



31.12.2023



Preliminary Financial Statements 2023

Individual and Consolidated

Management message



Dear shareholders,

BRK Financial Group today publishes preliminary financial results for 2023 and reports a profit from core business of RON 6.3 million (2022: RON 2.57 million), a negative result from investment activity of RON -5.3 million (2022: RON -16.1 million), and a net profit of RON 376k (2022: -13.6 million RON). Referring to the fourth quarter of 2023, we had a result from the core business of +2.52 million RON, cancelled out by the result from the investment activity (-2.47 million RON). In the following we will briefly explain the main developments at business segment level.

Total revenues from core business are RON 23.5 million, up 22% from 2022 revenues (RON 19.1 million), supported in general by an increase in **intermediation segment revenues** from RON 11 million in 2022 to **RON 15.2 million in 2023** (+37%). **Market-making segment revenues** stagnated (RON 8.3 million in 2023 vs. RON 8.2 million in 2022), but with diverging developments of the 2 sub-segments: we report a 25% increase from RON 4.8 to 6 million in revenues from market-making services provided to issuers, and a 30% decrease in net gains from transactions with structured products. Core business expenses are RON 14.4 million, a residual increase (+3.7%) compared to the amount recorded in 2022 (RON 14 million).

In terms of the traditional business segment - transaction brokerage, in 2023 we brokered transactions worth RON 2.23 billion, an increase of 17% compared to the amount brokered in 2022 (RON 1.9 billion). In terms of market share, it was 4.5% at the end of 2023, but the value was heavily diluted by the incidence of the Hidroelectrica IPO, where significant turnovers were brokered by brokers specialized in the institutional client segment. Averaging monthly market shares, BRK Financial Group's market share would be 6.8%. In the Structured Products Issuer and Liquidity Provision and Market Making for Issuers segments respectively, BRK Financial Group maintains its market leadership position with market shares of 38.1% and 60.7% respectively.

The result of the investment activity consists of a loss of RON 5.3 million (2022: + RON 16.1 million) mainly composed of interest expenses (RON 4.14 million) and expenses on provisions for loans to subsidiaries (RON -2 million). Gains from trading financial instruments were RON 1.3 million (vs RON -640k in 2022), offset by the result of the revaluation (mark-to-market) of portfolio holdings of RON -1.3 million (2022: RON -10.7 million).

Please note that for four of the company's qualifying holdings we have not yet received independent valuation reports and as such the value of these holdings from the last valuation report has been taken into account. For clarity, these items are measured at fair value through other comprehensive income (FVTOCI), so any changes in value, will impact equity.

Thank you for your trust!

Monica IVAN,
CEO

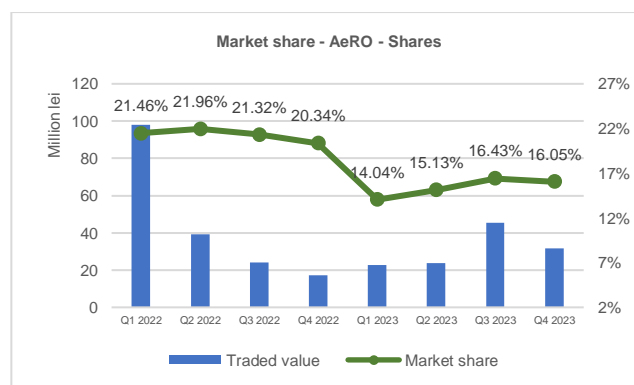
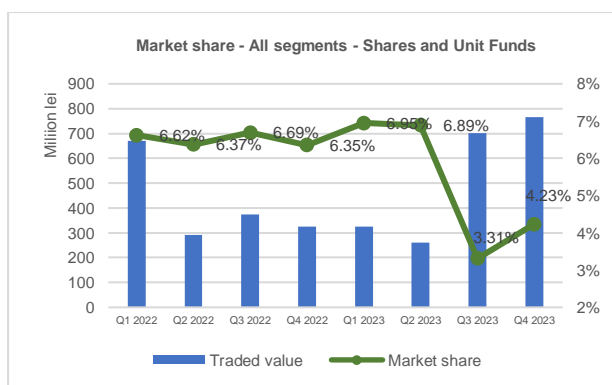
IDENTIFICATION DATA

Report date	December 31, 2023
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 Motilor Street, Cluj-Napoca, Romania
Telephone/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
Symbol BSE	BRK
ISIN	ROBRKOACNOR0
Audit	The financial statements as at 31 December 2023 are unaudited

