



30.09.2023



Individual financial statements

(unaudited)
Q3-2023

Management message



Dear shareholders,

BRK Financial Group today publishes financial results for the first 9 months of 2023, and we continue our tradition of explaining the business segments in detail. Thus, we report a **profit of RON 322k** (Q3/2022: loss of RON -10.4M), and at the level of the two business lines, we report a profit of RON 3.8M from the core business, up 23.7% compared to the same period last year (Q3/2022: RON +3.0M), and a loss of RON 2.86M from the investment business (Q3/2022: RON -12.1M). **In the third quarter of 2023, we have a result of +4. 5M RON**, composed of the result of the core activity (+3.2M RON) and the result of the investment activity (+1.3M RON). The Q3 result is significantly influenced by the impact of the additional revenues generated by Hidroelectrica's Public Offering, and broadly speaking, the revenues of the intermediation segment were double compared to the first 2 halves of 2023. Against the backdrop of favourable market developments, the result of investment activities in Q3 2023 is also positive.

Total revenues from the 4 sub-segments of the core business (revenues from intermediation of domestic and foreign market transactions, revenues from primary market services provided to issuers and potential issuers, revenues from market making services provided to issuers and gains from market making operations with structured products) **are RON 16.3M** (Q3/2022: RON 15.2M), an increase of 7.24% at aggregate level, but with different developments at business segment level. Thus, **intermediation revenues** increased by 14.2% from RON 8.5M in Q3/2022 to RON 9.7M in Q3/2023, mainly due to the impact of Hidroelectrica IPO revenues. On the other hand, **revenues from market making activity were maintained at RON 6.6M**, but developments at the level of the 2 sub-segments were different: revenues from market making services provided to issuers increased from RON 3.5M (Q3/2022) to RON 4.8M (Q3/2023) on the back of an increase in the client portfolio for this service, while net gains from transactions with structured products were RON 1.8M in Q3/2023, down from RON 3.1M in Q3/2022. This decrease is in line with the evolution of turnovers in the structured products segment, where BRK maintained both its leading position in the segment and its market share (39%), but absolute turnovers decreased from RON 529M to RON 340M, the explanation being the significantly higher volumes in February-March 2022 as a result of increased volatility amid the outbreak of the conflict in Ukraine.

The result of the investment activity (loss RON 2.87M vs. loss RON 12.1M in Q3/2022) is mostly affected by interest expenses (-3. 14M RON), the expenses for provisions related to loans granted to a company in which BRK holds a stake (1M RON), and the effect of revaluation (mark-to-market) of portfolio positions (-567k RON net result from revaluation), while the realised (marked-to-market) result together with dividends received is positive (+1.06M RON).

Thank you for your trust!

Monica IVAN,
CEO

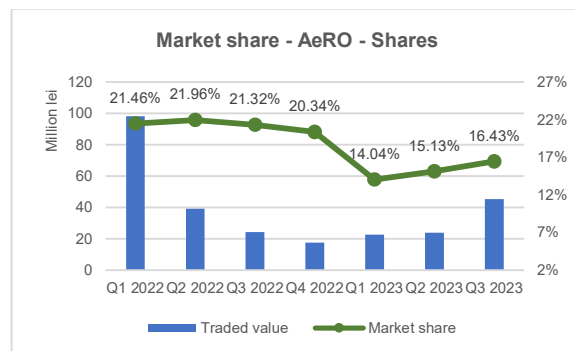
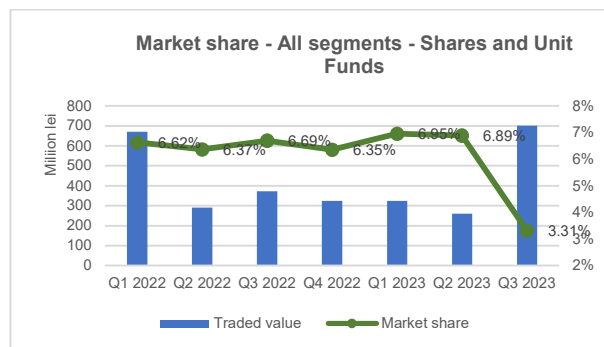
IDENTIFICATION DATA

