2021

13. INVESTMENTS IN ASSOCIATED ENTITIES

Affiliates as well as associates (where significant influence is held) are mentioned below.

The holding percentage and the value of the participation in lei in the associated entities are the following:

Company	Holding percentage in June 2021	The value of participation June 2021	Holding percentage in December 2020	The value of participation December 2020
SAI Broker	99.98%	7.186.529	99.98%	7.186.529
Romlogic Technology	90.75%	13.905.440	90.75%	13.905.440
Firebyte Games	47.89%	14.639.794	63.84%	2.746.733
Reit Capital SA	99.5%	89.550	99.5%	89.550
GOCAB SOFTWARE SA	34.45%	2.391.510	0.33%	3.000
Total		38.212.823		23.931.252

SSIF BRK FINANCIAL GROUP SA
Consolidated and simplified IFRS financial statements June 30 2021

13. INVESTMENTS IN ASSOCIATED ENTITIES (continued)

In the first semester of 2021. the transactions with the affiliated parties are presented as follows:

Company	The nature of affiliation	The nature of activity	Volume and weight of the activity
SAI Broker	Ownership 99.98%	Asset management	- Fee income 1.353 Lei - Intermediation and dividend income 0 lei - Rent income 17.100 lei
Romlogic Technology SA	Ownership 90.75%		- Interest income 64.614 lei - conversion of loans into share capital in the amount of 780,000 lei - Loans granted 500.000 lei
Gocab Software	Ownership 0,33%		- Loans granted 200.000 lei - Interest income 74.991 LEI - Conversion to share capital 2.200.000 lei
Firebyte Games SA	Ownership 63.84%	Game development	- Conversion to share capital 780.000lei -Rent income 11.670 lei
Reit Capital SA	Ownership 99.5%	Business and management consulting activities	N/A.

Transactions with related parties were made at market value

SSIF BRK FINANCIAL GROUP SA
Consolidated and simplified IFRS financial statements June 30 2021

13. INVESTMENT IN ASSOCIATES (continued))

On 30.06.2021 and 31.12.2020 the balances of the company's receivables from the relations with the affiliated parties were the following:

<i>In RON</i>	June-2021	December-2020
SAI Broker	-	2.850
REIT CAPITAL SA	-	-
Firebyte Games SA	-	818.017
Romlogic Technology SA	1.701.208	1.813.519
Total	1.701.208	3.770.978

14. NON-CURRENT ASSETS HELD FOR SALE

<i>In lei</i>	June-2021	December- 2020
Balance January 1st	303.389	303.389
Transfers of property during the year	-	-
Inflows of guarantees	-	-
Inflows during the year (exchanges of assets)	-	-
Disposals	-	(303.389)
Plus re-evaluation	-	-
Minus re-evaluation	-	-
Balance June 30th 2021	-	-

15. TRADE RECEIVABLES

<i>In lei</i>	June-2021	December- 2020
Receivables	8.332.714	3.987.165
Receivables (state budget)	-	-
Net debtor receivables	269.082	267.871
	28.698	33.733
	240.384	234.138
Other debtors	922.516	619.843
Total receivables	9.793.394	5.142.750

SSIF BRK FINANCIAL GROUP SA
Consolidated and simplified IFRS financial statements June 30 2021

15. COMMERCIAL AND SIMILAR RECEIVABLES (continued)

The debtors from the trading of the company's financial instruments come from transactions concluded in June 2021, which have as settlement date the first two days of July 2021.

Similarly, the debtors from financial instruments settled by clients come from transactions concluded in June 2021 which have as settlement date the first two days of July 2021.

For the management activity, SAI Broker SA charges an administration fee provided in the respective Issue Prospectus in the Internal Regulations of the funds managed by SAI Broker SA. The administration commission is collected monthly until the 10th of the month following its registration. The existing trade receivables in the balance come from the administration commission related to June 2021 and was collected in July 2021.

These receivables are valued at amortized cost, are classified on level 1 and do not require an impairment test as the risk of non-collection tends to zero.

In lei

	June-2021	December- 2020
Debtors from the trading of the Company's financial instruments	8.389.692	4.255.134
Debtors from financial instruments traded by clients	45.218.763	68.194.896
Other financial assets	53.608.455	72.450.030

The entity's exposure to credit and foreign exchange risk, as well as impairment losses on trade receivables are presented below.

