



MANAGEMENT MESSAGE



Dear shareholders,

BRK Financial Group publishes today the results for the first quarter of 2023 and reports a net profit of 1.95 million lei (Q1-2022: -2.8 million lei), with both components of the business recording positive results, i.e. the result of the core activity is 560 thousand lei (Q1-2022: 1.1 million lei) and the result of the investment activity is +1.65 million lei (Q1-2022: -3.93 million lei).

In the following, we will briefly explain the main developments in the business segments. Total revenues of the core business, amounting to 4.9 million lei are down 17% compared to the first quarter of 2022 (5.76 million lei), and at segment level we report a 30% decrease in intermediation revenues (from 5.76 million lei in Q1-2022 to 4.8 million lei in Q1-2023) on the back of decreasing intermediated volumes, in line with the evolution of market turnover, BRK's market share remaining constant, around 6.5 - 7%, above the organic target set at 5%.

In the first quarter of 2023 we achieved total revenues of 2.4 million lei from market making activity, the same amount as in the first quarter of last year, and at the sub-segment level we have divergent developments. We report a 50% increase in revenues from market making services provided to issuers (from 1.1 million lei in Q1-2022, to 1.7 million lei in Q1-2023) on the back of revenues generated by newly concluded contracts in 2022, and in terms of revenues from transactions with structured products, we report a decrease of 43% (from 1.29 million in Q1-2022, to 731 thousand lei in Q1-2023), amid a decrease in investor appetite for these products (the turnover in Q1-2022 was 246 million lei, and in Q1-2023 was 123 million lei). Against this decrease, we also add the fact that the market share remained constant (40%), but also the fact that the revenues from transactions with structured products recorded in Q1-2022 were an all-time high, as investor appetite for these products was higher in the context of volatility induced by geopolitical tensions in Ukraine. In comparison, the amount reported in Q1-2023 (731 thousand lei) is above the average of the last three quarters (average Q2-Q4 2022 = 695 thousand lei).

As regards core activity expenses, they totalled 3.8 million lei, up by 5.3% compared to 2022 (3.6 million lei), and at the level of types of expenses, salaries increased by 14%, while the others (with the market, external services, suppliers, depreciation, etc.) seen in aggregate decreased by 3%, from 1.84 million lei in Q1-2022 to 1.79 million lei in Q1-2023.

The result of the investment activity is +1.65 million lei (Q1-2022: -3.93 million lei) and is mainly composed of marked profit of +280 thousand lei (Q1-2022: -816 thousand lei), result of revaluation of portfolio positions +2.29 million lei (Q1-2022: -2.7 million lei), interest and exchange rate expenses of 1.01 million lei (Q1-2022: -472 thousand lei).

Monica IVAN, CEO

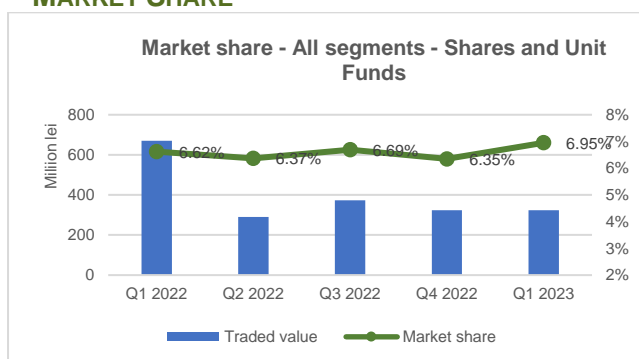
1. IDENTIFICATION

Report date	31 March 2023
Judicial Name	SSIF BRK Financial Group S.A.
Field of Activity	Activități de intermediere a tranzacțiilor financiare
CAEN code	6612
Fiscal code/CUI	6738423
Commercial Register Code	J12/3038/1994
Address	119 Moșilor Street, Cluj-Napoca, Romania
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 nominal value of 0.15 RON/share
Regulated market	Bucharest Stock Exchange, Main Segment, Premium Category
BVB symbol	BRK
ISIN	ROBRKOACNOR0
Auditing	The financial statements as at 31 March 2023 are unaudited