Report date	30 th September 2023
Judicial Name	SSIF BRK Financial Group S.A.
Field of Activity	Financial intermediation activities
CAEN Code	6612
Fiscal code/CUI	6738423
Commercial Register Code	J12/3038/1994
Address	119 Moșilor Street, Cluj-Napoca, Romania
Telephone/Fax	0364 401 709 or 0364 401 710
Email	office@brk.ro
Website	www.brk.ro
Securities	337,429,952 ordinary shares with a nominal value of 0.15 RON/share
Regulated Market	Bucharest Stock Exchange, Main Segment, Premium Category
Symbol BVB	BRK
ISIN	ROBRKOACNOR0
Audit	The financial statements as at 30 September 2023 are unaudited

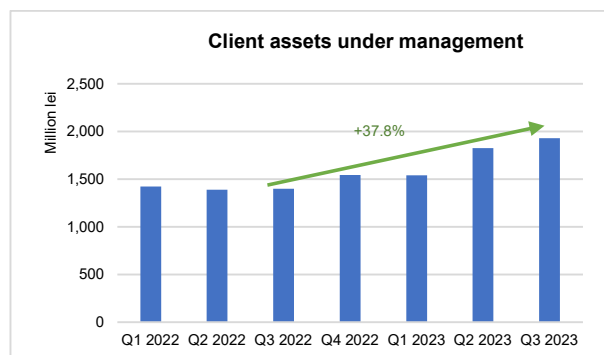
BRK- OVERVIEW

INTERMEDIATION ACTIVITY

MARKET SHARE



CLIENT ASSETS UNDER MANAGEMENT

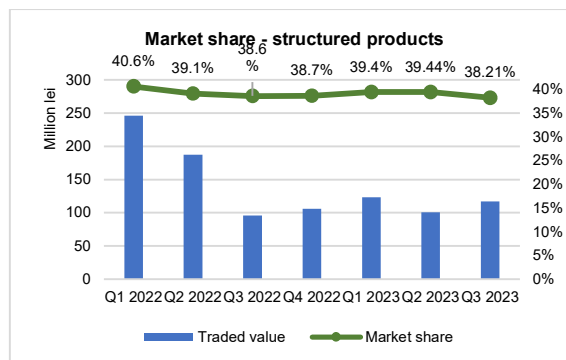
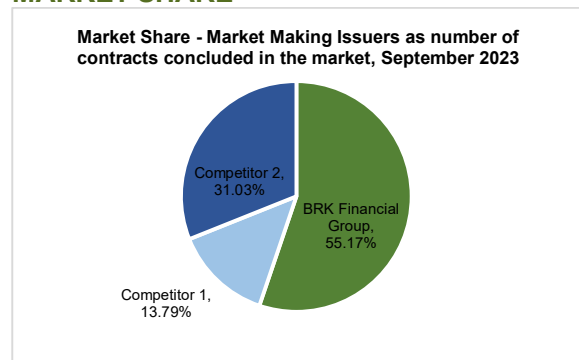


RESULT OF INTERMEDIATION ACTIVITY

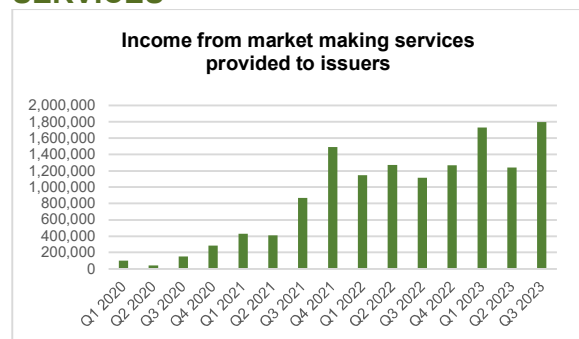
	30.09.2023	30.09.2022
Commission income on the domestic market	4,710,986	4,234,505
Commission income on external market	485,895	635,811
Income from related activities	366,108	724,855
Brokerage commission income	5,562,989	5,595,172
Income from corporate operations	201,435	845,949
Other intermediation income	3,943,571	2,060,925
Total income from intermediation	9,707,995	8,502,046
Salaries and employee benefits	(2,187,457)	(2,365,781)
Market and intermediary commission expenses	(1,470,145)	(1,779,231)
External benefits expenses	(99,357)	(290,295)
Expenses with collaborators	(239,598)	(177,103)
Other expenses core activity	(263,237)	(484,038)
Total intermediation expenses	(4,259,793)	(5,096,448)
Result of intermediation activity	5,448,202	3,405,598