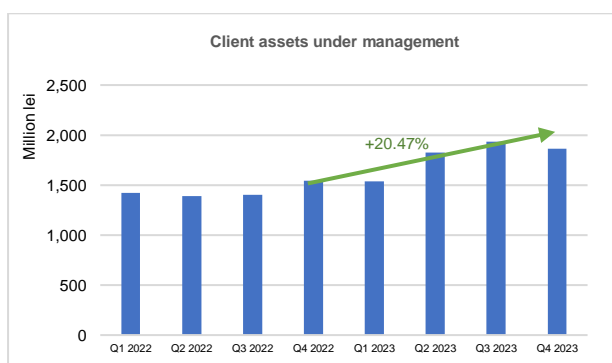
BRK- OVERVIEW

INTERMEDIATION ACTIVITY

MARKET SHARE



CLIENT ASSETS UNDER MANAGEMENT

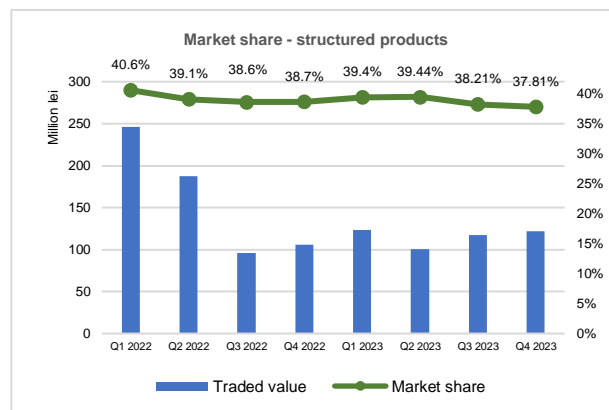
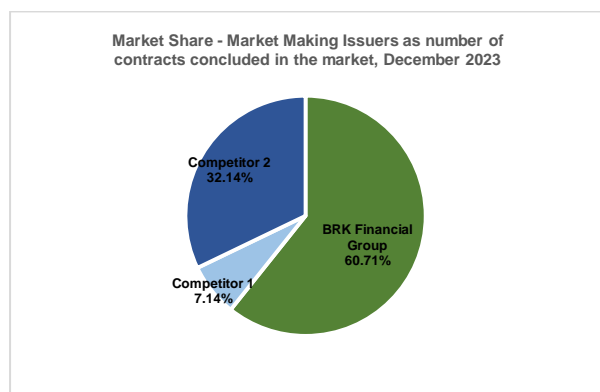


RESULT OF INTERMEDIATION ACTIVITY

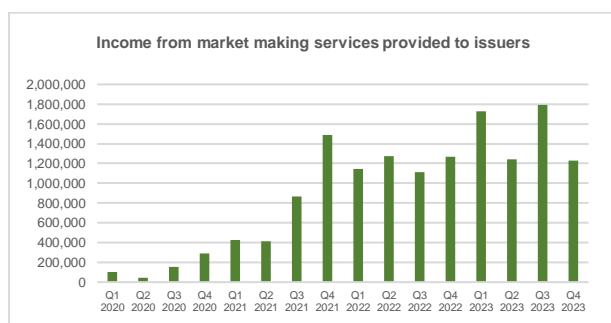
	31.12.2023	31.12.2022
Commission income on the domestic market	7,015,077	5,471,767
Commission income on external market	730,728	955,393
Income from related activities	501,206	799,968
Brokerage commission income	8,247,011	7,227,128
Income from corporate operations	765,320	475,849
Other intermediation income	6,107,406	3,306,174
Total income from intermediation	15,119,737	11,009,151
Salaries and employee benefits	(2,997,049)	(2,658,067)
Market and intermediary commission expenses	(2,641,945)	(2,168,419)
Expenditure on external services	(136,350)	(311,158)
Expenses with collaborators	(336,784)	(215,802)
Other expenses core business	(327,168)	(790,111)
Total intermediation expenses	(6,439,296)	(6,143,557)
Result of intermediation activity	8,680,441	4,865,594

