



# Individual financial statements

# MANAGEMENT MESSAGE



*Dear shareholders,*

BRK Financial Group publishes today its financial results for the first quarter of 2024 and reports a net profit of 62k lei, with diverging developments of the 2 business components. Thus, the result of the core business is +2.6M RON (Q1-2023: +559k RON), while the result of the investment business is -2.54M RON (Q1-2023:+1.65M RON).

In the following we will briefly explain the main developments in the business segments. **The total revenues of the core business in the amount of 7 million lei are up 46% compared to the first quarter of 2023** (4.79 million lei), with both segments of the core business (intermediation and market making activity) recording substantial increases. Thus, the revenues of the intermediation segment are RON 4.16m, up 85% compared to Q1 2023, on the back of the increase in the intermediated value (on the equity segment) to RON 607m (Q1 2023: RON 354m). In terms of market share, it remains constant at around 7.2%. Market making segment revenues reached RON 2.8 million, an increase compared to the amount recorded in Q1-2023 (RON 2.4M), with the increase supported by the revenues of the issuer market making sub-segment, where BRK added several new issuers to its client portfolio. In terms of market positioning, BRK maintains its market positioning, remaining the market leader in both segments.

Core business result is +2.6M RON (Q1 2023: + 559k RON), whereas core business expenses decreased by 5.3% to 3.63M RON (Q1 2023: 3.83M RON). In relation to the income and expenses budget approved by the General Meeting of Shareholders, all income items have been exceeded and expenses are below estimated levels, **so that the core business result for this quarter (+2.6M RON) is significantly above budget (6.5M RON for the full year 2024).**

As for investment activity, the result is RON -2.54m (Q1-2023: RON +1.65m), and is mainly composed of the result of the revaluation of portfolio positions RON -2.24m (Q1-2023:RON +2.3m) and interest expenses of RON -860k (Q1-2023: RON -1.17m). The item with the largest impact on the revaluation of portfolio positions is the holding of Gabriel Resources shares, which was detailed via the current reports dated 8 and 13 March 2024. The impact of the result on this position is -1.59M RON of the total investment activity result.

**Monica IVAN, CEO**

# 1. IDENTIFICATION

Report date	March 31, 2024
Judicial Name	SSIF BRK Financial Group S.A.
Field of Activity	Financial intermediation activities
CAEN code	6612
Fiscal code/CUI	6738423
Commercial Register Code	J12/3038/1994
Address	119 Moșilor Street, Cluj-Napoca, Romania
Phone/Fax	0364 401 709 or 0364 401 710
Email	<a href="mailto:office@brk.ro">office@brk.ro</a>
Website	<a href="http://www.brk.ro">www.brk.ro</a>
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 2024 are unaudited