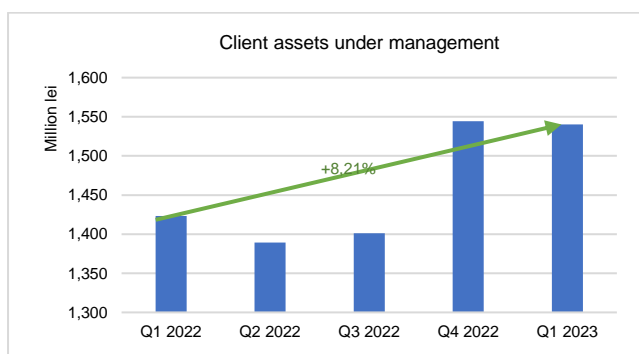
2. BRK- OVERVIEW

2.1. INTERMEDIATION ACTIVITY

MARKET SHARE



CLIENTS ASSETS UNDER MANAGEMENT

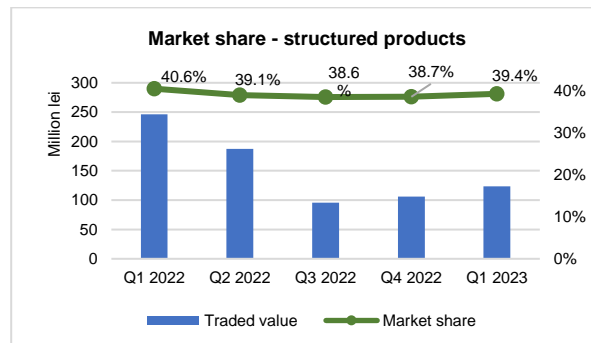
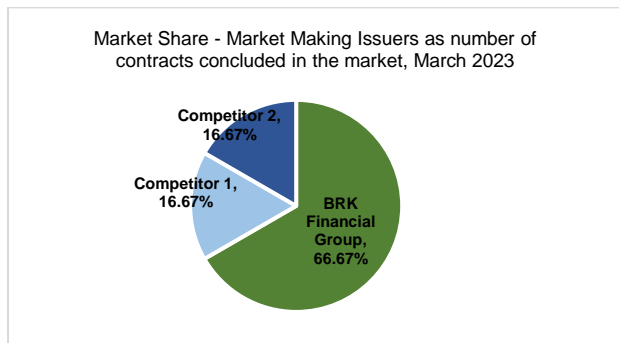


RESULT OF INTERMEDIATION ACTIVITY

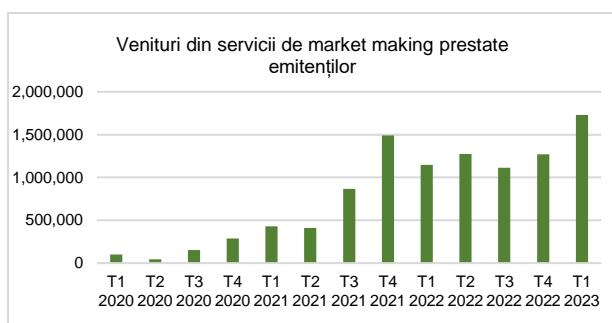
	31.03.2023	31.03.2022
Commission income on the domestic market	903,781	2,391,244
Commission income on external market	236,065	375,486
Income from related activities	91,254	155,198
Brokerage commission income	1,231,100	2,921,928
Corporate income	40,565	18,366
Other intermediation income	1,067,390	388,702
Total income from intermediation	2,339,055	3,328,996
Salaries and employee benefits	(571,915)	(533,168)
Market and intermediary commission expenses	(362,080)	(857,967)
External benefits expenses	(777,834)	(487,576)
Expenses with collaborators	(32,918)	(98,007)
Other expenses core business	(60,799)	(373,848)
Total intermediation expenses	(1,805,547)	(2,350,566)
Result of intermediation activity	533,509	978,430