MARKET MAKING AND PORTFOLIO MANAGEMENT ACTIVITIES

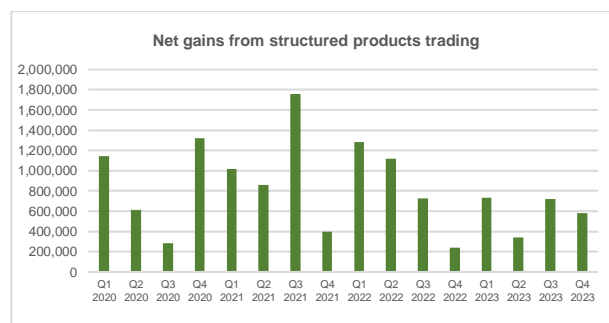
MARKET SHARE



INCOME FROM MARKET MAKING ACTIVITIES



NET GAINS FROM STRUCTURED PRODUCTS TRADING



THE RESULT OF MARKET MAKING ACTIVITY

	31.12.2023	31.12.2022
Net gains from transactions in structured products	2,379,240	3,373,723
Income from market making services provided to issuers	5,991,409	4,801,010
Total income from market making activity	8,370,649	8,174,733
Salaries and employee benefits	(1,885,373)	(1,021,280)
Market and intermediary commission expenses	(103,897)	(1,023,857)
External benefits expenses	(426,555)	(233,751)
Expenses with collaborators	-	-
Other expenses core activity	(290,456)	(297,975)
Total Market Making expenditure	(2,706,281)	(2,576,864)
Result of Market Making activity	5,664,368	5,597,869

THE RESULT OF OWN PORTFOLIO MANAGEMENT ACTIVITY

	31.12.2023	31.12.2022
Dividend income	605.066	1,732,562
Net realised gains/(losses) on financial instruments	697.915	(2,372,805)
Net gains/(losses) on valuation of financial assets measured at fair value through profit and loss	(1.361.379)	(10,689,111)
Net income/(expense) on provisions for non-current financial assets	(2.000.000)	(1,733,375)
Other net interest and exchange rate income/(expense)	(3.386.828)	(3,382,474)
Other net income/(expenses)	145.815	(195,056)
Net income/(expense) from provisions for risks and charges	(35.746)	500,186
Result of portfolio management activity	(5.335.157)	(16,140,073)

INDIVIDUAL STATEMENT OF PRELIMINARY FINANCIAL POSITION AS OF 31.12.2023

<i>In RON</i>	31.12.2023	31.12.2022
Assets		
Intangible assets	260.945	351.065
Tangible fixed assets	9.572.269	8.658.073
Financial assets at fair value through other comprehensive income	39.957.094	44.770.110
Financial assets at fair value through profit or loss	43.460.459	47.098.012
Loans and advances granted	8.461.283	4.143.848
Trade and other receivables	2.966.389	1.923.530
Other financial assets	65.881.616	68.220.116
Customer accounts with banks	107.453.100	50.505.061
Cash and cash equivalents	696.225	1.424.003
Total assets	278.709.380	227.093.818
Liabilities		
Borrowing from Bonds	24.560.706	24.432.138
Finance lease liabilities	244.825	457.273
Provisions	-	-
Total long-term liabilities	24.805.531	24.889.411
Interest Rates Bonds	420.921	322.708
Deferred income tax liabilities	558.190	978.691
Current income tax liabilities	-	-
Dividends payable	365.271	365.271
Short-term bank debt	19.347.583	20.329.411
Current portion of finance lease liabilities	236.422	166.638
Amounts owed to customers (customer cash)	162.415.869	104.770.215
Trade and other payables	11.086.629	14.003.511
Provisions	557.628	521.882
Total current liabilities	195.028.441	141.458.327
Total liabilities	219.833.972	166.915.600
Equity capital		
Share capital	50.614.493	50.614.493
Share capital adjustment	4.071.591	-
Treasury shares	-	(1.285.077)
Benefits to be granted to employees, directors and officers in the form of equity instruments	-	697.762
Capital premiums	5.355	5.355
Reserves from revaluation of financial assets at fair value through other comprehensive income	(11.641.867)	-
Other reserves	15.401.059	13.501.013
Total reserves	3.759.192	6.680.773
Current result	376.115	(15.161.073)
Retained earnings	95.637	15.122.256
Total equity attributable to equity holders of the Company	58.683.427	60.746.080
Total equity and liabilities	278.517.399	227.093.818

