



Preliminary Report

At 31 december 2019

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

www.brk.ro



TABLE OF CONTENTS

Identification data	03
<hr/>	
Key indicators	04
<hr/>	
General information about entity	05
<hr/>	
President of the Board's message	06
<hr/>	
Separate statement of financial position	07
<hr/>	
Separate statement of comprehensive income	08
<hr/>	

Identification data

Legal name	SSIF BRK FINANCIAL GROUP S.A.
Field of activity	Security and commodity contracts brokerage
NACE	Code 6612
Tax Identification Number	6738423
Registered in the Trade Reg under no.	J12/3038/1994
Headquarters Address	119 Motilor Street, Cluj-Napoca
Telephone, Fax	0364-401709, 0364-401710
Email	office@brk.ro
Webpage	www.brk.ro
Securities	337.749.919
Regulated market	Ordinary shares with a par value of 0.16 Ron/share Bucharest Stock Exchange, Main Segment, Premium Tier BSE
Symbol	BRK
ISIN	ROBRKOACNOR0
Audit	The interim financial statements on December 31, 2019 that are basis of this report have not been audited.

Key indicators

Key indicators	Evolution		
Financial result (Ron)	31-Dec-19	31-Dec-18	%
Revenue from continuing activities	21,416,528	7,757,230	176.08%
Gross operational profit/ loss	8,168,646	(2,804,699)	N/A
Gross profit / loss of the period	8,168,646	(2,804,699)	N/A
Total comprehensive income of the period	8,168,646	(2,804,699)	N/A
Financial position (Ron)	31-Dec-19	31-Dec-18	%
Tangible asset	7,770,695	8,937,825	-13.06%
Current asset	136,918,741	97,611,874	42.43%
Equity	144,689,436	106,549,699	35.80%
Non-current liabilities	64,429,054	54,260,407	14.52%
Current liabilities	-	37,176	-100%
Tangible asset	80,260,382	50,252,115	60.00%
Share indicators	31-Dec-19	31-Dec-18	%
Earnings per share- EPS (Ron/share)	0.0242	(0.0083)	N/A
Net asset value - NAV (Ron/Share)	0.1908	0.1666	18.26%
Economic and financial indicators	31-Dec-19	31-Dec-18	%
Current ratio	1.71	1.94	-10.83%
Gearing ratio	1.25	0.89	34.96%
Non-current assets turnover	2.76	0.87	248.75%

General information about company

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 some 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. Thus, on 21.03.2016, the operation of changing the name was finalized, after the publication of the EGMS decision of 16.12.2015 in the Official Gazette of Romania no. 226, Part IV, on 15.01.2016. The ASF authorization for the name change was received on 24.02.2016.

The head office of the company is located in Cluj-Napoca, while the presence at national level is ensured through the agencies in Bucharest, Timisoara, Iasi and Suceava.

SSIF BRK Financial Group S.A. is a founding member of the Bucharest Stock Exchange, the Romanian Commodity Exchange, and the Investor Compensation Fund

The main activity of the company is the intermediation of financial transactions, BRK being one of the largest brokerage companies in Romania. The company offers a wide range of financial services, intended for both retail and institutional customers. The intermediation of the transactions on the Bucharest Stock Exchange as well as those on other international markets is still one of the main sources of income for the company. Along with the services for the clients, the management of their own portfolio of financial assets contributes to the results of the SSIF BRK Financial Group S.A.

The investments are made both on the Romanian territory and on international markets, both in premium companies listed on regulated markets and in private companies. Thus, SSIF BRK Financial Group S.A. he became a significant shareholder in several Romanian companies, being actively involved in their development. In 2005, BRK Financial Group became the first and, to date, the only financial investment services company listed on the Bucharest Stock Exchange, in the Premium category.

SSIF BRK Financial Group S.A. shares 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 on the premium category of the Bucharest Stock Exchange and are included in the composition of the BET Plus index.

President of the Board's message

Dear shareholders,

BRK Financial Group SA ended a productive year from the perspective of repositioning the company for the future and outlining a unique identity in the Romanian financial market.

The strategy of the company adopted by the General Shareholders Meeting in April 2019 stated that our main orientation is that of an investment company concerned with a high level of performance of its equity, in three strategic directions: investments in innovative technology and IT, the issuance of structured products on the capital markets of Eastern Europe, as well as own investments on regulated markets.

On a secondary level, BRK is obliged to its clients and shareholders to consolidate its position as a top broker in the retail segment, continuing the strategy to become a complete financial 'hypermarket', with brokerage services, portfolio management, corporate finance consultancy and any other investment services created to meet the market needs.

2019 brought the redefinition of the organizational structure in relation to the strategy adopted, by configuring two distinct productive departments, each having experienced management but also the benefits of young and ambitious staff, as well as by reconfiguring the company's IT strategy, oriented towards stable and reliable IT systems.

The result of the ended financial year gives us the confidence that the new positioning of the company was beneficial and on time.

We expect that during 2020 we will complete the restructuring and reconfiguration process, which has as a secondary purpose the reduction and control of fixed operating costs and to realize a significant diversification of the sources of income, so that BRK Financial Group will be a company prepared at any time to face major external risks and, especially, to obtain maximum benefits from future opportunities.

