

# Individual financial statements

## Q1 2021

## MESSAGE FROM THE BOARD



### Dear shareholders,

Today we publish the financial statements for the first quarter (unaudited) of 2021 and we will continue the

tradition of reviewing the key aspects of this period through this letter, and we invite you to take part in the teleconference on 21.04.2021, in which we will present these results and we will be happy to answer your questions.

**We report a net profit of RON 10.7M**, significantly exceeding the line of previous quarters (Q3 / 2020, Q4 / 2020), when we reported a profit of approximately RON 4M / quarter. To this amount add the value of **RON 6.7M<sup>1</sup>** representing the revaluation of the package of shares held in Firebyte Games SA with the mention that the revaluation of the participations in subsidiaries does not impact the profit and loss account but only the value of the equity, which increased from **68.6M (Q4/2020) la 86.1M**. In the following lines we will briefly present the evolution of the main activity segments.

**The intermediation segment** generated an income of RON 2.52M, registering an aggregate increase of 20% compared to the similar period of last year (Q1 2020: RON 2.06M). The trading sub-segment on the domestic market contributed the most to this increase - the domestic turnovers reached the value of RON 246M, increasing by 50% compared to the turnovers from the first quarter of the previous year (RON 161M). In fact, the positive evolution is also confirmed by the positioning in the top of intermediaries, where we rank on the 6th place, with a jump of one position in the top of intermediaries.

**The activity of market making and issuing structured products** brought us a net income of RON 1.44M (increasing by 15% compared to Q1 / 2020-



RON 1.24M and the first position in each month of this beginning of the year, in the top of the most active intermediaries on the structured products segment, where the intermediated turnover (RON 108M) is double compared to the turnover recorded in the first quarter of the previous year (RON 52.2M), having as direct effect the increase of the market share, of at 19% in Q1 / 2020 to 28% in Q1 / 2021. The income recorded from the contracts with issuers regarding the issuer's market making service also contributes to this result.

**Own-account transactions** (including listed stock and bond transactions, domestic stock market-making transactions, interest income, coupons and dividends, exchange rate differences, interest expense, and market positioning of portfolio positions (in general, the operations that associated the market risk) registered a result of **+ RON 10.97M** compared to a loss of RON 4.75M in the first quarter of last year.

In addition to the financial results, we point to the fulfillment of the following non-financial objectives during this quarter: (i) the materialization of efforts to improve investor communication, so that BRK obtained a score of 9 out of 10 on the Vektor index calculated and published by ARIR (ii) policy adoption sustainability and concerns in the direction of incorporating environmental, social and governance factors ("ESG") in the decision-making and investment process and (iii) investments in the digitization of internal processes (iv) launch of the product "Investment account for children" as part of efforts BRK to contribute to financial education and the growth of the future investment community in Romania.

**Robert Danila**  
Chairman

**Monica Ivan**  
CEO

<sup>1</sup> We mention (to avoid any doubt) that: (i) we used as reference price, the value of 0.56 lei / share, given the fact that Firebyte Games was listed after 31/03/2021 (ii) the revaluation refers to the individual holding of BRK Financial Group, and not to the holding of the Group (BRK Financial Group + SAI Broker).

**Consolidated Statement of Financial Position as of December 31 2020**

<i>-RON</i>	<b>31.03.2021</b>	<b>31.12.2020</b>
<b>Assets</b>		
Intangible assets	539,737	600,354
Tangible assets	8,582,388	8,019,937
Real estate investments	-	-
Financial assets measured at fair value through other comprehensive income	30,629,548	-
Financial assets measured at fair value through profit or loss	40,682,272	48,761,259
Financial assets at amortized cost	-	-
Loans and advances granted	7,591,483	7,772,861
Trade and other receivables	1,326,962	914,854
Other financial assets	45,661,262	72,450,030
Client bank accounts	57,695,082	51,746,125
Cash and cash equivalents	2,836,004	
<b>Total assets</b>	<b>195,544,737</b>	<b>195,197,016</b>
<b>Liabilities</b>		
Financial leasing liabilities		
Provisions		
<b>Total long-term liabilities</b>		<b>0</b>
Short-term bank liabilities	-	2,443,700
Current part of financial leasing liabilities	-	0
Amounts due to customers	93,521,603	111,752,738
Trade and other payables	15,720,128	12,109,024
Provisions	223,127	246,033
<b>Total current liabilities</b>	<b>109,464,858</b>	<b>126,551,495</b>
<b>Total liabilities</b>	<b>109,464,858</b>	<b>126,551,495</b>
<b>Equity</b>		
Share capital	54,039,987	54,039,987
Share capital adjustment	4,071,591	4,071,591
Treasury shares	(24,047)	(24,047)
Share premiums	5,355	5,355
Reserves from the revaluation of financial assets valued at fair value through other elements of the overall result	6,698,296	0
Other reserves	13,587,807	13,715,384
Total reserves	20,286,102	13,715,384
Current result	10,736,005	1,879,074
Reported result	(3,035,114)	(5,041,822)
<b>Total equity attributable to the Company's shareholders</b>	<b>86,079,879</b>	<b>68,645,521</b>
<b>Total equity and liabilities</b>	<b>195,544,737</b>	<b>195,197,016</b>