2.2. MARKET MAKING AND PORTFOLIO MANAGEMENT ACTIVITIES

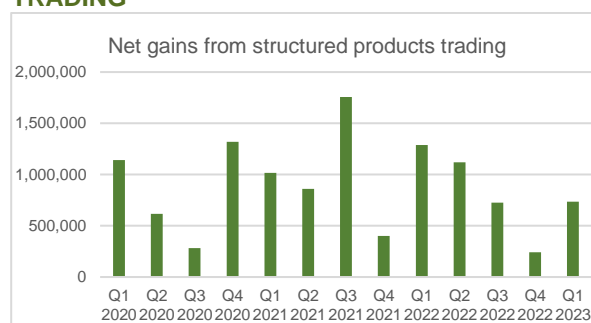
MARKET SHARE



INCOME FROM MARKET MAKING ACTIVITY



NET GAINS FROM STRUCTURED PRODUCTS TRADING



THE RESULT OF MARKET MAKING ACTIVITY

	31.03.2023	31.03.2022
Net gains from transactions in structured products	731,515	1,286,775
Income from market making services provided to issuers	1,728,546	1,147,577
Total income from market making activity	2,460,061	2,434,352
Salaries and employee benefits	(672,984)	(276,032)
Expenses market commissions and intermediaries	(345,396)	(274,589)
External services expenses	(299,025)	(65,173)
Expenses with collaborators	(85,173)	(62,762)
Other expenses core activity	(1,402,578)	(678,556)
Total Market Making expenses	1,057,483	1,755,796

RESULT OF OWN PORTFOLIO MANAGEMENT ACTIVITY

	31.03.2023	31.03.2022
Dividend income	1,987	-
Realised gains/(losses) on equity and bond transactions	278,728	(816,495)
Net gains/(losses) on valuation of financial assets measured at fair value through profit or loss	2,285,911	(2,686,166)
Net income/(expense) on provisions for non-current financial assets	-	-
Other net interest and exchange rate income/(expense)	(1,015,790)	(472,843)
Other net income/(expenses)	28,570	(152,935)
Net income/(expense) from provisions for risks and charges	77,075	191,268
Result of portfolio management activity	1,656,481	(3,937,171)

3. INDIVIDUAL STATEMENT OF FINANCIAL POSITION AS AT 31.03.2023

<i>In lei</i>	31.03.2023	31.12.2022
Assets		
Intangible assets	306.514	351.065
Tangible fixed assets	8.499.119	8.658.073
Investment property	-	-
Financial assets at fair value through other comprehensive income	44.030.269	44.770.110
Financial assets at fair value through profit or loss	47.899.430	47.098.012
Financial assets at amortised cost	-	-
Loans and advances granted	3.957.226	4.143.848
Trade and other receivables	2.079.882	1.923.530
Other financial assets	54.885.663	68.220.116
Customer accounts with banks	52.401.763	50.505.061
Cash and cash equivalents	1.238.609	1.424.003
Total assets	215.298.475	227.093.818
Liabilities		
Borrowings from Bonds	24,464,280	24.432.138
Finance lease liabilities	360.874	457.273
Provisions	-	-
Total long-term liabilities	25.825.154	24.889.411
Interest Rates Bonds	343.818	322.708
Deferred income tax liabilities	978.691	978.691
Current income tax liabilities	-	-
Dividends payable	365.271	365.271
Short-term bank debt	15.667.555	20.329.411
Current portion of finance lease liabilities	228.016	166.638
Amounts owed to customers (customer cash)	98.199.324	104.770.215
Trade and other payables	12.023.288	14.003.511
Provisions	444.807	521.882
Total current liabilities	128.250.770	141.458.327
Total liabilities	153.611.644	166.347.738
Shareholders' equity		
Share capital	50.614.493	50.614.493
Share capital adjustment	4.071.591	4.071.591
Treasury shares	(1.285.077)	(1.285.077)
Benefits to be granted to employees, directors and officers in the form of equity instruments	959.460	697.762
Capital premiums	5.355	5.355
Reserves from revaluation of financial assets at fair value through other comprehensive income	(7.560.082)	(6.820.240)
Other reserves	13.467.400	13.501.013
Total reserves	5.907.318	6.680.773
Current result	1.954.615	(15.161.073)
Retained earnings	(5.204)	15.122.256
Total equity and liabilities	215.834.195	227.093.818

4. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME AS AT 31.03.2023

	31.03.2023	31.03.2022
Income basic activity	4.799.116	5.763.348
Income from intermediation activity	2.339.055	3.328.996
Income from intermediation commissions	1.231.100	2.921.928
Corporate income	40.565	18.366
Other income core business	1.067.390	388.702
Commissions expenses Intermediation	(362.080)	(857.967)
Net commission income	1.976.975	2.471.029
Income from market making activity	2.460.061	2.434.352
Net trading income	731.515	1.286.775
Income from market making services provided to issuers	1.728.546	1.147.577
Expenses with licences and issuance of structured products	(45.504)	(134.074)
Net income from market making activity	2.414.557	2.300.278
Total Expenses core business of which:	(3.831.700)	(3.636.007)
Salaries and employee benefits expenses	(2.043.409)	(1.792.984)
Expenses market commissions and intermediaries	(445.797)	(320.120)
External services expenses	(777.834)	(487.576)
Expenses with collaborators	(32.918)	(98.007)
Other basic activity expenses	(315.965)	(645.754)
Value adjustments of intangible and tangible assets	(215.777)	(291.566)
Profit/(loss) from basic activity	559.832	1.135.300
Net realised gains/(losses) on financial instruments	280.715	(816.495)
Dividend income	1.987	-
Realised gains/losses on equity and bond transactions	956.456	1.209.628
Realised losses on transactions in shares and bonds	(677.728)	(2.026.123)
Net gains/(losses) on valuation of financial assets measured at fair value through profit and loss	2.285.911	(2.686.166)
Income from valuation of financial assets measured at fair value through profit and loss	4.426.811	2.950.152
Losses on valuation of financial assets measured at fair value through profit and loss	(2.140.900)	(5.636.318)
Net income/(expense) on provisions for non-current financial assets	-	-
Income on cancellation of provisions for non-current financial assets	-	-
Expenses on provisions for non-current financial assets	-	-
Other net interest and exchange rate income/(expense)	(1.015.790)	(472.843)
Interest income on loans and bonds	62.339	66.010
Interest income on margin loans	26.936	84.483
Interest income other	4.835	10.755
Interest expense	(1.173.472)	(571.827)
(Expenses)/Exchange differences income house	63.572	(62.264)
Net income/(expenses) provisions for risks and charges	77.075	191.268
Expenditure on provisions for risks and charges	-	-
Income reversal of provisions for risks and charges	77.075	191.268
Other net provisions	-	-
Other net income/(expenses)	28.570	(152.935)
Net gains/(losses) on sale of assets	-	2.500
Other operating expenses	(22.924)	(181.279)
Other operating income	51.494	25.844