Gross balances and impairments of debtors are as follows:

In lei

	June-2021	December- 2020
Debtors former employees and third parties, Stage 3	1.806.106	1.809.845
Depreciation of debtors of former employees and third parties	(1.779.515)	(1.783.747)
Debtors former employees and third parties - net worth	26.591	26.098

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

In lei

	June-2021	December- 2020
Balance on January 1	1.874.425	1.879.592
Additional provisions	-	-
Cancellation of provisions	(4.232)	(95.845)
Balance as of June 30, 2021	1.870.193	1.783.747

SSIF BRK FINANCIAL GROUP SA
Consolidated and simplified IFRS financial statements June 30 2021

16. DEFERRED TAXES

Unrecognized deferred income tax receivables

Deferred tax receivables were not recognized in respect of the following:

In lei

	June-2021	December- 2020
Profit of the period	11.165.355	(7.274.304)
Total income tax expense	(277.128)	(14.689)
Profit from the period before tax (including related to discontinued operations)	11.165.355	(7.274.304)
Income tax rate	16%	16%

16. DEFERRED TAXES

There are also unrecognized deferred tax assets related to financial instruments for which the impairment loss was not deductible during 2010..

Unrecognized deferred income tax liabilities

	June-2021	December- 2020
Differences from revaluation of fixed assets	5.877.144	5.877.144
	5.877.144	5.877.144
Tax rate	16%	16%
Unrecognized deferred tax receivables	940.343	940.343

17. CASH AND CASH EQUIVALENTS

In lei

	June-2021	December- 2020
Cash account for customers	225.314.851	51.746.125
Cash and cash equivalents	10.315.071	5.481.628
Balance as of June 30, 2021	235.629.922	60.571.879

Cash position and cash equivalents also include short-term deposits.

The balances of the clients in bank accounts are highlighted and managed separately from those of the company and can be used based on the trading orders given by the clients.

The Group performed an analysis on the calculation of the 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..

SSIF BRK FINANCIAL GROUP SA
Consolidated and simplified IFRS financial statements June 30 2021

18. CAPITAL AND RESERVES

In the first half of 2021 there were no changes in the share capital or the number of shares issued.

The own shares held by the company on June 30, 2021 are in number of 319,967 shares.

<i>In lei</i>	June-2021	December- 2020
Share capital	62.794.736	54.039.987
Own actions	(24.047)	(24.047)
Premiums	5.754.417	4.813.355
Total	68.528.106	58.829.295

19. RESERVATIONS AND REVALUATION DIFFERENCES

<i>In lei</i>	June-2021	December- 2020
Re-evaluation differences of property, plant and equipment	3.524.052	5.809.917
Legal reserves	4.995.460	4.587.875
Fair value reserves	11.893.062	-
Other reserves	2.748.760	2.748.760
-of which IAS 29 (adjusted for inflation)	2.748.760	2.748.760
Legal reserves from own shares	-	-
Total reserves and re-evaluation differences	25.447.265	13.621.364

Differences from revaluation

The revaluation differences did not change during the first semester of 2021.

Legal reserves

The legal reserves represent the amounts constituted annually from the gross profit in the quota of 5%, until reaching the level of 20% of the share capital, recognized as a deduction when calculating the profit tax. This is a tax facility.

Fair value reserve

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

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

Other reservations

"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

During the first half of 2021, no dividends were granted to shareholders.

SSIF BRK FINANCIAL GROUP SA
Consolidated and simplified IFRS financial statements June 30 2021

20. RETAINED EARNINGS

<i>In lei</i>	June-2021	December-2020
Profit carried forward from the transition to IFRS	2.713.367	2.713.367
Retained earnings from the application of IFRS 9	3.392.306	-
IAS 29 reported result	(6.880.234)	(6.880.234)
Result carried forward from the recycling of the current results of the previous periods	-39.626.025	-27.123.842
The current result	14.799.997	7.745.366
Total retained earnings	(25.600.589)	(23.545.343)

Retained earnings by transitioning to IFRS

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

Retained earnings IAS 29

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

The applied inflation index recorded the following values during the updated period:

Year	2003	2002	2001	2000	1999	1998	1997	1996	1995
Discount index	1.00	1.15	1.41	1.90	2.77	4.04	6.42	16.36	22.71

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

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

* Incorporated re-evaluation reserves from 2011.
**Incorporated in 2007 upon merger with Investco.

21. TRADE AND OTHER PAYABLES

<i>In lei</i>	June-2021	December- 2020
Trade payables	542.032	10.009.887
Debts to employees	219.711	158.873
Debts with the state budget	286.493	217.093
Various creditors result from house transactions	3.018.494	1.462.483
Various creditors result from customer transactions	1.997.174	7.728.308
Various creditors results from structured products	7.828.823	2.017.584
Silver dividend		
Total trade and other payables	13.892.727	21.594.228

21. COMMERCIAL AND OTHER DEBT

The various creditors represent settlements with the Bucharest Stock Exchange being settled, within the time interval from the execution of the transactions on behalf of the entity and / or of the clients. Also, various creditors refer to the debt for the products with protected capital and Turbo certificates issued by the Company and listed on the Bucharest Stock Exchange.