INDIVIDUAL STATEMENT OF PRELIMINARY COMPREHENSIVE INCOME AS OF 31.12.2023

	31.12.2023	31.12.2022
Income basic activity	<u>23.490.386</u>	<u>19.183.884</u>
Income from intermediation activity	<u>15.119.737</u>	<u>11.009.151</u>
Intermediation commission income	8.247.011	7.227.128
Corporate income	765.320	475.849
Other core business income	6.107.406	3.306.174
Commission expenses Intermediation	(2.352.649)	(2.168.419)
Net commission income	12.767.088	8.840.732
Income from market making activity	<u>8.370.649</u>	<u>8.174.733</u>
Net trading income	2.379.240	3.373.723
Income from market making services provided to issuers	5.991.409	4.801.010
Expenses with licenses and issuance of structured products	(410.315)	(483.478)
Net income from market making activity	7.960.334	7.691.255
Total Expenditure core activity of which:	(14.428.835)	(13.957.858)
Salaries and employee benefits	(8.037.549)	(7.100.102)
Market and intermediary commission expenses	(1.452.667)	(1.157.887)
Expenses related to external benefits	(2.377.622)	(2.581.734)
Expenses with collaborators	(336.784)	(215.802)
Other expenses core activity	(1.346.191)	(1.974.302)
Value adjustments of intangible and tangible assets	(878.022)	(928.031)
Profit/(loss) from basic activity	<u>6.298.587</u>	<u>2.574.129</u>
Net realised gains/(losses) on financial instruments	<u>1.302.981</u>	<u>(640.243)</u>
Dividend income	605.066	1.732.562
Income from realised share and bond transactions	3.404.344	2.408.907
Losses on realised share and bond transactions	(2.706.429)	(4.781.712)
Net gains/(losses) on valuation of financial assets measured at fair value through profit and loss	<u>(1.361.379)</u>	<u>(10.689.111)</u>
Income from valuation of financial assets measured at fair value through profit and loss	11.788.825	8.631.294
Losses on valuation of financial assets measured at fair value through profit and loss	(13.150.204)	(19.320.405)
Net income/(expense) provisions for non-current financial assets	<u>(2.010.714)</u>	<u>(1.733.375)</u>
Income cancellation of provisions for non-current financial assets	-	-
Expenditure on provisions for non-current financial assets	(2.010.714)	(1.733.375)
Other net interest and exchange rate income/(expenses)	<u>(3.376.114)</u>	<u>(3.382.474)</u>
Interest income on loans and bonds	587.789	331.351
Interest income on margin loans	148.137	241.238
Interest income other	38.741	71.336
Interest expenses	(4.145.476)	(3.753.316)
(Expenses)/Income from exchange rate differences house	(5.305)	(273.083)

Individual statement of comprehensive income (continued)

Net income/(expenses) provisions for risks and charges	(35.746)	500.186
Expenditure on provisions for risks and charges	-	-
Income for cancellation of provisions for risks and charges	431.335	931.521
Other net provisions	(467.081)	(431.335)
Other income/(expenses), net	145.815	(195.056)
Net gains/(losses) on sale of assets	-	23.500
Other operating expenses	(62.646)	(402.951)
Other operating income	208.461	184.395
Result of investment activities	(5.335.157)	(16.140.073)
Result from operating activities	963.430	(13.565.944)
Expenditure on other long-term employee benefits	(587.315)	(1.595.131)
Profit before tax	376.115	(15.161.073)
Income tax expense	-	-
Profit from continuing operations	376.115	(15.161.073)
Discontinued operations	-	-
Loss from discontinued operations (after tax)	-	-
Profit for the period	376.115	(15.161.073)
Other comprehensive income	(5.060.583)	(6.580.260)
Net change in fair value of financial assets at fair value through other comprehensive income (FVTOCI) not transferred to profit or loss	(5.060.583)	(6.580.260)
Positions that can be reclassified to profit and loss	-	-
Net change in fair value of available-for-sale financial assets	-	-
Free shares received classified as available for sale	-	-
Changes in value of fixed assets available for sale	-	-
Items that cannot be reclassified to profit or loss	-	-
Changes in value of fixed assets used	-	-
Changes in value of investment property	-	-
Creation/renewal of reserves from profit for granting free shares to employees	-	-
Tax relating to other items of comprehensive income	-	-
Total other comprehensive income for the period	(5.060.583)	(6.580.260)
Total profit and loss account and other comprehensive income for the period	(4.684.468)	(21.741.333)
Attributable profit:	376.115	(15.161.073)
Shareholders of the Company	-	(15.161.073)
Interests without control	-	-
Profit for the period	376.115	(15.161.073)
Total attributable comprehensive income:		
Shareholders of the Company	-	-
Interests without control	-	-
Total comprehensive income for the period	376.115	(21.741.333)
Earnings per share		
Result per basic share (lei)	0.0011	(0.0449)
Diluted earnings per share (lei)	0.0011	(0.0449)
Ongoing activities		
Result per basic share (lei)	0.0011	(0.0449)
Diluted earnings per share (lei)	0.0011	(0.0449)
31.12.2023		
Weighted average number of shares outstanding:	337.429.952	337.429.952

