



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

Board of Directors' Annual Report 2022

Individual and Consolidated Financial Statements

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



31.12.2022

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Identification data

Report date	31 December 2022
Company name	SSIF BRK Financial Group S.A.
Field of activity	Financial intermediation activities
CAEN code	6612
Fiscal code/CUI	6738423
Trade Register Code	J12/3038/1994
Address	Str. Moșilor, Nr. 119, Cluj-Napoca, România
Phone/Fax	0364 401 709 or 0364 401 710
Email	office@brk.ro
Website	www.brk.ro
Securities	337.429.952 ordinary shares with a par value of 0,15 RON/share
Regulated market	Bucharest Stock Exchange, Main Segment, Premium Category
BVB symbol	BRK
ISIN	ROBRKOACNOR0
Audit	The financial statements as of December 31, 2022 are audited

Management message



Dear shareholders,

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

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

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

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

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

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

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

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

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

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

Monica IVAN, Chief Executive Officer

Individual statement of financial position as at 31.12.2022

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

Individual global statement of comprehensive income at 31.12.2022

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

Individual statement of comprehensive income (continued)
Net income/(expenses) provisions for risks and expenses

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

Chairman of the Board,
Robert Dănilă
CEO,
Monica Ivan
CFO,
Sandu Mircea Pali

About BRK

SSIF BRK Financial Group SA was established as a joint stock company on October 26, 1994 under the initial name of SIVM Broker SA, and subsequently SSIF Broker SA, until the end of 2015. Due to the expansion of the activity and other financial segments through strategic acquisitions, but also as a result of internal development, in 2015 it was decided to change the name from SSIF Broker SA to SSIF BRK Financial Group SA.

In 2005, BRK Financial Group became the first and, until now, the only financial investment services company listed on the Bucharest Stock Exchange, in the Premium category. Shares of SSIF BRK Financial Group S.A. were admitted to trading on the main market administered by the Bucharest Stock Exchange on February 5, 2005 under the symbol BRK. BRK shares are listed in the premium category of the Bucharest Stock Exchange and are included in the composition of the BETPlus, BET-BK, BET-XT, BET-XT-TR și BET-XT-TRN indexes. Also, BRK issued in August 2021 a first series of bonds with a nominal value of RON 25 million maturing in August 2026, and these bonds are traded on the main segment under the symbol BRK26. The head office of the company is located in Cluj-Napoca, while the national presence is ensured through agencies in Bucharest, Timisoara, Iasi and Suceava.

BRK Financial Group S.A. is a founding member of the Bucharest Stock Exchange, the Romanian Commodities Exchange and the Investor Clearing Fund. In 2019, BRK Financial Group became a founding member of the Central Counterparty (CCP.RO Bucharest SA) and in 2021 it becomes a member of the main institutions of the Austrian Capital Market (Wiener Borse, OeKB and CCP).

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

Presentation of the core activity

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

Intermediation segment

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

(A) Transaction intermediation services for investors:

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

(B) Specialised services for issuers and potential issuers:

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

listing prospectuses.

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

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

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

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

Market making and portfolio management segment

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

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

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

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

Market-making operations and provision of liquidity

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

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

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

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

Issuance of structured products and liquidity

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

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

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

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

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

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

Activity in 2022 – Important events

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

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

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

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

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

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

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

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

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

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

Important events after the end of 2022

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

Dynamics and structure of total revenue

Intermediation activity

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

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

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

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

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

Market making activity

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

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

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

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

Own portfolio management activity

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

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

Company staff

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

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

Corporate governance & Investor relation

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

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

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

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

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

Board of Directors

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

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

The Board of Directors operates under its own rules of procedure, which set out the actual working procedures of the Board, how it is convened and meets, the company's staff who are required to present activity reports (Executive Directors, CCI representatives, Risk Manager, Internal Auditor, Economic Director, House Operations Director).

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

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

Committees of the Board

The BRK Financial Group Board of Directors has four committees: Nomination Committee, Audit Committee, Risk Committee and Remuneration Committee. The committees established at the level of the Board of Directors function as working groups of the Board, their role being determined and established in accordance with the applicable legal provisions and to meet the needs of the company. The composition of the Board Committees was determined on the basis of the expertise of the Board members and the need to make the best use of their experience in different areas of activity.

The three directors are members of all committees.