Result on investing activities	1.656.481	(3.937.171)
Result from operating activities	2.216.313	(2.801.871)
Other long-term employee benefits expense	(261.698)	-
Profit before tax	1.954.615	(2.801.871)
Income tax expense	-	-
Profit from continuing operations	1.954.615	(2.801.871)
Discontinued operations	-	-
Loss from discontinued operations (after tax)	-	-
Profit for the period	1.954.615	(2.801.871)
Other comprehensive income	(739.842)	(837.178)
Net change in fair value of financial assets measured at fair value through other comprehensive income (FVTOCI) not transferred to profit or loss	(739.842)	(837.178)
Items available for reclassification to profit or loss	-	-
Net change in fair value of available-for-sale financial assets	-	-
Free shares received classified as available for sale	-	-
Changes in value of fixed assets available for sale	-	-
Positions that cannot be reclassified to profit and loss	-	-
Changes in value of fixed assets in use	-	-
Changes in the value of real estate investments	-	-
Creation/creation of reserves from profits for the granting of free shares to employees	-	-
Tax relating to other items of comprehensive income	-	-
Total other comprehensive income for the period	(739.842)	(837.178)
Total profit and loss account and other comprehensive income for the period	1.214.773	(3.639.049)
Attributable profit:	1.954.615	(2.801.871)
Shareholders of the Company	1.954.615	(2.801.871)
Non-controlling interests	-	-
Profit for the period	1.954.615	(2.801.871)
Total comprehensive income attributable:		
Shareholders of the Company		-
Non-controlling interests		
Total comprehensive income for the period	1.954.615	(2.801.871)
Earnings per share		
Basic earnings per share (lei)	0,0058	(0,0083)
Diluted earnings per share (lei)	0,0058	(0,0083)
Continuing operations		
Basic earnings per share (lei)	0,0058	(0,0083)
Diluted earnings per share (lei)	0,0058	(0,0083)
Weighted average number of shares outstanding:	337.429.952	337.429.952

These financial statements were approved today, 12.05.2023.

Chairman of the Board
Robert Danila

CEO
Monica Ivan

CFO
Sandu Mircea Pali

Individual statement of changes in equity for 31.03.2023

<i>In lei</i>	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
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	-	-	-	-	-	-	1.954.615	-	1.954.615	-	1.954.615
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Gain transferred to income statement	-	-	-	-	-	-	-	-	-	-	-
Changes in value of fixed assets available for sale	-	-	-	-	-	-	-	-	-	-	-
Changes in value of fixed assets in use	-	-	-	-	-	-	-	-	-	-	-
Changes in value of investment property	-	-	-	-	-	-	-	-	-	-	-
Other changes in equity	-	-	-	-	-	-	-	-	-	-	-
Deferred income tax on fixed assets	-	-	-	-	-	-	-	-	-	-	-
Reserves from revaluation of financial assets at fair value through other comprehensive income	-	-	-	-	(739.842)	-	-	-	(739.842)	739.842	(739.842)
Decreases in share capital	-	-	-	-	-	-	-	-	-	-	-
Transfer of revaluation differences on assets sold to reserves	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	(739.842)	-	1.954.615	-	1.214.773	739.842	1.214.773
Transactions with shareholders recognised in equity	-	-	-	-	-	-	-	-	-	261.698	261.698
Benefits to be granted to employees, directors and officers in the form of equity instruments	-	-	-	-	-	-	-	-	-	-	-
Cancellation of own shares	-	-	-	-	-	-	-	-	-	-	-
Repurchase of own shares	-	-	-	-	-	-	-	-	-	-	-
Dividends payable relating to 2021	-	-	-	-	-	-	-	-	-	-	-
Total transactions with shareholders recognised in equity	-	-	-	-	-	-	-	-	-	-	261.698
Balance at 31 March 2023	50.614.493	(1.285.078)	5.608.236	6.095.560	(7.560.082)	2.775.907	(560.413)	1.422.956	60.413.960	986.741	62.222.551