22. BORROWINGS

The loans contracted by The Company are as follows:

In lei

	June-2021	December- 2020
Long-term debt		
Guaranteed lines of credit	118.750	-
Total long-term debt	3.000.000	3.000.000
	3.118.750	3.000.000
Short-term debt		
Guaranteed credit lines	3.997.415	2.443.700
Current part of financial leasing liabilities	343.800	61.589
Current liabilities	4.341.215	2.505.289

SSIF BRK FINANCIAL GROUP SA
Consolidated and simplified IFRS financial statements June 30 2021

22. BORROWINGS (continued)

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

<i>In lei</i>	June-2021	December- 2020
Payable to clients		
Creditors (domestic market)	225.036.004	46.807.871
Creditors (international markets)	38.847.045	64.944.867
Corporate creditors	327.109	879.847
	264.210.157	112.632.585

23. PROVISIONS

<i>In lei</i>	June-2021	December- 2020
Provisions		
Balance January 1st	586.589	2.802.547
Cancelled during the period	(22.906)	(2.712.000)
Established during the period	251.019	496.042
June 30th 2021	312.664	586.589

SSIF BRK FINANCIAL GROUP SA
Consolidated and simplified IFRS financial statements June 30 2021

24. CONTINGENT ASSETS AND LIABILITIES

There are litigation pending in which the probability of producing cash outflows is reduced or the amount of the debt cannot be approximated and for which no provisions have been made.

25. OPERATING INCOME

<i>In lei</i>	Ongoing activities		Halted actives		Total	
	June 2021	June 2020	June 2021	June 2020	June 2021	June 2020
Revenues from commissions on the domestic market	2.271.804	1.638.881	-	-	2.271.804	1.638.881
Revenues from commissions on the foreign market	1.310.951	1.463.575	-	-	1.310.951	1.463.575
Income from related activities	210.887	344.548	-	-	210.887	344.548
Subtotal revenues from intermediation commissions and related activities	3.793.641	3.447.004	-	-	3.793.641	3.447.004
Income from corporate operations	4.515.451	383.200	-	-	4.515.451	383.200
Other intermediate income	639.046	248.879	-	-	639.046	248.879
Income from fund management	1.512.306	1.675.999	-	-	1.512.306	1.675.999
Revenues of the peripheral equipment and software services segment	2.1712.64	1.419.312	-	-	2.1712.64	1.419.312
Total income	12.631.708	7.174.393	-	-	12.631.708	7.174.393

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 ASF.

In order to diversify the revenues from commissions, the aim was to permanently expand the range of products and the markets on which the transactions are carried out. 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 generally assigned to a broker, with the possibility to perform operations both traditionally and online.

Fee income also includes transactions for other non-banking financial institutions, called custodian contracts, for which the group collects transaction fees, but sales and purchase funds do not transit the company's accounts, but are settled through the custodian's accounts.

SSIF BRK FINANCIAL GROUP SA
Consolidated and simplified IFRS financial statements June 30 2021

26. OTHER INCOME

Starting with July 2018, the company chose to charge an additional commission for the accounts of clients who have not had turnover in the last 3 months. These amounts can be found under Other operating income in the table above.

27. STAFF COSTS

<i>In lei</i>	June-21	June -20
Staff	(4.115.031)	(2.372.734)
Social contributions	(929.733)	(708.572)
Employee profit sharing	-	-
BoA remunerations	(106.671)	(138.730)
BoA profit sharing	-	-
Total personnel expenses through comprehensive income	(5.151.435)	(3.220.036)

The remuneration of the general managers is established by the Decision of the Board of Directors of the Company.

During the first semester of 2021, the management of the company was ensured by the General Manager in the person of Mrs. Monica Ivan and by the Deputy General Manager in the person of Mr. Razvan Rat.