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

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

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

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

The internal auditor

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

The external auditor

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

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

Internal control

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

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

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

The ICC also verifies the submission to the capital market institutions of the mandatory reports in accordance with the legislation in force, including the current reports deriving from the obligations assumed as an issuer traded on the Bucharest Stock Exchange - Premium category.

During 2022, the Internal Control and Compliance Department prepared control reports, which were carried out in accordance with the Annual Control and Compliance Plan or at the request of the company's management. The control reports were duly reported. As a result of the proposals made in the control reports prepared in 2022, the company's management took remedial measures by amending certain procedures, adopting decisions.

Risk management

Within BRK Financial Group, in accordance with the legal provisions in force, a risk manager has been appointed, an employee with specific risk monitoring duties at company level. The monitoring of risks specific to the activity carried out is carried out in accordance with the Risk Management Policies - Rules and Mechanisms for Risk Assessment and Management, approved by the Board of Directors. In the process of identification and assessment of financial risks, as well as the indicators used in risk management, the EU Regulation 575/2013 on prudential requirements for credit institutions and investment firms, EU Regulation 2033/2019 on prudential requirements for investment firms, as well as the regulations and legislation of the Financial Supervisory Authority were taken into account.

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

The risk management system, built in accordance with the above regulations, includes a set of appropriate risk management mechanisms and procedures, analysis and presentation of the results of the financial risk identification and assessment activity, as well as proposals for appropriate management and mitigation of the effects of the risks related to the

investment and general activity of the company.

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

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

At the level of SSIF BRK Financial Group SA financial, investment and operational risks have been assessed/quantified, monitored and treated in order to reduce their impact according to the classification presented above. In establishing this risk classification structure, the magnitude of the impact of the respective risk was taken into account in the event that it would materialize on the levels of own funds held by SSIF BRK Financial Group SA.

The following principles and aspects were taken into account when establishing quantitative limits for financial risks:

Principles:

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

Issues considered:

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

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

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

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

Transparency and financial reporting

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

Avoidance of conflicts of interests

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

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

Social responsibility

Social responsibility is an integral part of the company's business strategy. Involvement in the community, supporting common values for the development of society as a whole, has been a constant concern for BRK Financial Group over the years. The aim of the actions undertaken is to stay connected with society and actively engage in protecting the environment, contribute to raising awareness and encourage social change. We are constantly improving our workflows, whereby we establish ways to recover and recycle the waste resulting from our day-to-day operations.

Financial calendar 2023

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

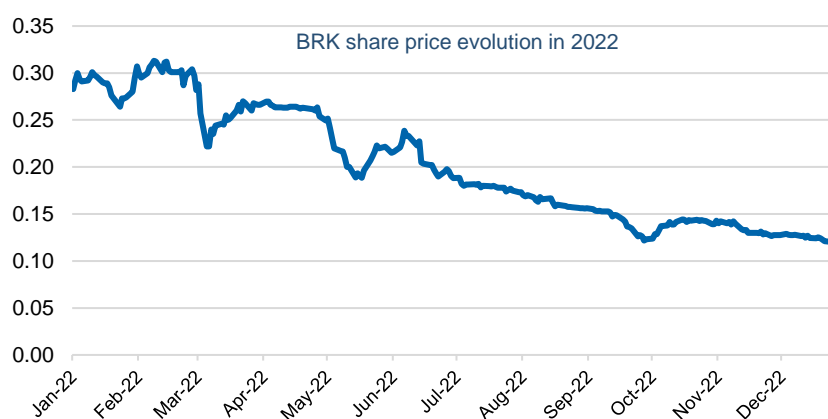
BRK Share

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

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

The share register is kept by the Central Depository, an independent registrar authorised by the Financial Supervisory Authority. The total number of shares issued by BRK is 337.429.952 and the nominal value of one share is 0,15 lei.