## 2. BRK - OVERVIEW

### 2.1. INTERMEDIATION ACTIVITY

#### MARKET SHARE



#### CLIENTS ASSETS UNDER MANAGEMENT

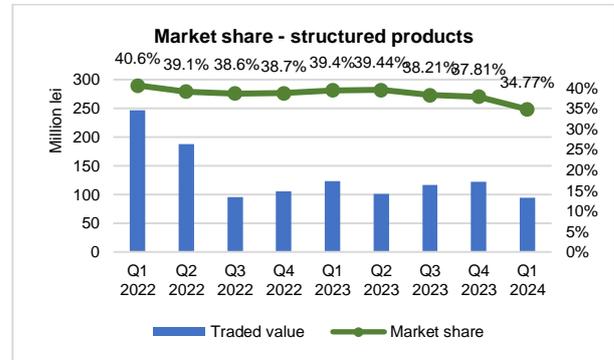


#### RESULT OF INTERMEDIATION ACTIVITY

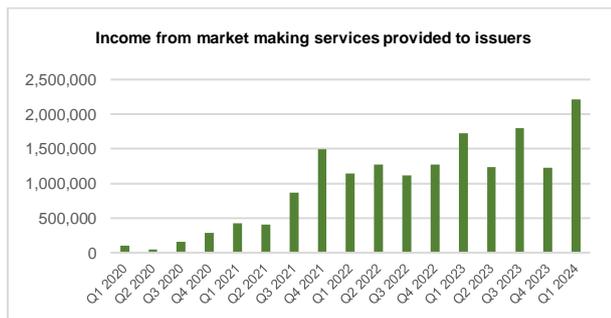
	31.03.2024	31.03.2023
Commission income on the domestic market	1.690.664	903.781
Commission income on external market	261.299	236.065
Income from related activities	103.173	91.254
<b>Brokerage commission income</b>	<b>2.055.136</b>	<b>1.231.100</b>
Corporate income	43.523	40.565
Other intermediation income	2.060.840	1.067.390
<b>Total income from intermediation</b>	<b>4.159.499</b>	<b>2.339.055</b>
Salaries and employee benefits	(984.139)	(571.915)
Market and intermediary commission expenses	(626.041)	(362.080)
External benefits expenses	(68.517)	(777.834)
Expenses with collaborators	(124.448)	(32.918)
Other expenses core business	(59.925)	(60.799)
<b>Total intermediation expenses</b>	<b>(1.863.070)</b>	<b>(1.805.546)</b>

## 2.2. MARKET MAKING AND PORTFOLIO MANAGEMENT ACTIVITIES

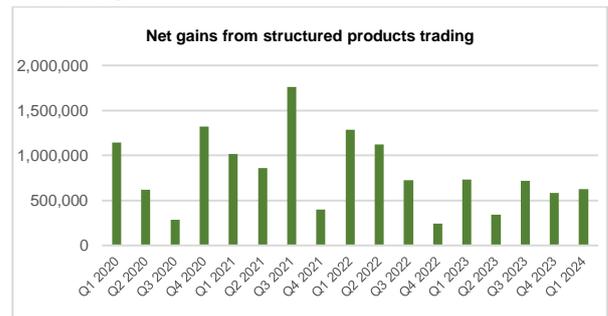
### MARKET SHARE



### INCOME FROM MARKET MAKING ACTIVITY



### NET GAINS FROM STRUCTURED PRODUCTS TRADING



### THE RESULT OF MARKET MAKING ACTIVITY

	31.03.2024	31.03.2023
Net gains from transactions in structured products	625.240	731.515
Income from market making services provided to issuers	2.213.609	1.728.546
<b>Total income from market making activity</b>	<b>2.838.849</b>	<b>2.460.061</b>
Salaries and employee benefits	(353.455)	(672.984)
Expenses market commissions and intermediaries	(416.017)	(345.396)
External services expenses	(253.734)	(299.025)
Expenses with collaborators	(33.362)	(85.173)
<b>Other expenses core activity</b>	<b>(1.056.568)</b>	<b>(1.402.578)</b>
<b>Total Market Making expenses</b>	<b>1.782.281</b>	<b>1.057.483</b>

### RESULT OF OWN PORTFOLIO MANAGEMENT ACTIVITY

	31.03.2024	31.03.2023
Dividend income	12.905	1.987
Realised gains/(losses) on equity and bond transactions	131.568	278.728
Net gains/(losses) on valuation of financial assets measured at fair value through profit or loss	(2.241.062)	2.285.911
Net income/(expense) on provisions for non-current financial assets	-	-
Other net interest and exchange rate income/(expense)	(607.433)	(1.015.790)
Other net income/(expenses)	(59.713)	28.570
Net income/(expense) from provisions for risks and charges	221.417	77.075
<b>Result of portfolio management activity</b>	<b>(2.542.318)</b>	<b>1.656.481</b>