Chairman of the Board
of Directors,
Robert Dănilă

CEO,
Monica Ivan

CFO,
Sandu Pali

PRELIMINARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31.12.2023

<i>In RON</i>	31.12.2023	31.12.2022
Assets		
Intangible assets	11.860.212	9.593.319
Goodwill	7.907.347	7.907.347
Tangible fixed assets	10.318.816	9.265.243
Financial assets at fair value through other comprehensive income	21.830.814	17.470.539
Financial assets at fair value through profit or loss	46.269.082	52.781.155
Loans and advances granted	7.451.379	1.787.182
Trade and other receivables	3.139.025	14.356.070
Other financial assets	65.675.830	58.483.263
Inventories	8.723.498	8.794.331
Bank account relating to customers	107.453.100	50.505.061
Cash and cash equivalents	9.786.138	2.750.760
Bond premiums	439.294	245.154
Total assets	300.854.535	233.939.424
Liabilities		
Borrowings from Bonds	28.000.000	28.000.000
Finance lease liabilities	547.333	84.843
Total long-term liabilities	28.547.333	28.084.843
Current income tax liabilities	-67.845	-
Deferred income tax liabilities	563.761	917.638
Prepaid income	37.189	50.313
Short-term bank debt	20.837.001	20.329.411
Current portion of finance lease liabilities	93.824	746.742
Amounts owed to customers (customer cash)	162.510.613	104.894.047
Trade and other payables	14.803.116	16.349.110
Provisions	901.144	827.930
Total current liabilities	199.678.803	144.115.191
Total liabilities	228.226.136	172.200.034
Equity capital		
Share capital	51.781.523	50.614.493
Share capital adjustment	4.071.591	4.071.591
Treasury shares	0	-1.391.444
Capital premiums	7.824.456	5.355
Subtotal capital and associated accounts	63.677.569	53.299.995
Differences from revaluation	7.087.781	5.608.237
Revaluation reserves on financial assets measured at fair value through other comprehensive income	-1.219.483	2.084.760
Other reserves	8.307.707	8.590.539
Subtotal reserves and revaluation differences	14.176.005	16.283.535
Current result for the group	-2.664.159	-20.888.003
Retained earnings	-4.774.067	7.593.547
Total equity attributable to equity holders of the company	70.415.349	56.289.074
Non-controlling interests	2.213.052	5.450.316
Total equity and liabilities	300.854.535	233.939.424

PRELIMINARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AS OF 31.12.2023

	31.12.2023	31.12.2022
Income basic activity	<u>34.575.828</u>	<u>30.798.236</u>
	<u>17.571.837</u>	<u>11.766.515</u>
Income from intermediation		
Intermediation commission income	8.350.885	7.227.128
Fund management income	2.348.226	2.925.545
Corporate income	765.320	475.849
Other core business income	6.107.406	3.306.174
Intermediary commission expenses	(2.352.649)	(2.168.419)
Net commission income	15.219.188	11.766.515
Income from market making activity	<u>8.370.649</u>	<u>8.174.733</u>
Net trading income	2.379.240	3.373.723
Income from market making services provided to issuers	5.991.409	4.801.010
Expenses with licenses and issuance of structured products	(410.315)	(483.478)
Net income from market making activity	7.960.334	7.691.255
Other income basic activity	<u>8.633.342</u>	<u>10.856.988</u>
Income from services rendered	6.835.957	7.372.853
Income from the sale of finished products and goods	(104.683)	36.078
Income from changes in stocks	54.335	(693.029)
Other income basic activity	1.847.732	4.141.086
Total Expenditure core activity of which:	<u>(27.972.056)</u>	<u>(31.044.095)</u>
Salaries and employee benefits	(13.453.591)	(12.885.747)
Market and intermediary commission expenses	(1.516.718)	(1.175.414)
Expenses related to external benefits	(6.088.253)	(8.323.255)
Expenses with collaborators	(336.784)	(418.064)
Expenses with raw materials and materials	4.743	-
Other expenses basic activity	(3.699.103)	-
Value adjustments on intangible and tangible assets	(2.882.351)	(5.895.311)
Profit/(loss) from basic activity	<u>3.840.808</u>	<u>(729.338)</u>
Net realised gains/(losses) on financial instruments	<u>1.223.367</u>	<u>(628.156)</u>
Dividend income	605.066	1.732.562
Income from realised share and bond transactions	3.445.298	3.477.661
Losses on realised share and bond transactions	(2.826.997)	(5.838.379)
Net gains/(losses) on valuation of financial assets measured at fair value through profit and loss	<u>(914.477)</u>	<u>(10.632.729)</u>
Income from valuation of financial assets measured at fair value through profit and loss	12.235.727	8.687.676
Losses on valuation of financial assets measured at fair value through profit and loss	(13.150.204)	(19.320.405)
Net income/(expense) provisions for non-current financial assets	<u>(10.714)</u>	<u>(1.233.375)</u>
Income cancellation of provisions for non-current financial assets	-	-
Expenditure on provisions for non-current financial assets	(10.714)	(1.233.375)
Other net interest and exchange rate income/(expenses)	<u>(4.281.300)</u>	<u>(3.715.025)</u>
Interest income on loans and bonds	138.547	381.309
Interest income on margin loans	148.137	241.238
Interest income other	121.287	(114.021)
Interest expenses	(4.663.952)	(3.919.888)
(Expenses)/Income from exchange rate differences house	(25.320)	(913.501)
Net income/(expenditure) provisions for risks and charges	<u>164.510</u>	<u>598.696</u>
Expenditure on provisions for risks and charges	(121.950)	(551.937)
Income for cancellation of provisions for risks and charges	753.541	1.682.888
Other net provisions	(467.081)	(532.255)
Other income/(expenses), net	<u>(3.506.464)</u>	

Net gains/(losses) on sale of assets	22.289	(1.100.149)
Income from fixed assets	2.073.511	23.500
Other operating expenses	(5.682.905)	-
Other operating income	80.642	(1.649.183)
Result of investment activities	(7.325.078)	(16.710.738)
Result from operating activities (core and financial investments)	(3.484.270)	(17.440.076)
Expenditure on other long-term employee benefits	(587.315)	(1.595.131)
Impairment of goodwill	-	(4.021.085)
Profit before tax	(4.071.585)	(23.056.292)
Income tax expense	(41.082)	(239.367)
Profit from continuing operations	(4.112.667)	(23.295.659)
Discontinued operations	-	-
Loss from discontinued operations (after tax)	-	-
Profit for the period	(4.112.667)	(23.295.659)
Other comprehensive income	(5.060.583)	-
Net change in fair value of financial assets at fair value through other comprehensive income (FVTOCI) not transferred to profit or loss	(5.060.583)	-
Positions that can be reclassified to profit and loss	-	-
Net change in fair value of available-for-sale financial assets	-	-
Free shares received classified as available for sale	-	-
Changes in value of fixed assets available for sale	-	-
Items that cannot be reclassified to profit or loss	-	-
Changes in value of fixed assets used	-	-
Changes in value of investment property	-	-
Creation/renewal of reserves from profit for granting free shares to employees	-	-
Tax relating to other items of comprehensive income	-	-
Total other comprehensive income for the period	-	-
Total profit and loss account and other comprehensive income for the period	(9.173.250)	-
Attributable profit:		(23.295.659)
Shareholders of the Company	(2.664.159)	(20.888.004)
Interests without control	(1.448.527)	(2.407.656)
Profit for the period	(4.112.686)	(23.295.660)
Total attributable comprehensive income:		
Shareholders of the Company	(7.724.742)	
Interests without control	(1.448.527)	
Total comprehensive income for the period	(9.173.269)	-
Earnings per share		
Result per basic share (lei)	(0.0079)	(0.0690)
Diluted earnings per share (lei)	(0.0079)	(0.0690)
Ongoing activities		
Result per basic share (lei)	(0.0079)	(0.0690)
Diluted earnings per share (lei)	(0.0079)	(0.0690)
31.12.2023		
Weighted average number of shares outstanding:	337.429.952	337.429.952

Chairman of the Board
of Directors,
Robert Dănilă

CEO,
Monica Ivan

CFO ,
Sandu Pali



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    BRK FINANCIAL GROUP

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