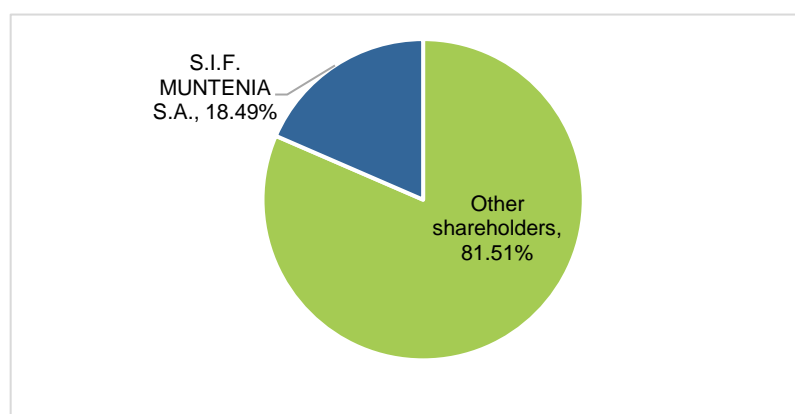
BRK's share price fell by 32,7% in the first half of 2022, from 0,283 (3 January 2022) to 0,191 on 30 June 2022, amid declines in international markets and macroeconomic conditions. At the same time, a gross dividend per share of RON 0,0211 was paid, with a reference date of 16 June 2022. The second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



Source: BSE

Shareholders

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



Source: BSE, Central Depository.

Stock market context

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

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

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

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

Source: Bloomberg

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

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

Source: BSE

Consolidated performance

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

Group company	Main field of activity	Number of shares held	Nominal value of the share	Shareholding 31.12.2022 (%)
SAI BROKER SA	Fund management activities	220.581	10	99,98%
Firebyte Games SA	Custom software development activities	16.650.000	0,1	48.93%
Gocab Software SA	Custom software development activities	42.250.000	0,1	49.12%
Romlogic Technology SA	Manufacture of computers and peripheral equipment	1.061.484	10	90,74%
BRK POWER ENERGY	Electricity production	2.500.000	0,1	50,00%

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

SAI Broker – General information

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

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

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

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

Firebyte Games SA – General information

Firebyte Games S.A., was founded in December 2017, specialized in mobile game development. The company operates in a very dynamic and competitive environment given that access to the global market is quite easy. The Firebyte Games project was defined and initiated by Mr. Ovidiu Stegaru, who has served as CEO since its inception until today. The financial backing of the company was provided by BRK Financial Group and Mr. Andrici Adrian. The expertise of Mr. Ovidiu Stegaru, as well as his experience and that of the team he proposed for the launch and development of the Firebyte project, combined with the very good dynamics of the global gaming industry, were the main investment catalysts.

The first project conceived, planned, organized and developed by the company was the strategy game Castle Siege: War of Legends, the development of which spanned throughout 2018 and the first part of 2019. Since 2019, the company has perfected partnerships with globally renowned publishers. This strategic option was adopted mainly due to the fact that the marketing budget for launching a game on the global market is significant and the success of a game depends largely on the marketing budget used in the publishing campaign. In its first 3 years of operation the company developed 45 games or game prototypes for mobile devices, most of which were Hypercasual games in revenueshare partnerships. The company listed on the BVB, AeRo segment starting April 6, 2021.

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

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

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

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

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

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

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

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

Gocab Software SA – General information

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

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

The modules developed and integrated into the GoCab app cover:

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

The company aims to:

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

The company's two main investment directions are:

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

Monetization model adopted/adopted:

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

Romlogic Technology SA – General information

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

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

BRK Power Energy SA – General information

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

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

Consolidated situation

Consolidated statement of financial position as of 31.12.2022.

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

Consolidated statement of comprehensive income as of 31.12.2022.

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

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

Chairman of the Board,
Robert Dănilă

CEO,
Monica Ivan

CFO,
Sandu Mircea Pali

Declaration of responsible persons in the company

We, Robert Dănilă, Chairman of the Board of Directors, Monica Ivan, General Manager, Sandu Mircea Pali, Economic Director, declare on our own responsibility that, to the best of our knowledge, the individual and consolidated financial statements as at 31.12.2022, prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, liabilities, financial position, profit and loss account of SSIF BRK Financial Group SA and the Report of the Board of Directors is prepared in accordance with the provisions of the FSA and includes a fair analysis of the development and performance of the Company as well as a description of the main risks and uncertainties specific to the activity carried out. SSIF BRK Financial Group SA carries out its activity on a going concern basis.