Robert Daniłă  
Chairman of the Board

Monica Ivan  
CEO

Sandu Pali  
Economic Director

**Income statement as of March 31 2021**

	<b>31.03.2021</b>	<b>31.12.2020</b>
<b>Income from continuing operations</b>		
<b>Intermediation</b>	<b><u>2,516,083</u></b>	<b><u>2,063,914</u></b>
Fee and commission income	2,126,638	1,587,512
Corporate income	175,512	228,272
Other intermediation income	213,933	248,129
<b>Income from Market Making</b>	<b><u>1,443,951</u></b>	<b><u>1,244,844</u></b>
Net gains from transactions	1,015,059	1,142,590
Other MM income	428,892	102,254
<b>Other income from continuing operations</b>	<b><u>13,492</u></b>	<b><u>31,040</u></b>
Salaries and employee benefits	(1,319,591)	(947,355)
Fee and commission expenses	(918,670)	(538,247)
Expenses with external benefits	(531,177)	(674,214)
Expenses related to third parties	(135,702)	(80,504)
Other expenses related to continuing operations	(228,052)	(256,542)
Adjustments related to tangible and intangible assets	(231,111)	(227,589)
<b>Profit / (loss) from continuing operations</b>	<b><u>609,224</u></b>	<b><u>615,346</u></b>
<b>Net gains/(losses) from financial instruments</b>	<b><u>1,672,069</u></b>	<b><u>(938,421)</u></b>
Dividend income	76,417	1,621,795
Income from trading with shares and bonds	1,859,480	456,934
Loss from trading with shares and bonds	(263,828)	(3,017,150)
<b>Net gain/(loss) from financial assets at fair value through profit or loss</b>	<b><u>8,286,207</u></b>	<b><u>(5,011,235)</u></b>
Income from financial assets at fair value through profit or loss	9,745,422	2,332,594
Loss from financial assets at fair value through profit or loss	(1,459,215)	(7,343,829)
<b>Net gain/(expense) from provisions related to financial instruments</b>	<b><u>(15,000)</u></b>	<b><u>462,999</u></b>
Income from the cancellation of provisions	300,000	2,366,249
Expenses related to provisions	(315,000)	(1,903,250)
<b>Other net income / (expenses) from interest and exchange rate differences</b>	<b><u>408,051</u></b>	<b><u>215,579</u></b>
Interest income on loans and bonds	88,644	153,863
Interest income from margin loans	62,894	77,587
Other interest income	6,680	34,680
Interest expenses	(21,904)	(80,479)
(Expenses) / Income differences exchange rate	271,737	29,928
<b>Net gain/(expense) from provisions related to risk</b>	<b><u>30,513</u></b>	<b><u>600</u></b>
Expenses with provisions for risks and expenses	-	-
Provisional cancellation income for risks and expenses	7,608	600
Other net provisions	22,906	-

<b>Other net income / (expenses)</b>	<b>(16,747)</b>	<b>(96,056)</b>
Net gains / (losses) from the sale of assets	7,373	(88,389)
Other operating expenses	(49,840)	(24,127)
Other operating income	25,720	16,460
<b>Result of operating activities</b>	<b>10,974,317</b>	<b>(4,751,189)</b>
Profit before tax	10,974,317	(4,751,189)
Income tax expense	(238,312)	0
Profit from continuous activities	10,736,005	(4,751,189)
Discontinued activities		0
Loss of discontinued operations (after tax)		0
<b>Profit for the period</b>	<b>10,736,005</b>	<b>(4,751,189)</b>
<b>Statement of comprehensive income</b>		
<b>Reported as of March 31, 2021</b>		
<b>Other elements of comprehensive income</b>		
Net change in the fair value of financial assets measured at fair value through other comprehensive income (FVTOCI) that can be transferred to the income statement	6,698,296	-
<b>Positions that can be reclassified to profit and loss</b>		
Net change in the fair value of financial assets measured at fair value through other comprehensive income (FVTOCI)	-	-
Free shares received classified as financial assets measured at fair value through other comprehensive income (FVTOCI)	-	-
Changes in the value of fixed assets available for sale	-	-
<b>Positions that cannot be reclassified to profit and loss</b>		
Changes in the value of fixed assets used	-	-
Changes in the value of real estate investments	-	-
Establishment / cancellation of profit reserves for granting free shares to employees	-	-
Tax related to other elements of the overall result	-	-
<b>Total other elements of the overall result for the period</b>	<b>6,698,296</b>	<b>-</b>
<b>Total profit and loss account and other elements of the overall result for the period</b>	<b>17,434,300</b>	<b>(4,751,189)</b>
<b>Earnings per share</b>		
Basic earnings per share (RON)	0.0318	(0.0141)
Diluted earnings per share (RON)		
<b>31.03.2021</b>		
Weighted average number of shares in the balance:	337,749,919	337,749,919

Robert Danilă  
Chairman of the Board

Monica Ivan  
CEO

Sandu Pali  
Economic Director



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