Individual statement of changes in equity for 31.12.2022

In lei

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

In lei	31.03.2023	31.12.2022
Operational activities:		
Gross Profit	1.954.615	(15.161.073)
Adjustments to reconcile net income to net cash used in operating activities:		
Adjustment to the value of property, plant and equipment and intangible assets	215.777	928.031
Income from repurchase of own shares	-	-
Unrealised(-)/(+)gains on valuation of financial assets	(2.285.910)	10.689.112
Adjustment to value of short-term investments	-	-
Income tax	-	-
Provisions for current and non-current assets	-	1.733.375
Provisions for risks and charges	(77.075)	(500.186)
Interest expenses	505.313	2.069.423
Interest income	(881.748)	(3.682.858)
Dividend income	(1.987)	(1.734.585)
Gains on turbo and GI certificates	(731.577)	(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	(1.302.592)	(9.055.987)
Changes in working capital:		
(Increase)/Decrease in other receivables balances	156.352	533.190
Increase/(Decrease) in trade and other payables balances	641.511	2.170.337
Increase/(Decrease) in balances of assets available for sale	-	-
Net cash flow from operating activities	(504.729)	(6.352.460)
Cash flows from operating activities:		
Income tax paid	-	-
Interest income	4.688	41.194
Interest paid	(500.919)	(1.261.018)
Net cash flow from operating activities	(1.000.960)	(7.572.284)
Cash flows from investing activities:		
Cash paid for acquisition of tangible and intangible assets and investment property	(352.471)	(545.533)
Cash receipts(+)(payments) from financial instruments	6.893.962	(27.084.106)
Cash receipts from sales of land and buildings, plant and equipment, intangible assets and other long-term assets	-	23.500
Dividends received/(Dividends paid)	1.987	(5.044.760)
(Loans granted)/reimbursed Advances and customer margin	(16.485)	(1.026.802)
Net position from proceeds from sales of turbo certificates and IG payments	-	10.236.079
Interest income	792.473	3.312.852
Effect of exchange rate changes on loans and borrowings	54.658	323.600
Net cash flow from investing activities	7.374.123	(19.805.170)
Cash flows from financing activities:		
Borrowings Bond issues	-	-
Lease purchase payments	-	(179.028)
Short-term bank loan receipts/payments	(4.661.856)	15.287.496
Net cash flow from financing activities	(4.661.856)	15.108.468
Cash flows - total	1.711.308	(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	1.711.308	(12.268.986)
Effect of exchange rate changes on the opening balance of cash and cash equivalents	-	-
Cash and cash equivalents at end of period	53.640.372	51.929.064
Of which :		
Cash held on behalf of customers	52.401.763	50.505.061
Cash held on behalf of the company	1.238.609	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, Romania. The main activity of SSIF BRK FINANCIAL GROUP SA is the intermediation of financial investment services.

The Company's shares are listed on the Bucharest Stock Exchange ("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, under the terms of the law.

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

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

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 of evaluation

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

- financial assets held at fair value through profit or loss are measured at fair value;
- derivative financial instruments are measured at fair value;
- investment property is valued according to the revaluation model in accordance with the provisions of IAS 40;
- non-current assets representing buildings and related land are measured at revalued amount in accordance with the provisions of IAS 16;
- non-current assets available for sale are measured at fair value in accordance with IFRS 5;

In accordance with IAS 29, the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy must be presented in the measuring unit current at the balance sheet date (non-monetary items are restated using a general price index at the date of acquisition or contribution).

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

The continued decline in the inflation rate and other factors related to the characteristics of the economic environment in Romania indicate that the economy whose functional currency has been adopted by the 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.

Continuity of activity

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

Determination of fair values

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

i. Investments in equity securities

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

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

ii. Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows discounted at the market interest rate at the reporting date. This fair value is determined for 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 prices 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 at the end of the period there are more put contracts than call contracts, as follows: the number of open positions calculated as the number of put positions minus the number of call positions, multiplied by the difference between the average sale price and the quotation price at the end of the period. Symmetrically, if there are more buy contracts than sell contracts at the end of the period, the resulting value corrects the initial value of the security given the margin built up.

iv. Financial debts

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

v. Loans granted

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

c) Functional and presentation currency

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

d) Foreign currency

Foreign currency transactions are converted into the entity's functional currency at the exchange rate on the transaction date. Monetary assets and liabilities, which at the reporting date are denominated in foreign currencies, are translated into the functional currency at the exchange rate on the reporting date. Exchange differences are recognised directly in other comprehensive income. The exchange rates of the main foreign currencies published by the National Bank of Romania as at 31 March 2023 are as follows: 4.9410 Lei/EUR; 4.5463 Lei/USD and 5.6256 Lei/GBP (31 December 2022: 4.9474 Lei/EUR; 4.6346 Lei/USD and 5.5878 Lei/GBP).