### 3. INDIVIDUAL STATEMENT OF FINANCIAL POSITION AS AT 31.03.2024

<i>In lei</i>	<b>31.03.2024</b>	<b>31.12.2023</b>
<b>Assets</b>		
Intangible assets	269.485	260.945
Tangible fixed assets	9.576.243	9.599.002
Investment property	-	-
Financial assets at fair value through other comprehensive income	38.550.173	38.622.163
Financial assets at fair value through profit or loss	34.385.952	40.529.391
Financial assets at amortised cost	-	-
Loans and advances granted	9.313.222	4.404.460
Trade and other receivables	2.907.625	2.754.448
Other financial assets	56.449.175	70.350.380
Customer accounts with banks	92.445.699	107.453.100
Cash and cash equivalents	105.824	696.225
<b>Total assets</b>	<b>244.003.398</b>	<b>274.670.114</b>
<b>Liabilities</b>		
Borrowings from Bonds	24.592.848	24.560.706
Finance lease liabilities	288.425	244.826
Provisions	-	-
<b>Total long-term liabilities</b>	<b>24.881.273</b>	<b>24.805.532</b>
Interest Rates Bonds	467.738	420.921
Deferred income tax liabilities	558.190	558.190
Current income tax liabilities	-	-
Dividends payable	365.271	365.271
Short-term bank debt	9.282.347	19.347.583
Current portion of finance lease liabilities	155.579	236.422
Amounts owed to customers (customer cash)	139.685.153	162.415.869
Trade and other payables	11.571.313	11.126.557
Provisions	410.572	557.628
<b>Total current liabilities</b>	<b>162.496.163</b>	<b>195.028.441</b>
<b>Total liabilities</b>	<b>187.377.436</b>	<b>219.833.973</b>
<b>Shareholders' equity</b>		
Share capital	50.614.493	50.614.493
Share capital adjustment	4.071.591	4.071.591
Treasury shares	-	-
Benefits to be granted to employees, directors and officers in the form of equity instruments	-	-
Capital premiums	5.355	5.355
Reserves from revaluation of financial assets at fair value through other comprehensive income	(13.999.430)	(15.754.841)
Other reserves	15.404.935	15.421.788
Total reserves	1.405.505	(333.053)
Current result	62.299	382.118
Retained earnings	466.719	95.637
<b>Total equity attributable to equity holders of the Company</b>	<b>56.625.962</b>	<b>54.836.142</b>
<b>Total equity and liabilities</b>	<b>244.003.398</b>	<b>274.670.114</b>

## 4. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME AS AT 31.03.2024

	31.03.2024	31.03.2023
<b>Income basic activity</b>	<b>6.998.348</b>	<b>4.799.116</b>
<b>Income from intermediation activity</b>	<b>4.159.499</b>	<b>2.339.055</b>
Income from intermediation commissions	2.055.136	1.231.100
Corporate income	43.523	40.565
Other income core business	2.060.840	1.067.390
Commissions expenses Intermediation	(626.041)	(362.080)
Net commission income	<b>3.533.458</b>	<b>1.976.975</b>
<b>Income from market making activity</b>	<b>2.838.849</b>	<b>2.460.061</b>
Net trading income	625.240	731.515
Income from market making services provided to issuers	2.213.609	1.728.546
Expenses with licences and issuance of structured products	(136.236)	(45.504)
<b>Net income from market making activity</b>	<b>2.702.613</b>	<b>2.414.557</b>
<b>Total Expenses core business of which:</b>	<b>(3.631.454)</b>	<b>(3.831.700)</b>
Salaries and employee benefits expenses	(2.128.358)	(2.043.409)
Expenses market commissions and intermediaries	(324.469)	(445.797)
External services expenses	(568.882)	(777.834)
Expenses with collaborators	(124.448)	(32.918)
Other basic activity expenses	(255.537)	(315.965)
Value adjustments of intangible and tangible assets	(229.760)	(215.777)
<b>Profit/(loss) from basic activity</b>	<b>2.604.617</b>	<b>559.832</b>
<b>Net realised gains/(losses) on financial instruments</b>	<b>144.473</b>	<b>280.715</b>
Dividend income	12.905	1.987
Realised gains/losses on equity and bond transactions	628.489	956.456
Realised losses on transactions in shares and bonds	(496.921)	(677.728)
<b>Net gains/(losses) on valuation of financial assets measured at fair value through profit and loss</b>	<b>(2.241.062)</b>	<b>2.285.911</b>
Income from valuation of financial assets measured at fair value through profit and loss	2.543.672	4.426.811
Losses on valuation of financial assets measured at fair value through profit and loss	(4.784.734)	(2.140.900)
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	-	-
<b>Other net interest and exchange rate income/(expense)</b>	<b>(607.433)</b>	<b>(1.015.790)</b>
Interest income on loans and bonds	200.265	62.339
Interest income on margin loans	22.078	26.936
Interest income other	4.956	4.835
Interest expense	(860.880)	(1.173.472)
(Expenses)/Exchange differences income house	26.148	63.572
<b>Net income/(expenses) provisions for risks and charges</b>	<b>221.417</b>	<b>77.075</b>
Expenditure on provisions for risks and charges	-	-
Income reversal of provisions for risks and charges	221.417	77.075
Other net provisions	-	-
<b>Other net income/(expenses)</b>	<b>(59.713)</b>	<b>28.570</b>
Net gains/(losses) on sale of assets	11.117	-
Other operating expenses	(132.611)	(22.924)
Other operating income	61.781	51.494
<b>Result on investing activities</b>	<b>(2.542.318)</b>	<b>1.656.481</b>