MARKET MAKING AND PORTFOLIO MANAGEMENT ACTIVITIES

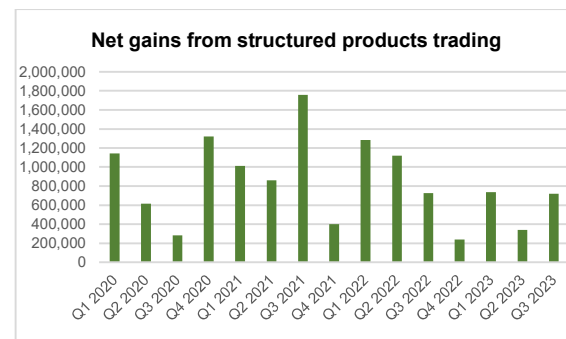
MARKET SHARE



INCOME FROM MARKET MAKING SERVICES



NET GAINS ON TRANSACTIONS IN STRUCTURED PRODUCTS



THE RESULT OF MARKET MAKING ACTIVITY

	30.09.2023	30.09.2022
Net gains from transactions in structured products	1,795,540	3,133,486
Income from market making services provided to issuers	4,762,797	3,532,586
Total income from market making activity	6,558,337	6,666,072
Salary expenses and employee benefits	(1,582,481)	(860,979)
Market and intermediary commission expenses	(1,045,621)	(778,223)
Expenditure on external services	(335,575)	(387,537)
Expenses with collaborators	-	-
Other expenses core activity	(223,085)	(118,247)
Total Market Making expenditure	(3,186,761)	(2,144,986)
Result of Market Making activity	3,371,576	4,521,086

RESULT OF OWN PORTFOLIO MANAGEMENT ACTIVITY

	30.09.2023	30.09.2022
Dividend income	604,246	1,636,535
Net realised gains/(losses) on financial instruments	449,093	(2,252,519)
Net gains/(losses) on valuation of financial assets measured at fair value through profit and loss	(567,402)	(9,092,360)
Net income/(expense) on provisions for non-current financial assets	(1,000,000)	(510,714)
Other net interest and exchange rate income/(expense)	(2,810,702)	(2,255,918)
Other income/(expenses), net	109,838	(278,986)
Net income/(expenses) Provisions for risks and charges	350,444	605,674
Result of portfolio management activity	(2,864,483)	(12,148,288)

INDIVIDUAL STATEMENT OF FINANCIAL POSITION AS AT 30.09.2023

<i>In lei</i>	30.09.2023	31.12.2022
Assets		
Intangible assets	284,138	351,065
Tangible fixed assets	8,144,529	8,658,073
Investment property	-	-
Financial assets at fair value through other comprehensive income	41,809,995	44,770,110
Financial assets at fair value through profit or loss	51,224,002	47,098,012
Financial assets at amortised cost	-	-
Loans and advances granted	3,546,474	4,143,848
Trade and other receivables	2,412,059	1,923,530
Other financial assets	68,794,475	68,220,116
Customer accounts with banks	158,172,469	50,505,061
Cash and cash equivalents	696,687	1,424,003
Total assets	335,084,828	227,093,818
Liabilities		
Borrowing from Bonds	24,528,564	24,432,138
Finance lease liabilities	364,093	457,273
Provisions	-	-
Total long-term liabilities	24,892,657	24,889,411
Interest Rates Bonds	399,810	322,708
Deferred income tax liabilities	558,190	978,691
Current income tax liabilities	-	-
Dividends payable	365,271	365,271
Short-term bank debt	17,189,687	20,329,411
Current portion of finance lease liabilities	153,701	166,638
Amounts owed to customers (customer cash)	199,932,104	104,770,215
Trade and other payables	32,314,646	14,003,511
Provisions	171,438	521,882
Total current liabilities	251,084,847	141,458,327
Total liabilities	275,977,504	166,347,738
Equity capital		
Share capital	50,614,493	50,614,493
Share capital adjustment	4,071,591	4,071,591
Treasury shares	-	(1,285,077)
Benefits to be granted to employees, directors and officers in the form of equity instruments	-	697,762
Capital premiums	5,355	5,355
Reserves from revaluation of financial assets at fair value through other comprehensive income	(9,788,968)	(6,820,240)
Other reserves	13,831,879	13,501,013
Total reserves	-	6,680,773
Current result	322,155	(15,161,073)
Retained earnings	50,819	15,122,256
Equity capital		
Total equity attributable to equity holders of the Company	59,107,324	60,746,080
Total equity and liabilities	335,084,828	227,093,818

INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME AS AT 30.09.2023

	30.09.2023	30.09.2022
Income basic activity	16,266,332	15,168,118
Income from intermediation	9,707,995	8,502,046
Intermediation commission income	5,562,989	5,595,172
Corporate income	201,435	845,949
Other core business income	3,943,571	2,060,925
Commission expenses Intermediation	(1,470,145)	(1,779,231)
Net commission income	8,237,850	6,722,815
Income from market making activity	6,558,337	6,666,072
Net gains from transactions in structured products	1,795,540	3,133,486
Income from market making services provided to issuers	4,762,797	3,532,586
Expenses with licences and issuance of structured products	(217,912)	(156,422)
Net income from market making activity	6,340,425	6,509,650
Total Expenditure core activity	(10,804,322)	(10,182,175)
Salaries and employee benefits	(5,889,706)	(5,142,774)
Market and intermediary commission expenses	(1,045,621)	(1,060,469)
Expenses related to external benefits	(1,973,636)	(1,939,152)
Expenses with collaborators	(239,598)	(177,103)
Other expenses core activity	(1,000,539)	(1,153,308)
Value adjustments of intangible and tangible assets	(655,222)	(709,369)
Profit/(loss) from basic activity (item 1+item 2+item 3)	3,773,953	3,050,290
Net realised gains/(losses) on financial instruments	1,053,339	(615,984)
Dividend income	604,246	1,636,535
Income from realised share and bond transactions	2,437,584	1,728,195
Losses on realised share and bond transactions	(1,988,491)	(3,980,714)
Net gains/(losses) on valuation of financial assets measured at fair value through profit and loss	(567,402)	(9,092,360)
Income from valuation of financial assets measured at fair value through profit and loss	9,408,345	6,732,965
Losses on valuation of financial assets measured at fair value through profit and loss	(9,975,747)	(15,825,325)
Net income/(expense) provisions for non-current financial assets	(1,000,000)	(510,714)
Income cancellation of provisions for non-current financial assets	-	-
Expenditure on provisions for non-current financial assets	(1,000,000)	(510,714)
Other net interest and exchange rate income/(expenses)	(2,810,702)	(2,255,918)
Interest income on loans and bonds	329,751	235,097
Interest income on margin loans	109,146	190,412
Interest income other	31,392	55,153
Interest expenses	(3,148,842)	(2,571,046)
(Expenses)/Income from exchange rate differences house	(132,149)	(165,534)
Net income/(expenses) provisions for risks and charges	350,444	605,674
Expenditure on provisions for risks and charges	-	-
Income for cancellation of provisions for risks and charges	350,444	605,674
Other net provisions	-	-
ther income/(expenses), net	109,838	(278,986)
Net gains/(losses) on sale of assets	-	23,500
Other operating expenses	(38,010)	(392,309)
Other operating income	147,848	89,823
Result from investing activities (item 5+item 6+item 7+item 8+item 9+item 10)	(2,864,483)	(12,148,288)
Result of operating activities (item 4+item 11)	909,470	(9,097,998)
Expenditure on other long-term employee benefits	(587,315)	(1,297,091)
Profit before tax	322,155	(10,395,089)
Income tax expense	-	-
Profit from continuing operations	322,155	(10,395,089)
Discontinued activities	0	0