e) Use of professional estimates and reasoning

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 estimates and underlying 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 sound capital base necessary to maintain the confidence of investors, creditors and the market and to sustain the future development of the company. The Board of Directors monitors the profitability of all agencies, where trading activity is conducted 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 prepared by the analysis department is also discussed at the monthly Board meetings. The overall results are thus 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 risk coverage:

- to hold at all times own funds covering the higher of: the requirement calculated on the basis of fixed overheads, the minimum permanent capital requirement or the requirement calculated on the basis of K-factors;
- hold liquid assets equivalent to at least one third of the fixed overhead requirement at all times;
- for credit risk and downside risk coverage, risk-weighted exposure amounts shall be considered according to the exposure class to which they belong;

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 include 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 the option of 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 BVB.
- 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 adjustments in the value 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 the listed companies in its portfolio by marking them to market.

Within the own portfolio we have the following types of investments:

- The 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 products issuance and market making operations";

We note that the operations of issuance of structured products as well as the provision of liquidity on own structured products is carried out on a fully hedged basis through hedging operations on the underlying asset market and as such we consider it to be of core business nature. 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.

Information on reportable segments is presented as follows:

Information on reportable segments

	March- 2023				March- 2022				March-2023	March-2022 Total reportable segments
	Total, of which:	Intermediation	Trading	Unallocated	Total, of which:	Intermediation	Trading	Unallocated		
Income from intermediation	1.271.665	1.271.665	-	-	3.328.996	3.328.996	-	-	1.271.665	3.328.996
Income from market making activity	2.460.061	-	2.460.061	-	2.434.352	-	2.434.352	-	2.460.061	2.434.352
Other income core business	1.067.390	-	-	1.067.390	-	-	-	-	1.067.390	-
Net realised gains/(losses) on financial instruments	280.715	-	280.715	-	(816.495)	-	(816.495)	-	280.715	(816.495)
Net gains/(losses) on valuation of financial assets at fair value through profit or loss	2.285.911	-	2.285.911	-	(2.686.166)	-	(2.686.166)	-	2.285.911	(2.686.166)
Net income/(expense) on provisions for non-current financial assets	-	-	-	-	-	-	-	-	-	-
Other net interest and exchange rate income/(expense)	(1.015.790)	-	(1.015.790)	-	(472.843)	-	(472.843)	-	(1.015.790)	(472.843)
Net income/(expense) from provisions for risks and charges	77.075	-	-	77.075	191.268	-	-	191.268	77.075	191.268
Other net income/(expenses)	28.570	-	-	28.570	(152.935)	-	-	(152.935)	28.570	(152.935)
Salaries and employee benefits expense	(2.043.409)	(571.915)	(672.984)	(798.510)	(1.792.984)	(533.168)	(276.032)	(983.784)	(2.043.409)	(1.792.984)
Expenses market commissions and intermediaries	(445.797)	-	(345.396)	(100.401)	(320.120)	-	(274.589)	(45.531)	(445.797)	(320.120)
Commission expenses Intermediaries	(362.080)	(362.080)	-	-	(857.967)	(857.967)	-	-	(362.080)	(857.967)
Expenses with licences and issuance of structured products	(45.504)	-	(45.504)	-	(134.074)	-	(134.074)	-	(45.504)	(134.074)
External benefits expenses	(777.834)	(41.756)	(299.025)	(437.054)	(487.576)	(70.390)	(65.173)	(352.014)	(777.834)	(487.576)
Expenses with collaborators	(32.918)	(32.918)	-	-	(98.007)	(98.007)	-	-	(32.918)	(98.007)
Other core business expenses	(315.965)	(60.799)	(85.173)	(169.993)	(645.754)	(373.848)	(62.762)	(209.143)	(315.965)	(645.754)
Value adjustments of intangible and tangible assets	(215.777)	-	-	(215.777)	(291.566)	-	-	(291.566)	(215.777)	(291.566)
Other long-term employee benefits expense	(261.698)	-	-	(261.698)	-	-	-	-	(261.698)	-
Total explained:	1.954.615	202.197	2.562.815	(810.398)	(2.801.871)	1.395.616	(2.353.782)	(1.843.704)	1.954.615	(2.801.871)
Reportable segment profit before tax	1.954.615	202.197	2.562.815	(810.398)	(2.801.871)	1.395.616	(2.353.782)	(1.843.704)	1.954.615	(2.801.871)
Income tax	-	-	-	-	-	-	-	-	-	-
Reportable segment assets, of which:	160.412.812	52.401.763	99.205.416	-	168.610.554	61.252.502	98.348.914	-	160.412.812	168.610.554