Result from operating activities	<b>62.299</b>	<b>2.216.313</b>
Other long-term employee benefits expense	-	(261.698)
Profit before tax	62.299	1.954.615
Income tax expense	-	-
Profit from continuing operations	62.299	1.954.615
Discontinued operations	-	-
Loss from discontinued operations (after tax)	-	-
Profit for the period	<b>62.299</b>	<b>1.954.615</b>
Other comprehensive income	<b>(6.439.348)</b>	<b>(739.842)</b>
Net change in fair value of financial assets measured at fair value through other comprehensive income (FVTOCI) not transferred to profit or loss	<b>(6.439.348)</b>	<b>(739.842)</b>
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	-	-
<b>Total other comprehensive income for the period</b>	<b>(6.439.348)</b>	<b>(739.842)</b>
<b>Total profit and loss account and other comprehensive income for the period</b>	<b>(6.377.049)</b>	<b>1.214.773</b>
Attributable profit:	<b>62.299</b>	<b>1.954.615</b>
Shareholders of the Company	62.299	1.954.615
Non-controlling interests	-	-
Profit for the period	<b>62.299</b>	<b>1.954.615</b>
Total comprehensive income attributable:		
Shareholders of the Company		-
Non-controlling interests		
Total comprehensive income for the period	<b>62.299</b>	<b>1.954.615</b>
Earnings per share		
Basic earnings per share (lei)	0.0002	0.0058
Diluted earnings per share (lei)	0.0002	0.0058
Continuing operations		
Basic earnings per share (lei)	0.0002	0.0058
Diluted earnings per share (lei)	0.0002	0.0058
Weighted average number of shares outstanding:	337.429.952	337.429.952

