



100,57	30,35	37,29	0,52	0,2	38,46	7,13	1,94	69,93
3,79	30,35	37,29	1,93	1,4	72,54	7,13	1,94	27,18
71,73	26	36,2	1,94	1,52	78,35	37,03	19,49	16,93
25,05	26	36,2	2,02	1,75	86,63	52,37	19,49	66,67
169,88	284,56	55,7	6,2	3,97	64,03	16,76	8,81	85,64
16,74	9,33	31,85	6,2	3,97	64,03	0,2	1,19	1,06
3,8	86,89	6,82	100,57	38,89	38,67	1,4	38,46	69,78
69,94	127,51	4,42	20,27	1,95	51,45	36,11	72,54	14,8
57,35	1,2	4,42	38,4	25,9	36,11	1,52	78,35	48,35
48,4	0,84	-1,92	-8,63	11,04	44,07	1,75	86,63	48,35
8,95	58,68	-1,92	-15,08	45,22	26,62	3,97	64,03	3,47
43,91	0,11			1,17	6,99			

BRK Strategy 2028



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Dear shareholders,

BRK Strategy 2023-2028, initial version was approved by AGOA Resolution No. 8 dated April 28, 2023. On behalf of the Board of Directors, we submit to you for approval the updated "Strategy 2023-2028", mainly with regard to the chapter "Own Portfolio" with reference to the investment policy in companies where BRK holds qualified shareholdings.

Looking back on the period 2019-2022, BRK, we would like to capture in broad strokes the evolution of BRK from a business model perspective:

- Total revenue from core business increased from 5 million lei (2019) to 19.1 million lei in 2022. In the traditional segments (client intermediation and structured product issuance) we have managed a tripling of business and revenues, to which we have added a new segment (market making for domestic issuers) and taken specialized services for issuers and potential issuers to another level, with a focus on listing solid companies.
- In terms of intermediated volumes, we increased from 500 million lei in 2019 (market share 2.56%) to over 1.9 billion lei in 2022 (market share 6.94%). This increase is also reflected in revenues, which tripled in 4 years (from RON 3.51M to RON 10.5M).
- We also have exponential growth in the structured product issuance and liquidity provision segment, where in 2019 we had turnovers of RON 88M, a market share of 23% and revenues of RON 1.1M per year, and in 2022 we reported turnovers of RON 635M, a market share of 39% and revenues of RON 3.4M.
- In 2019, we entered into our first partnership with an issuer in the Issuer Market Making program as a pilot program. Today, this activity has become a core business segment with revenues of 4.8 million lei in 2022.
- In the 4 years, we brokered more than 20 listings, with a value of the amounts attracted of more than 300 million lei, realizing cumulative revenues in the 4 years of more than 10 million lei.

Our ambition is to generate performance and sustainable growth in the core business segments and we are launching a bold projection for 2028, which includes a progressive increase in core business revenue to RON 50 million and an increase in core business profit to RON 25 million by 2028.

At the core of building this strategy, we have maintained BRK's traditional values (innovation, customer satisfaction, employee professionalism and smart investment), and based on the expertise and competitive advantages we have acquired over time we aim to generate performance and sustainable growth. In the following, we present in detail the key objectives of the BRK Strategy for the period 2023-2028.

Brokerage services

In a digitalized society, the key to maintaining a position in a competitive market such as financial services is to keep up with and anticipate the necessary changes in the online services offered. Having implemented some 100% digitised modules in customer relations, we aim to increase the degree of digitalization in terms of internal processes so as to improve the customer experience. The objective is linked to the creation of a simplified and robust service offering access to external markets by increasing speed using automated operating procedures and a transfer of customer operations to the digital area.

Portfolio management services

Investment selection expertise, which will be coupled with efficient asset class allocation and diversified currency and financial exposures globally, will be the foundation of the individual portfolio management mechanism. The framework for matching services and investments to client profiles and aligning with the highest MIFID II standards is an immediate objective.

Market share

The Romanian market still has significant growth prospects, being characterized by a still low degree of financial intermediation, the number of retail investors is very low, compared to the EU average, with an even greater potential for value-added services such as financial intermediation for individuals and issuers. Our objective is to reach a market share of 10% by 2028, at an organic and sustainable growth rate in terms of the value of intermediated transactions.

Access to capital market finance

We aim to confirm BRK's position as a long-term partner through accessibility, simplicity and responsiveness and will support our policy of financing Romania's economy by promoting the capital market among Romanian entrepreneurial companies that have proven their capacity for steady growth and solid financial performance. The capital market is an alternative to bank financing, and over the last 3 years, the number and size of financings through the market has been on an upward trend. Looking ahead, we aim to improve our advisory service from its current form where it is focused on the pre-IPO and listing area, by adding a suite of post-listing services that meet the needs of issuers and provide them with an enhanced experience of the transition from private to public company and the best possible visibility among investors.