28. COMMISSION AND INTERMEDIATE EXPENSES

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

<i>In lei</i>	June-21	June -20
Internal Market commission expenses	(1.191.236)	(902.976)
External market commission expenses	(350.839)	(356.145)
Total	(1.542.075)	(1.259.121)

29. EXPENDITURE ON SERVICES

<i>In lei</i>	June-21	June -20
Expenses regarding audit fees, lawyers	(173.982)	(198.296)
Expenses with computer maintenance software services	(400.111)	(530.832)
Expenses with consulting and training services	(12.910)	(10.770)
Other expenses	(1.255.699)	(1.141.755)
Total	(1.842.703)	(1.881.652)

SSIF BRK FINANCIAL GROUP SA
Consolidated and simplified IFRS financial statements June 30 2021

30. OTHER OPERATIONAL EXPENDITURE

Other operating expenses include expenses with raw materials and materials, expenses with energy and water and expenses with taxes and fees:

In lei

	June-21	June -20
Material expenses	(191.475)	(135.640)
Expenses with other taxes and fees	(29.001)	(87.382)
Utility expenses	(73.180)	(79.982)
Banking expenses	(89.363)	(47.024)
Advertising and publicity expenses	(68.102)	(34.911)
Telecommunication expenses	(34.983)	(36.004)
Insurance expenses	(34.191)	(24.570)
Maintenance and repair expenses	(12.688)	(11.940)
Transportation costs	(43.467)	(28.011)
Rental expenses	(24.607)	(9.888)
Other expenses	(17.113)	(4.640)
Total	(2.980.144)	(1.861.992)

SSIF BRK FINANCIAL GROUP SA
Consolidated and simplified IFRS financial statements June 30 2021

31. TRADING ACTIVITY INCOME/(LOSSES)

in lei	June-21	June -20
Net Gains/(Losses) from financial instruments, of which:	2.654.796	(4.089.263)
Dividend income	392.400	1.808.844
Income from transactions with shares and bonds performed	3.190.535	2.285.690
Losses from transactions with shares and bonds performed	(928.138)	(8.183.796)
Net Gains/(Losses) from market making activity:	2.715.836	1.903.763
Net Gains/(Losses) Related to financial assets at fair value through profit or loss, of which:	6.982.271	(3.448.535)
Gains related to financial assets at fair value through profit or loss	11.357.597	4.684.912
Losses related to financial assets at fair value through profit or loss	(4.375.327)	(8.133.447)
Net income/(expenses) net fixed financial assets provisions, of which:	(573.353)	462.999
Revenue cancellation of provisions for fixed financial assets	300.000	2.366.249
Provisions for fixed assets, financial assets	(873.353)	(1.903.250)
Other net income / (expenses) from interest and exchange rate differences, of which:	426.968	450.794
Interest income on loans and bonds	51.547	296.307
Revenues from interest on margin contracts	99.914	126.957
Other interest income	13.659	34.680
Interest expenses	(204.203)	(664.647)
(Expenses)/Income different exchange rate house	664.735	164.359
Net financial result through profit or loss	9.490.682	(6.624.005)
Recognized to other comprehensive income global		
<i>In lei</i>		
Detailed on the following page	-	-
Recognized to other comprehensive income		
<i>in lei</i>		
Net changes in the fair value of available-for-sale financial assets transferred to profit or loss	-	-
related to outstanding securities at the end of the period	-	-
Financial revenues recognized in other comprehensive income, after tax	-	-

30. FINANCIAL REVENUE AND EXPENDITURE (continued)

Following the adoption of IFRS 9 as of January 1, 2018, the group changed its accounting policy, classifying all investments in the portfolio at fair value through profit or loss, as a result, in 2018, all changes in fair value were recorded in the income statement or loss. Prior to January 1, 2018, only financial instruments held for trading, as well as investments in subsidiaries and associates, were classified and measured as fair value financial assets through profit or loss, the remaining investments were classified as available-for-sale financial assets and measured at fair value through other items of equity. Unrealized net gains / (losses) from the measurement of investments at fair value through profit or loss for the financial year ended June 30, 2021 were mainly generated by the net change in the fair value of financial instruments that are part of the trading book for which The company analyzed the sales opportunities.

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

Dividend income is recognized in profit or loss at net worth.

In lei

	June-21	June -20
TOTAL	392.400	1.808.844

SSIF BRK FINANCIAL GROUP SA
Consolidated and simplified IFRS financial statements June 30 2021

31. INCOME TAX EXPENSES

Reconciliation of the effective tax rate

In lei

	June-21	June -20
Profit for the period	11.165.356	(7.274.303)
Total income tax expense	277.128	0
Profit before tax (including halted activities)	11.165.356	(7.274.303)
Tax rate	16%	16%
Income tax calculated by applying the tax rate to book profit	2.367.999	(1.027.991)
Impact of non-deductible expenses	112.604	313.880
Impact of non-taxable revenues	(715.369)	(678.924)
The influence of the expenses resulting from the restatement on IFRS considered at the calculation of the profit tax	0	0
Cumulative tax losses	1.537.376	8.706.464
The influence of fiscal losses of previous periods	0	(1.393.034)
Total income tax expense calculated according to the tax rate	277.128	5.920.395
Unrecorded income tax expense for negative amounts	0	(5.920.395)
Final income tax expense	277.128	-
Final profit tax rate	277.128	-