**CEO**  
**Monica Ivan**

**CFO**  
**Sandu Mircea Pali**

## Individual statement of changes in equity for 31.12.2023

<i>In lei</i>	Share capital	Capital adjustments	Own shares	Differences from revaluation	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 2023	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
<b>Profit for the period</b>	-	-	-	-	-	-	-	382.119	382.119	-	382.119
Other comprehensive income	-	-	-	-	-	-	-	-	-	(420.501)	(420.501)
Gain transferred to income statement	-	-	-	-	-	-	-	-	-	-	-
Changes in value of fixed assets available for sale	-	-	-	1.500.273	-	-	-	134.454	1.634.727	-	1.634.727
Changes in value of fixed assets in use	-	-	-	-	-	-	-	-	-	-	-
Changes in value of investment property	-	-	-	-	-	-	-	1.428.317	-	-	1.428.317
Other changes in equity	-	-	-	-	-	-	-	-	-	-	-
Deferred income tax on fixed assets	-	-	-	-	-	(8.934.601)	-	-	-	(8.934.601)	(8.934.601)
Reserves from revaluation of financial assets at fair v. Decreases in share capital value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Transfer of revaluation differences on assets sold to reserves	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
<b>Transfer to retained earnings</b>	50.614.493	4.071.590	(1.285.078)	7.108.510	6.095.560	(16.673.845)	2.775.907	1.906.082	62.644.350	(9.108.203)	53.917.137
<b>Transactions with shareholders recognised in equity</b>	-	-	-	-	-	-	-	-	1.285.077	(1.285.077)	-
Cancellation of own shares	-	-	1.285.077	-	-	-	-	-	-	-	-
Repurchase of own shares	-	-	-	-	-	-	-	-	587.315	(587.315)	-
<b>Total transactions with shareholders recognised in equity</b>	-	-	-	-	-	-	-	-	1.285.077	587.315	-
Balance at 31 December 2023	50.614.493	4.071.590	(1.261.030)	5.608.236	6.095.560	(6.820.240)	2.775.907	648.393	59.490.965	(10.980.595)	54.836.141

## Individual statement of changes in equity for 31.03.2024

<i>In lei</i>	Share capital	Capital adjustments	Own shares	Differences from revaluation	Legal and statutory reserves	Reserves from revaluation of financial assets FVTOCI	Other reserves	Reported result	Total equity	Other comprehensive income	Total equity
<b>Balance at 1 January 2024</b>	<b>50.614.493</b>	-	<b>7.108.510</b>	<b>6.095.560</b>	<b>(15.754.841)</b>	<b>2.775.907</b>	<b>1.710.551</b>	<b>1.557.409</b>	<b>57.409.969</b>	<b>(2.191.708)</b>	<b>54.836.142</b>
<b>Profit for the period</b>	-	-	-	-	-	-	62.299	-	<b>62.299</b>	-	<b>62.299</b>
Other comprehensive income	-	-	-	-	1.755.411	-	-	-	<b>1.755.411</b>	-	<b>1.755.411</b>
Gain transferred to income statement	-	-	-	-	-	-	-	-	-	-	-
Changes in value of fixed assets available for sale	-	-	-	-	-	-	-	-	-	-	-
Changes in value of fixed assets in use	-	-	(27.890)	-	-	-	-	-	<b>(27.890)</b>	-	<b>(27.890)</b>
Changes in value of investment property	-	-	-	-	-	-	-	-	-	-	-
Other changes in equity	-	-	-	-	-	-	-	-	-	-	-
<b>Deferred income tax on fixed assets</b>	-	-	-	-	-	-	-	-	-	-	-
Reserves from revaluation of financial assets at fair v Decreases in share capital alue through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Transfer of revaluation differences on assets sold to reserves	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
<b>Transfer to retained earnings</b>	-	-	-	-	-	-	(382.119)	-	<b>(382.119)</b>	-	<b>(382.119)</b>
	<b>50.614.493</b>	-	<b>7.080.620</b>	<b>6.095.560</b>	<b>(13.999.430)</b>	<b>2.775.907</b>	<b>466.719</b>	<b>1.557.409</b>	<b>58.817.670</b>	<b>(2.191.708)</b>	<b>56.625.962</b>
<b>Transactions with shareholders recognised in equity</b>	-	-	-	-	-	-	-	-	-	-	-
Cancellation of own shares	-	-	-	-	-	-	-	-	-	-	-
Repurchase of own shares	-	-	-	-	-	-	-	-	-	-	-
Dividends payable relating to 2024	-	-	-	-	-	-	-	-	-	-	-
Total transactions with shareholders recognised in equity	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at 31 March 2024</b>	<b>50.614.493</b>	-	<b>7.080.620</b>	<b>6.095.560</b>	<b>(13.999.430)</b>	<b>2.775.907</b>	<b>466.719</b>	<b>1.557.409</b>	<b>58.817.670</b>	<b>(2.191.708)</b>	<b>56.625.962</b>

## THE REPORTING ENTITY

SSIF BRK FINANCIAL GROUP SA ("the Company") is a financial investment services company based in Romania. The registered office address is Cluj-Napoca, 119 Moșilor Street. 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 exchange symbol BRK, as of February 5, 2005.