Chairman of the Board
Robert Dănilă

CEO
Monica Ivan

CFO
Sandu Mircea Pali

Statement on the application of corporate governance principles

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

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

B7	The Audit Committee shall monitor the application of legal standards and generally accepted internal auditing standards. The Audit Committee shall receive and evaluate the reports of the internal audit team.	X			
B8	Whenever the Code mentions reports or reviews initiated by the Audit Committee, they should be followed by regular (at least annual) or ad hoc reports to be subsequently submitted to the Council.	X			
B9	No shareholder may be given preferential treatment over other shareholders in relation to transactions and agreements entered into by the company with shareholders and their affiliates.	X			
B10	The Board must adopt a policy to ensure that any transaction of the Company with any of its closely held companies the value of which equals or exceeds 5% of the Company's net assets (as per the latest financial report) is approved by the Board following a binding opinion of the Board's audit committee and properly disclosed to shareholders and potential investors, to the extent that such transactions fall within the category of events subject to reporting requirements.	X			
B11	Internal audits must be carried out by a structurally separate division (internal audit department) within the company or by engaging an independent third party.	X			
B12	In order to ensure that the internal audit department fulfils its core functions, it must report functionally to the Board through the audit committee. For administrative purposes and as part of management's obligations to monitor and reduce risks, it should report directly to the Chief Executive Officer.	X			
C1	The company must publish the remuneration policy on its website and include in the annual report a statement on the implementation of the remuneration policy during the period annual report.	X			
C1	The remuneration policy should be formulated in such a way that shareholders understand the principles and rationale behind the remuneration of Board members and the CEO and members of the Executive Board in the dual system. It should describe how the remuneration process and decisions are managed, detail the components of executive remuneration (such as salary, annual bonus, long-term incentives linked to share value, benefits in kind, pensions and others) and describe the purpose, principles and assumptions underlying each component (including the general performance criteria attached to any form of variable remuneration). In addition, the remuneration policy should specify the length of the executive director's contract and the notice period set out in the contract, as well as any compensation for unfair dismissal.	X			
C1	The remuneration report should present the implementation of the remuneration policy for the persons identified in the remuneration policy during the annual period under review.	X			

C1	Any material changes to the remuneration policy must be published in good time on the company's website	X			
D1	The company must organise an Investor Relations service - made known to the general public through the person(s) responsible or as an organisational unit. In addition to the information required by law, the company must include on its website a section dedicated to Investor Relations, in Romanian and English, with all the information relevant information of interest to investors, including:	X			
D1.1	Main corporate regulations: articles of association, procedures for general meetings of shareholders;	X			
D1.2	Professional CVs of members of the company's governing bodies, other professional commitments of Board members, including executive and non-executive positions on boards of companies or non-profit institutions;	X			
D1.3	urrent reports and periodic reports (quarterly, half-yearly and annual) - at least those referred to in point D.8 - including current reports with detailed information on non-compliance with this Code;	X			
D1.4	Information relating to general meetings of shareholders: agenda and information materials; procedure for electing Board members; arguments in support of proposed candidates for election to the Board, together with their professional CVs; shareholders' questions on agenda items and company responses, including resolutions adopted;	X			
D1.5	Information on corporate events, such as the payment of dividends and other distributions to shareholders, or other events leading to the vesting or limitation of a shareholder's rights, including deadlines and principles applied to such transactions. That information will be applied within a timeframe that enables investors to make investment decisions.	X			
D1.6	The name and contact details of a person who will be able to provide relevant information on request;	X			
D1.7	Company presentations (e.g. investor presentations, quarterly results presentations, etc.), financial statements (quarterly, half-yearly, annual), audit reports, and annual reports.	X			
D2	The Company will have a policy on the annual distribution of dividends or other benefits to shareholders, proposed by the Chief Executive Officer or the Board of Directors and adopted by the Board, in the form of a set of guidelines that the Company intends to follow with respect to the distribution of net income. The principles of the annual shareholder distribution policy will be published on the company.	X			
D3	The Company will adopt a policy in relation to forecasts whether or not they are made public. Forecasts refer to quantified conclusions of studies aimed at determining the overall impact of a number of factors over a future period (so-called assumptions): by its very nature, this projection has a high level of uncertainty, and actual results may differ significantly from the forecasts initially presented. The forecasting policy will determine the frequency, time period and content of the forecasts. If published, forecasts may only be included in annual, half-yearly or quarterly reports. The forecasting policy will be published on the company's website.		X		Criteriaul nu se aplică.

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



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