- Intangible assets	306.514	-	-	306.514	351.065	-	-	351.065	306.514	351.065
- Property, plant and equipment	8.499.119	-	-	8.499.119	8.658.073	-	-	8.658.073	8.499.119	8.658.073
- Investment property	-	-	-	-	-	-	-	-	-	-
- Financial investments	91.929.699	-	91.929.699	-	91.868.122	-	91.868.122	-	91.929.699	91.868.122
-Loans and advances granted	3.957.226		3.957.226		4.143.848		4.143.848		3.957.226	4.143.848
- Trade and other receivables	2.079.882	-	2.079.882	-	11.660.382	10.747.441	912.941	-	2.079.882	11.660.382
- Cash and cash equivalents	53.640.372	52.401.763	1.238.609	-	51.929.064	50.505.061	1.424.003	-	53.640.372	51.929.064
Debts of the reportable segment, of which:	153.611.644	98.199.324	16.477.633	38.934.687	151.401.489	104.770.215	46.631.274	-	153.611.644	151.401.489
- amounts due from customers	98.199.324	98.199.324	-	-	104.770.215	104.770.215	-	-	98.199.324	104.770.215

INCOME FROM INTERMEDIATION

In lei	Ongoing activities		Discontinued activities		Total	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Commission income on the domestic market	903.781	2.391.244	-	-	903.780,56	2.391.244
Commission income on external market	236.065	375.486	-	-	236.065	375.486
Income from related activities	91.254	155.198	-	-	91.254	155.198
Subtotal commission income from intermediation and related activities	1.231.100	2.921.928	-	-	1.231.100	2.921.928
Income from corporate operations	40.565	18.366	-	-	40.565	18.366
Other intermediation income	1.067.390	388.702	-	-	1.067.390	388.702
Total income	2.339.055	3.328.996	-	-	2.339.055	3.328.996

The company's revenue recognition policy is to reflect these revenues on a gross basis. Gross revenues also include market costs, commissions charged by the Stock Exchange and the ASF respectively.

In order to diversify the commission income, we have constantly sought to broaden the range of products and markets on which transactions are carried out. The level of commissions received for operations carried out by the company also included commissions related to operations on foreign markets, as described above.

Clients are generally allocated to one broker each, and there is the possibility to carry out transactions both traditionally and online.

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

ECONOMIC AND FINANCIAL INDICATORS

Key indicators

Financial results (Ron)	31-Mar-23	31-Mar-22
Income from continuing operations	4,799,116	5,763,348
Result from operating activities	559,832	1,135,300
Result for the period	1,954,615	(2,801,871)
Total comprehensive income for the period	1,214,773	(3,639,049)

Financial position (Ron)	31-Mar-23	31-Dec-22
Fixed assets	52,835,902	53,779,248
Current assets	162,462,573	173,314,570
Equity	62,222,551	60,746,080
Long-term liabilities	24,825,154	24,889,411
Current liabilities	128,250,770	141,458,327

Economic and financial indicators	31-Mar-23	31-Dec-22
Current liquidity	1.27	1.23
Debt ratio	2.46	2.74
Turnover rate of fixed assets	0.09	0.11



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