Loss from discontinued operations (after tax)	0	0
Profit for the period	322,155	(10,395,088)
Individual statement of comprehensive income (continued)		
Carried forward to 30.09.2023		
<i>In lei</i>		
Other comprehensive income	-	-
Net change in fair value of financial assets measured at fair value through other comprehensive income (FVTOCI) not transferred to profit or loss	(732,289)	(5,221,123)
Positions that can be reclassified to profit and loss	-	-
Net change in fair value of financial assets measured at fair value through other comprehensive income (FVTOCI)	-	-
Bonus shares received classified as financial assets at fair value through other comprehensive income (FVTOCI)	-	-
Changes in value of fixed assets available for sale	-	-
Items that cannot be reclassified to profit or loss	-	-
Changes in value of fixed assets used	-	-
Changes in value of investment property	-	-
Creation/renewal of reserves from profit for granting free shares to employees	-	-
Tax relating to other comprehensive income	-	-
Total other comprehensive income for the period	(732,289)	(5,221,123)
Total profit and loss account and other comprehensive income for the period	(410,134)	(15,616,211)
Attributable profit:	322,155	(10,395,088)
Shareholders of the Company		
Interests without control		
Profit for the period	322,155	(10,395,088)
Total attributable comprehensive income:		
Shareholders of the Company		
Interests without control		
Total comprehensive income for the period	322,155	(10,395,088)
Earnings per share		
Result per basic share (lei)	0.0010	(0.0308)
Diluted earnings per share (lei)		
Ongoing activities		
Result per basic share (lei)	0.0010	(0.0308)
Diluted earnings per share (lei)		
30.09.2023		
Weighted average number of shares outstanding:	337,429,952	337,429,952

Chairman,
Robert Dănilă

CEO,
Monica Ivan

CFO ,
Sandu Pali

Individual statement of changes in equity for 30.09.2023

	Share capital	Own shares	Revaluation differences Tangible fixed assets	Legal and statutory reserves	Reserves from revaluation of financial assets FVTOCI	Other reserves	Reported result	Retained earnings representing realised surplus from revaluation reserves	Total equity	Other comprehensive income	Total equity
<i>In lei</i>											
Balance on 1 January 2023	50.614.493	(1.285.078)	5.608.236	6.095.560	(6.820.240)	2.775.907	(2.515.028)	1.422.956	59.199.187	246.899	60.746.080
Profit for the period	-	-	-	-	-	-	322.155	-	322.155	-	322.155
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Gain transferred to profit or loss account	-	-	-	-	-	-	-	-	-	-	-
Changes in value of fixed assets available for sale	-	-	-	-	-	-	-	-	-	-	-
Changes in value of fixed assets used	-	-	-	-	-	-	-	100.840	-	100.840	100.840
Changes in the value of real estate investments	-	-	-	-	-	-	-	-	-	-	-
Other changes in capital	-	-	-	-	-	-	-	-	-	319.662	319.662
Deferred income tax on fixed assets	-	-	-	-	-	-	-	-	-	-	-
Reserves from revaluation of financial assets at fair value through other comprehensive income	-	-	-	-	(2.968.728)	-	-	-	-	(2.968.728)	(2.968.728)
Decreases in share capital	-	-	-	-	-	-	-	-	-	-	-
Transfer of revaluation differences for assets sold to reserves	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	(2.968.728)	-	322.155	100.840	322.155	(2.548.226)	(2.226.071)
Transactions with shareholders recognised in equity	-	1.285.078	-	-	-	-	-	-	-	1.285.077	1.285.078
Benefits to be granted to employees, directors and officers in the form of equity instruments	-	-	-	-	-	-	-	-	-	(697.762)	(697.762)
Cancellation of own shares	-	-	-	-	-	-	-	-	-	-	-
Repurchase of own shares	-	-	-	-	-	-	-	-	-	-	-
Dividends payable for 2021	-	-	-	-	-	-	-	-	-	-	-
Total transactions with shareholders recognised in equity	-	-	-	-	-	-	-	-	-	(697.762)	(697.762)
Balance at 30 September 2023	50.614.493	-	5.608.236	6.095.560	(9.788.968)	2.775.907	(2.192.873)	1.523.796	59.521.342	(1.714.012)	59.107.324