Nicolae Gherguş
Chairman of the Board

**Separate statement of financial position as at
December 31, 2019**

<i>In LEI</i>	31.12.2019	31.12.2018
Assets		
Intangible assets	1,213,729	1,858,723
Tangible assets	5,887,007	6,160,916
Investment property	669,959	918,186
Financial assets at fair value through other comprehensive income	44,662,512	44,718,868
Loans and advances granted	-	5,416,511
Trade and other receivables	14,752,733	722,343
Other financial assets	1,159,937	12,267,062
Bank account for clients	24,773,064	31,750,494
Cash and cash equivalents	53,627,208	2,191,875
Assets classified as held for sale	781,146	544,721
Total assets	144,689,436	106,549,699
Liabilities		
Financial lease liabilities	-	37,176
Provisions	-	-
Total non-current liabilities	-	37,176
Short-term bank liabilities	4,187,543	4,991,870
Current portion of finance lease liabilities	28,640	37,125
Amounts payable to clients (clients' available funds)	60,945,094	35,942,908
Trade and other payables	12,296,557	9,130,964
Provisions	2,802,547	149,249
Total current liabilities	80,260,382	50,252,115
Total liabilities	80,260,382	50,289,292
Equity		
Share capital	54,039,987	54,039,987
Adjustment of share capital	4,071,591	4,071,591
Own shares	(24,047)	(24,047)
Share premiums	5,355	5,355
Reserves from the revaluation of available-for-sale financial assets	0	0
Other reserves	10,860,687	10,860,687
Total reserves	-	-
Current result	8,168,646	(2,804,699)
Retained earnings	(12,693,166)	(9,888,466)
Total equity attributable to Company's shareholders	64,429,054	56,260,407
Total liabilities and equity	144,689,436	99,024,275

These financial statements were approved today, February 26, 2020.

**Chairman of the BoA,
Nicolae Gherguş**

**Accounting Department:
Sandu Pali**

**Separate statement of comprehensive income
Reporting as at December 31, 2019**

in Lei

Continued operations

	31.12.2019	31.12.2018
Revenues from commissions and related activities	2,964,386	3,151,295
Net finance gains other than dividends, :	13,678,832	2,162,486
Net finance gains on transactions with shares and bonds	4,743,685	(1,604,123)
Net finance gains on transactions with Turbo products	1,122,551	1,761,567
Net gains on financial assets measured at fair value through profit or loss, unrealised	7,812,595	2,005,042
Financial revenues from dividends	1,422,354	338,370
Financial interest revenues	2,308,210	1,478,985
Income from rentals	23,690	11,652
Net gain on the disposal/decommissioning of property investment	11,835	-
Net gain on the disposal/decommissioning of non-current assets	98,558	-
Other revenues	840,839	302,614
Revenues from write-off of provisions for risks and charges	58,702	300,933
Total revenues from continued operations	21,416,528	10,205,859
Expenses with employees and collaborators	(4,861,666)	(4,230,034)
Other operating expenses	(459,708)	(411,027)
Expenses with raw materials and consumables	(174,057)	(111,934)
Expenses with power and water	(131,454)	(109,187)
Expenses with taxes and levies	(154,197)	(189,905)
Expenses with suppliers' services	(3,757,994)	(3,688,786)
Value adjustments of intangible and tangible assets	(982,845)	(1,052,256)
Expenses with allowances for risks and charges	(2,712,000)	-
Expenses with interest	(374,004)	(194,491)
Net finance losses	-	-
Impairment of investments	-	-
Net loss on the disposal/decommissioning of non-current assets	-	(179)
Impairment of receivables	-	(126,464)
Total expenses	(13,247,882)	(10,561,931)
Expenses with provisions for risks and charges	-	-
Result of operating activities	8,168,646	(2,804,699)
Profit before tax	8,168,646	(2,804,699)
Expenses with income tax	-	-
Profit from continued operations	8,168,646	(2,804,699)
Interrupted activities	8,168,646	-
Profit from interrupted activities	-	-
Profit for the period	-	(2,804,699)

<i>In LEI</i>	31.12.2019	31.12.2018
Other comprehensive income		
Net changes in the fair value of available-for-sale financial assets transferred to profit or loss	-	-
Net changes in the fair value of available-for-sale financial assets		
Free shares collected, classified as available-for-sale	-	-
Changes in the value of available-for-sale assets	-	-
Items that cannot be restated to profit or loss	-	
Changes in the value of used non-current assets		
Changes in the value of investment property		-
Set-up/write-off of profit for the allocation of free shares to employees	-	-
Tax on other comprehensive income	-	
Total other comprehensive income for the period		-
Total profit or loss and other comprehensive income for the period	-	(2,804,699)
	8,168,646	
		31.12.2018
	31.12.2019	
Profit attributable to:		
Company's owners		(2,804,699)
Non-controlling interests	8,168,646	-
Profit for the period	0	(2,804,699)
Total comprehensive income attributable to:	8,168,646	
Company's owners		(2,804,699)
Non-controlling interests	8,168,646	-
	0	
Total comprehensive income for the period		(2,804,699)
Earnings per share	8,168,646	
Basic earnings per share (lei)		(0.083)
Diluted earnings per share (lei)		(0.083)
	0.0242	
Continued operations	0.0242	
Basic earnings per share (lei)	0.0242	(0.083)
Diluted earnings per share (lei)	0.0242	(0.083)
Weighted average number of outstanding shares:	337,749,919	337,749,919

These financial statements were approved today, February 26, 2020.

**Chairman of the BoA,
Nicolae Ghergus**

**Accounting Department:
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