Issuer of structured products

A young, ambitious, and specialised team has creatively proven that we can be the national market leader in terms of market share. Broadening the range of structured, in-house-built products offered to clients aligns with their needs, giving the opportunity to offer investment solutions that fit their profile. We continue to aim to expand and strengthen our structured product range, and the objective of penetrating the regional markets of Central and Eastern Europe remains high on our agenda after the operationalization of the Central Counterparty. Locally, in terms of market share, we aim to maintain and consolidate our position as market leaders.

Market Maker for Issuers

Launched in 2019 as a pilot project through a partnership with an issuer, it has seen accelerated year-on-year growth and by the end of 2022, this business segment has a 25% share of BRK's total revenue. The objective of these partnerships has been to improve issuer liquidity towards convergence with demanding levels of international index providers and has had a significant impact on the transition of the Romanian capital market from "frontier market" to "emerging market" status by including as many BVB-listed issuers as possible in global emerging market indices, ensuring increased visibility for these issuers as well as for the Romanian capital market as a whole. Having acquired an authoritative position in the market (~70%), we aim first and foremost to maintain the satisfaction of clients currently accessing this service and to meet all the objectives agreed with them. We also aim to extend the reach of this product to an even greater number of customers.

Investment funds

SAI Broker is the vehicle that manages and aggregates diversification products for clients with portfolios that do not allow a reasonable degree of diversification, as well as for professional and institutional clients who take risks related to significant gains.

Own portfolio

Traditionally, portfolio investments have been one of the company's main drivers. We will continue to manage our own portfolio, seeking to identify investment opportunities with attractive potential returns under assumed risk conditions.

We will continue to optimise our own investment portfolio through an optimal allocation of working capital and an opportunity we see on the horizon is the launch of the Central Counterparty (CCP.RO) and the re-emergence of the derivatives market. In concrete terms, we will have a major focus on achieving a trading mix between liquidity provision and arbitrage operations between markets. In this respect, we will allocate working capital to these types of operations. We support this investment profile through attractive risk-adjusted returns and potential profit relative to allocated capital. We have a diversified portfolio of private equity holdings (controlling or minority positions) and continue to seek to identify attractive companies to invest in. We want to leverage our investments in private companies in which we are or will be shareholders by listing these companies on the capital market. We will continue to support the BRK Group's subsidiaries by seeking alternative sources of financing as well as by investing in them to bring them to self-sustainability. To this end, we allocate capital of up to 5% of the equity value (according to the latest audited and approved Consolidated Financial Statements) for new financing to companies where BRK's ownership exceeds the threshold of 10% of the share capital (qualifying holdings), until 2028. This financing can be granted in the form of a contribution to the capital increase or loans. We also approve the extension of the loans granted to these companies, including the capitalisation of accrued interest or the conversion of the claims on these companies into a contribution to the share capital. For the sake of clarity, the ceiling mentioned refers to net additional exposures in balance. Also the rescheduling of current outstanding loans and related interest or their conversion are not included in the mentioned ceiling. In companies where we have and will have an active own involvement, having reached a sustainable growth phase, we will leverage those own holdings either through full or partial exits or by attracting national and international investors of calibre for their accelerated development.

Good governance policies and investor relations

Modern corporate governance policies, as well as maintaining an attractive climate for investors, are essential steps in building trust. Transparency towards investors is the main objective of corporate governance policies. A proactive attitude (regular information, clearly formulated reports, teleconferences, quality of financial reporting) proves its importance and benefits for both the company and shareholders in the long run. Corporate governance policies and investor relations are and will remain high on the agenda of the management team and we will allocate adequate financial resources to align with best practices in corporate governance and investor relations.

Dividend policy

In a favourable market environment, dividends representing 20% of the company's net profit could be distributed, provided that investment plans are funded and revenue and expenditure budgets are achieved. Total dividends are estimated to represent approximately 20% of the company's future net profits from 2023-2028 in the baseline scenario for the evolution of the Romanian capital market. BRK aims to distribute a competitive dividend yield to shareholders over the business cycle, including through the payment of an increasing dividend, in line with financial performance, investment needs, taking into account the long-term financial strength of the company as well as compliance with regulatory limits.

Robert Dănilă
Chairman of the Board

Monica Ivan
CEO

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- (a) fluctuations in the capital market as a whole;*
- (b) results from corporate activity;*
- (c) estimates of intermediation activity;*
- (d) loss of market share and competition in the industry;*
- (e) risks related to issuers listed on the Bucharest Stock Exchange;*
- (f) risks related to the activity of subsidiaries or investments in private companies;*
- (g) changes in the legislative, tax and regulatory framework;*
- (h) economic and financial market conditions in the countries in which it operates;*
- (i) political risks;*
- (j) risks associated with the impact of pandemics;*

(k) changes in trading conditions that could cause the Company's actual results and performance to differ materially from the results and performance expressed or implied by any forward-looking statements. As a result of these risks, uncertainties and assumptions, such forward-looking statements should not be deemed to be a prediction of actual results or otherwise.

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