Individual statement of changes in equity for 31.12.2022

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

Individual cash flow statement

	30.09.2023	31.12.2022
In lei		
Operational activities:		
Gross Profit	322.155	(15.161.073)
Adjustments to reconcile net income to net cash used in operating activities:		
Adjustment of the value of tangible and intangible fixed assets	655.222	928.031
Income from repurchase of own shares		-
Unrealised(-)/(+)gains on valuation of financial assets	567.402	10.689.112
Adjustment to value of short-term investments	-	-
Income tax	-	-
Provisions for current and non-current assets	(350.444)	1.733.375
Provisions for risks and charges		(500.186)
Interest expenses	3.009.769	2.069.423
Interest income	(3.484.355)	(3.682.858)
Dividend income	(604.246)	(1.734.585)
Gains on turbo and GI certificates	(1.999.039)	(2.646.260)
Gain/(loss) on sale of property, plant and equipment	-	(23.500)
Income from exchange rate differences related to IB.IG	-	(727.463)
Increase/(decrease) in cash from operating activities before changes in working capital	(1.883.536)	(9.055.987)
Changes in working capital:		
(Increase)/Decrease in other receivables balances	408.661	533.190
Increase/(Decrease) in trade and other payables balances	4.236.711	2.170.337
Increase/(Decrease) in balances of assets available for sale	-	-
Net cash flow from operating activities	2.761.836	(6.352.460)
Cash flows from operating activities:		
Corporation tax paid	-	-
Interest income	-	41.194
Interest paid	(1.401.480)	(1.261.018)
Net cash flow from operating activities	1.360.356	(7.572.284)
Cash flows from investing activities:		
Cash payment for purchase of tangible and intangible fixed assets and investment property	(98.181)	(545.533)
Cash receipts(+)(payments) from financial instruments	101.747.694	(27.084.106)
Cash receipts from sale of land and buildings.plant and equipment.intangible and other long-term assets		23.500
Dividends received/(Dividends paid)	272.355	(5.044.760)
(Loans granted)/reimbursed Advances and margin to customers	(842.411)	(1.026.802)
Net position from proceeds from sales of turbo certificates and GI payments	4.458.278	10.236.079
Interest income	3.041.195	3.312.852
Effect of exchange rate changes on loans and receivables	140.529	323.600
Net cash flow from investing activities	108.719.460	(19.805.170)
Cash flows from financing activities:		
Borrowings Bond issue	-	-
Lease purchase payments	-	(179.028)
Short-term bank loan receipts/payments	(3.139.724)	15.287.496
Net cash flow from financing activities	(3.139.724)	15.108.468
Cash flows - total	106.940.092	(12.268.986)
Changes in cash and cash equivalents		
Cash and cash equivalents at beginning of period	51.929.064	64.198.050
Increase/(decrease) in cash and cash equivalents	106.940.092	(12.268.986)
Effect of exchange rate changes on opening balance of cash and cash equivalents		-
Cash and cash equivalents at end of period	158.869.156	51.929.064
Of which :		
Cash held on behalf of clients	158.172.469	50.505.061
Cash held on behalf of the company	696.687	1.424.003

THE REPORTING ENTITY

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

The Company's shares are listed on the Bucharest Stock Exchange ("BVB"), Premium category, with the stock symbol BRK, since February 5th 2005.

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

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

THE BASIS FOR DRAWING UP

a) Declaration of conformity

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

For the purposes of Rule 39/2015, International Financial Reporting Standards, hereinafter referred to as IFRS, are standards adopted in accordance with the procedure laid down in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards, as amended and supplemented.

b) Basis for evaluation

The financial statements have been prepared on the historical cost basis except for the following significant items in the statement of financial position:

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

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

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

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

For the purpose of preparing the separate financial statements, the Company adjusts shareholders' equity to be expressed in the unit of measure current at December 31, 2003.

Business continuity

Based on management's own assessments, the Company will continue to operate for the foreseeable future, the Company's management expects business continuity for more than 12 months from the date of these financial statements.

Determining fair values

Certain of the entity's accounting policies and disclosure requirements require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the methods described below.

i. Investments in equity securities

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

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

ii. Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows discounted at the market interest rate at the reporting date. This fair value is determined for presentation purposes.

iii. Derivative financial instruments

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

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

iv. Financial debts

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

v. Loans granted

Loans to related parties are recorded at fair value. Adjustments for loans are calculated according to the stage at which it is classified.

c) Functional and presentation currency

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

d) Foreign currency

Foreign currency transactions are translated into the entity's functional currency at the exchange rate on the transaction date. Monetary assets and liabilities, which at the reporting date are denominated in foreign currencies, are translated into the

functional currency at the foreign exchange rate at the reporting date. Exchange differences are recognised directly in other comprehensive income.