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

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

## THE 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.

### a) 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.

### **b) 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.

### **c) 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 currency, are translated into the functional currency at the exchange rate on the reporting date. Exchange differences are recognised directly in other comprehensive income. Exchange rates of major foreign currencies, published by the National Bank of Romania as at 31 March 2024 are the following: 4.9695 Lei/EUR; 4.6078 Lei/USD and 5.8126 Lei/GBP.

### **d) 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 may differ from estimated amounts.

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 Board meetings.

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 that risks are covered:

- 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 the coverage of credit risk and downside risk, risk-weighted exposure amounts shall be considered according to the exposure class to which they belong;
- for position risk and settlement/delivery risk capital is required at the level of 16% of the exposure level;
- capital is required to cover operational risk at the level of 15% of the average of the last three years' operational result.

### Intermediation segment

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

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	March- 2024				March- 2023				March- 2024	March- 2023
	Total, of which:	Intermediation	Trading	Unallocated	Total, of which:	Intermediation	Trading	Unallocated	Total reportable segments	Total reportable segments
Income from intermediation	2,098,659	2,098,659	-	-	1,271,665	1,271,665	-	-	2,098,659	1,271,665
Income from market making activity	2,838,849	-	2,838,849	-	2,460,061	-	2,460,061	-	2,838,849	2,460,061
Other income core business	2,060,840	2,060,840	-	-	1,067,390	-	-	1,067,390	2,060,840	1,067,390
Net realised gains/(losses) on financial instruments	144,473	-	144,473	-	280,715	-	280,715	-	144,473	280,715
Net gains/(losses) on valuation of financial assets at fair value through profit or loss	(2,241,062)	-	(2,241,062)	-	2,285,911	-	2,285,911	-	(2,241,062)	2,285,911
Net income/(expense) on provisions for non-current financial assets	-	-	-	-	-	-	-	-	-	-
Other net interest and exchange rate income/(expense)	(607,433)	-	(607,433)	-	(1,015,790)	-	(1,015,790)	-	(607,433)	(1,015,790)
Net income/(expense) from provisions for risks and charges	221,417	-	-	221,417	77,075	-	-	77,075	221,417	77,075
Other net income/(expenses)	(59,713)	-	-	(59,713)	28,570	-	-	28,570	(59,713)	28,570
Salaries and employee benefits expense	(2,128,358)	(984,139)	(353,455)	(790,764)	(2,043,409)	(571,915)	(672,984)	(798,510)	(2,128,358)	(2,043,409)
Expenses market commissions and intermediaries	(324,469)	-	(279,781)	(44,688)	(445,797)	-	(345,396)	(100,401)	(324,469)	(445,797)
Commission expenses Intermediaries	(626,041)	(626,041)	-	-	(362,080)	(362,080)	-	-	(626,041)	(362,080)
Expenses with licences and issuance of structured products	(136,236)	-	(136,236)	-	(45,504)	-	(45,504)	-	(136,236)	(45,504)
External benefits expenses	(568,882)	(68,517)	(253,734)	(246,631)	(777,834)	(41,756)	(299,025)	(437,054)	(568,882)	(777,834)
Expenses with collaborators	(124,448)	(124,448)	-	-	(32,918)	(32,918)	-	-	(124,448)	(32,918)
Other core business expenses	(255,537)	(59,925)	(33,362)	(162,250)	(315,965)	(60,799)	(85,173)	(169,993)	(255,537)	(315,965)
Value adjustments of intangible and tangible assets	(229,760)	-	-	(229,760)	(215,777)	-	-	(215,777)	(229,760)	(215,777)
Other long-term employee benefits expense	-	-	-	-	(261,698)	-	-	(261,698)	-	(261,698)
<b>Total explained:</b>	<b>62,299</b>	<b>2,296,429</b>	<b>(921,741)</b>	<b>(1,312,389)</b>	<b>1,954,615</b>	<b>202,197</b>	<b>2,562,815</b>	<b>(810,398)</b>	<b>62,299</b>	<b>1,954,615</b>
<b>Reportable segment profit before tax</b>	<b>62,299</b>	<b>2,296,429</b>	<b>(921,741)</b>	<b>(1,312,389)</b>	<b>1,954,615</b>	<b>202,197</b>	<b>2,562,815</b>	<b>(810,398)</b>	<b>1,954,615</b>	<b>1,954,615</b>
Income tax	-	-	-	-	-	-	-	-	-	-
<b>Reportable segment assets, of which:</b>	<b>187,554,223</b>	<b>92,445,699</b>	<b>85,262,796</b>	<b>-</b>	<b>160,412,812</b>	<b>52,401,763</b>	<b>99,205,416</b>	<b>-</b>	<b>187,554,223</b>	<b>160,412,812</b>
- Intangible assets	269,485	-	-	269,485	306,514	-	-	306,514	269,485	306,514