32. EARNINGS PER SHARE

Basic earnings per share

The calculation of the result per basic share as of June 30, 2021 is based on the profit attributable to the shareholders (totally ordinary shareholders) and the average number of ordinary shares in circulation of 337,749,919 shares. As of December 31, 2020, the average number of ordinary shares outstanding was the same. of 337,749,919 shares.

Profit attributable to shareholders

	June-21	June -20
Attributable profit:		
Shareholders of the Company	11.671.477	(7.295.184)
Uncontrolled interests	(783.249)	6.193
Profit of the period	11.165.356	(7.274.303)
Total attributable overall result:		
Shareholders of the Company	11.671.477	(7.295.184)
Uncontrolled interests	(783.249)	6.193
Total comprehensive income	11.165.356	(7.274.303)
Earnings per share		
Basic earnings per share (lei)	24 0,0346	(0,0216)
Diluted earnings per share (lei)	24 0,0346	(0,0216)
Continuing operations		
Basic earnings per share (lei)	0,0346	(0,0216)
Diluted earnings per share (lei)	0,0346	(0,0216)

SSIF BRK FINANCIAL GROUP SA
Consolidated and simplified IFRS financial statements June 30 2021

Weighted average number of ordinary shares

During 2015, 931,948 shares with a nominal value of 0.25 lei were canceled and since then there have been no changes in the number of shares issued.

Year	2021	2020	2019	2018	2017
Number of shares	337.749.919	337.749.919	337.749.919	337.749.919	337.749.919

33. FAIR VALUE HIERARCHY

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

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

SSIF BRK FINANCIAL GROUP SA
Note la situatiile financiare individuale IFRS

33. IERARHIA VALORILOR JUSTE (continuare)

in lei	Level 1 A	Level 2 A	Level 3a	
June 30, 2021	Level 1 B	Level 2	Level 3	Total
Financial assets at fair value through profit or loss of which:	24.283.348	18.177.624	3.134.403	45.595.375
Listed shares				
Listed fund units	19.685.455	10.119.115	-	29.804.570
Unlisted fund units	-	-	-	0
Listed bonds	-	8.058.509	-	8.058.509
Unlisted bonds	204.636	-	2.301.145	204.636
Unlisted shares	-	-	833.258	2.301.145
Structured products	-	-	-	833.258
Loans and advances granted	-	-	-	-
Other financial instruments	4.393.257	-	-	4.393.257
TOTAL	24.283.348	18.177.624	3.134.403	45.595.375

in lei	Level 1 A	Level 2 A	Level 3a	
December 31, 2020	Level 1 B	Level 2	Level 3	Total
Active financiare la valoarea justa prin contul de profit sau pierdere din care:	11.174.083	2.923.990	946.302	15.044.375
Financial assets at fair value through profit or loss of which:				
Listed shares	8.829.865	-	-	8.829.865
Listed fund units	-	-	-	0
Unlisted fund units	-	2.923.990	-	2.923.990
Listed bonds	2.337.000	-	-	2.337.000
Unlisted bonds	-	-	946.302	946.302
Unlisted shares	-	-	-	-
Structured products	-	-	-	-
Loans and advances granted	-	-	-	-
Other financial instruments	1.754.174	-	-	1.754.174
TOTAL	11.174.083	2.923.990	946.302	15.044.375

33. FAIR VALUE HIERARCHY (continued)

The table below shows the change in the carrying amount of investments classified in Level 3 of the fair value hierarchy in June 2021 and 2020:

Changing the level 3 fair value

in lei

	<u>Iunie 21</u>
On January 1st	<u>946.302</u>
Total gain / loss recognized in the income statement	468.372
Total gain / loss recognized in other comprehensive income	
Acquisitions during the period (*)	2.719.729
Sales during the period (**)	
Transfers in level 3 of the fair value hierarchy (***)	
On June 30, 2021	<u>3.134.403</u>

34. AFFILIATED PARTIES**Benefits of key management staff**

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

Robert Danila
Chairman of the Board

CEO
Monica Ivan

Economic Director
Sandu Pali



CALEA MOTILOR 119, CLUJ-NAPOCA, ROMANIA
+40 364 401 709
office@brk.ro

WWW.BRK.RO