The exchange rates of the main foreign currencies published by the National Bank of Romania as at 30 September 2023 are as follows: 4.9746 Lei/EUR; 4.6864 Lei/USD and 5.7433 Lei/GBP (31 December 2022: 4.9474 Lei/EUR ; 4.6346 Lei/USD and 5.5878 Lei/GBP).

e) Use of professional estimates and judgements

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

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

The policy of the Board of Directors of BRK FINANCIAL GROUP SA is to maintain a strong capital base necessary to maintain investor, creditor and market confidence and to support the future development of the company. The Board of Directors monitors the profitability of all branches, where trading activity is carried out on a monthly basis and the results of the analysis are discussed at the monthly meetings of the Board of Directors.

The report on investment activity is also discussed at the monthly Board meetings and the overall results are monitored in order to maintain the highest possible return on capital.

BRK FINANCIAL GROUP SA is subject to prudential regulations in terms of minimum capital requirements and minimum level of own funds in order to ensure that risks are covered:

- hold at all times own funds covering the higher of: the fixed overhead requirement, the Minimum Continuing Capital Requirement or the K-factor requirement;
- hold liquid assets equivalent to at least one third of the fixed overhead requirement at all times;
- for the purpose of hedging credit risk and impairment risk, risk-weighted exposure amounts shall be taken into account according to the exposure class to which they belong;
- for position risk and settlement/delivery risk capital is required at the level of 16% of the exposure level;
- capital is required to cover operational risk at the level of 15% of the average of the last three years' operating result.

Intermediation segment

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

- (A) Transaction brokerage services for investors:
- Intermediation of purchase and sale transactions of securities traded on the Bucharest Stock Exchange (BVB). For this type of services, clients can choose to be assisted by a broker in carrying out transactions, or they can choose online trading on their own account. Within this segment, BRK also offers clients the possibility to trade on margin (based on a credit line granted by the company to the client), liquid shares listed on the Bucharest Stock Exchange.
 - Brokerage of trades on international markets, with the company's clients having access to over 100 foreign markets in Europe, North America and Asia. The range of financial instruments is very varied (shares, bonds, structured products, ETFs, CFDs, futures, etc.) and the costs involved in trading on international markets through BRK Financial Group are among the most attractive on the market.
 - Brokerage of corporate, municipal and government bonds on the BVB and OTC, respectively brokerage of structured products on the dedicated market segment of the Bucharest Stock Exchange.
 - Brokerage of domestic and international market transactions for institutional clients.
- (B) Specialised services for issuers and potential issuers
- Capital market financing through public share and bond issues.
 - Intermediation of takeover bids or takeovers of companies listed on the stock exchange.
 - Listing of companies and investment funds on the capital market through initial public offerings or on the basis of listing prospectuses.
 - Advising on financing through share and bond issues or capital market promotion.

Own portfolio management segment

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

- The marketable portfolio (shares and bonds listed on the stock exchange - usually short or medium-term placements, portfolio of financial instruments listed on international markets - usually speculative placements);
- Fund units;
- Holdings in private companies and loans to subsidiaries;
- Capital allocated to the business segment - "Margin loans";
- Capital allocated to the business segment "Structured products issuance and market making operations";

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

Economic and financial indicators

Key indicators

Financial results (Ron)	30-Sep-23
Income from continuing operations	16,266,332
Result from operating activities	909,470
Result for the period	322,155
Total comprehensive income for the period	(410,134)
Financial position (Ron)	30-Sep-23
Fixed assets	11,975,141
Current assets	323,109,687
Equity	59,107,324
Long-term liabilities	24,892,657
Current liabilities	251,084,847
Indicators per action	30-Sep-23
Net earnings per share (Ron/share)	0.0010
Net book assets (Ron/share)	0.1752
Economic and financial indicators	30-Sep-23
Current liquidity	1.29
Debt ratio	0.71
Turnover rate of fixed assets	0.81



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