- Property, plant and equipment	9,576,243	-	-	9,576,243	8,499,119	-	-	8,499,119	<b>9,576,243</b>	<b>8,499,119</b>
- Investment property	-	-	-	-	-	-	-	-	-	-
- Financial investments	72,936,125	-	72,936,125	-	91,929,699	-	91,929,699	-	<b>72,936,125</b>	<b>91,929,699</b>
Loans and advances granted	9,313,222		9,313,222		3,957,226		3,957,226		<b>9,313,222</b>	<b>3,957,226</b>
- Trade and other receivables	2,907,625	-	2,907,625	-	2,079,882	-	2,079,882	-	<b>2,907,625</b>	<b>2,079,882</b>
- Cash and cash equivalents	92,551,523	92,445,699	105,824	-	53,640,372	52,401,763	1,238,609	-	<b>92,551,523</b>	<b>53,640,372</b>
Debts of the reportable segment, of which:	187,377,436	139,685,153	10,058,190	37,634,093	153,075,924	98,199,324	16,477,633	38,398,967	<b>187,377,436</b>	<b>153,075,924</b>
- amounts due from customers	139,685,153	139,685,153	-	-	98,199,324	98,199,324	-	-	139,685,153	98,199,324

## INCOME FROM INTERMEDIATION

In lei

	Ongoing activities		Discontinued activities		Total	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Commission income on the domestic market	1.690.664	903.781	-	-	1.690.664	903.781
Commission income on external market	261.299	236.065	-	-	261.299	236.065
Income from related activities	103.173	91.254	-	-	103.173	91.254
<b>Subtotal commission income from intermediation and related activities</b>	<b>2.055.136</b>	<b>1.231.100</b>	-	-	<b>2.055.136</b>	<b>1.231.100</b>
Income from corporate operations	43.523	40.565	-	-	43.523	40.565
Other intermediation income	2.060.840	1.067.390	-	-	1.067.390	1.067.390
<b>Total income</b>	<b>4.159.499</b>	<b>2.339.055</b>	-	-	<b>4.159.499</b>	<b>2.339.055</b>

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-24	31-Mar-23
Income from continuing operations	6,998,348	4,799,116
Result from operating activities	2,604,617	559,832
Result for the period	62,299	1,954,615
Total comprehensive income for the period	(6,377,049)	1,214,773

Financial position (Ron)	31-Mar-24	31-Dec-23
Fixed assets	44,231,680	52,835,902
Current assets	199,771,718	162,462,573
Equity	56,625,962	62,222,551
Long-term liabilities	24,881,273	24,825,154
Current liabilities	162,496,163	128,250,770

Indicators per share	31-Mar-24	31-Mar-23
Net earnings per share (Ron/share)	0.0002	0.0058
Net book assets (Ron/share)	0.1678	0.1844

Economic and financial indicators	31-Mar-24	31-Dec-23
Current liquidity	1.23	1.27
Debt ratio	0.60	2.46
Turnover rate of fixed assets	0.09	0.09



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