

November, 2021

Results of SSIF BRK FINANCIAL GROUP S.A.
Quarter 3 2021
Teleconference for analysts and investors

Presentation of results and main points of the teleconference

The management team of SSIF BRK Financial Group SA organized on November 15, 2021, starting with 14:00, the teleconference with investors regarding the financial results of the related company Q3 2021.

Presenters:

- *Monica Ivan-CEO*
- *Razvan Rat-Deputy CEO*
- *Sandu Pali-Economic Director*

Therefore, the conference was divided into three sections, respectively:

- A. Presentation of financial statements Q3 2021-** *Monica Ivan, Sandu Pali*
- B. Presentation of the answers to the questions addressed by email, according to the announcement -**
Monica Ivan
- C. Q&A Section -** *Monica Ivan, Razvan Rat, Sandu Pali*

- A. Presentation of financial statements Q3 2021-** *Monica Ivan, Sandu Pali*
Key highlights Q3 2021

Today we announce the financial results for 30.09.2021 and we will keep the tradition of accompanying the financial results with our explanations and comments, in a language as accessible as possible. We also invite you to take part in the teleconference on 15.11.2021, during which we will present these results and answer your questions.

We report a net profit of **RON 19.36M**, of which approximately **RON 4.5M** is the result of the third quarter of the year. Practically, through the result registered in this quarter, we fit in the spirit of the bold budgetary projection proposed and validated by the shareholders, respectively **RON16 million** annual profit. The result of the basic activity (**+ RON 6.8M**) contributed to this result, which is added to the **RON 13.5M**, the result of the activity of managing one's own account.

To these are added the **RON18.5M** which represents the change in the fair value of financial assets valued at fair value through other elements of the global result (FVTOCI), with the mention that this position influences only the value of equity, not net profit. To be more explicit with the value of this position, the result of the revaluation of the share packages in the companies where BRK holds a controlling position (> 50%)

does not directly impact the profit and loss account but the account of other elements of the global result. In the third quarter, the account of other elements of the global result was impacted by the revaluation of the participation held by BRK in GoCab Software, by using the reference price of 0.43 lei / share. As such, by adding the result from the profit and loss account (**RON19.3M**) with other elements of the global result (**RON18.5M**), results an increase of the equity of **RON37.9M** compared to the beginning of the year, in the conditions when previous reports (30.06.2021), the increase of equity compared to the beginning of the year was **RON 26.7M**.

In the following we review the evolution of the 4 sub-segments of the basic activity: the revenues from the commissions obtained from the activity of **intermediation of transactions** are of RON 7.43M, increasing by 56% compared to the same period last year. The revenues from **corporate services** are of RON 7.27M, compared to RON 400k on 30.09.2020, amid the numerical and value increase of the intermediated operations. Aggregating the 2 segments of the intermediation segment, results in total intermediation revenues of RON 15.4M compared to RON 5.8M at the end of the third quarter of the previous year.

Regarding the market making segment, both its sub-segments had a positive trend, both compared to the reference period of last year and compared to previous quarters. Thus, the sub-segment for issuing structured products and providing liquidity generated revenue of **RON 3.6M** in Q3 2021 (up 57% vs. Q3 2020), while revenues from market making services provided to issuers listed on BVB, within the Market Maker of the Issuer program, they were of **RON 1.7M**, compared to revenues of RON 297k in the similar period of the previous year. Compared to this last sub-segment, it should be noted that this accelerated growth was supported by expanding the customer base, currently BRK has 12 customers for whom it provides this service (compared to 4 on 30.09.2020).

The increase of revenues comes against the background of the increase of turnovers, of the number of clients and of the intermediated operations in a higher rhythm than the increase of turnovers of the market as a whole, fact demonstrated by the **exponential increase of the market share in case of three of the 4 subsegments**. Thus, regarding the volume of transactions brokered at BVB, we report a tripling of the brokered volumes (from RON 898M to RON 2.69 billion), given that market turnovers remained relatively constant, so that **BRK's market share increased from 3.54% in Q3 2020 to 9.59% in Q3 2021**, which led to a jump of a position in the top of brokers that broker transactions on BVB (from 7 to 6) if we refer to all segments. If we look at the top of the stock and fund units segment, BRK ranks 4th in the annual top with a jump of 3 positions compared to 30.09.2020 (7th place).

Regarding the structured products segment, at the end of September 2021, BRK reports transactions worth RON 470M (compared to 228M on 30.09.2020), so a doubling of turnovers, in the context in which the turnovers of the structured products segment from BVB a recorded an increase of 4.30%. In this context, BRK's market share doubled, **increasing from 19.30% (Q3 2020) to 38.10%** at the end of the third quarter of 2021, emphasizing that BRK Financial Group was the leader market every month in the first 9 months of 2021, in the context in which BRK traditionally occupies the 2nd or 3rd place in the top of intermediaries in the segment of structured products / turbo certificates.

Regarding the services addressed to the issuers, BRK Financial Group actively participated in both public offerings of shares carried out on the main market. He was the intermediary of the IPO carried out by One United Properties and member . BRK also brokered 7 private placements (3 shares and 4 bonds), as well as 5 listings on the Multilateral Trading Segment (AeRo) of the Stock Exchange. Among the achievements we bring into discussion the successful conclusion of the private placement of shares of DN Agrar, **which, through its value (RON 24.6M)** set a new record in terms of private placements.

The number of customers who accessed the market making service of the issuer increased compared to the previous report (30/06/2021) from 9 to 12 by including the issuers ONE, TTS and BVB in the client portfolio, or if we refer to the reference period of the year In the past, the increase was from 4 to 12, but the market share was diluted by the appearance of competition. Thus, if on 30.09.2020, only BRK provides this service (100% market share), on 30.09.2021, the market share is only 70%, **BRK acting as market maker 12 of the 17** symbols that benefit from market making services within the issuer's market maker program.

In addition to the financial results, we point to the achievement of the following non-financial objectives during this quarter: (i) the materialization of efforts to improve investor communication, so that BRK scored **10 out of 10 on the Vektor index** calculated and published by ARIR (ii) signing a market making contract with Wood & Company Financial Services, an approach that we hope will contribute to **increasing liquidity and reducing the volatility of BRK shares**.

https://www.brk.ro/documente/relatii-investitori/ro_brk_3q_2021_report_final.pdf

B. Presentation of the answers to the questions addressed by email, according to the announcement

<p>Question 1</p> <p>Why did you choose this form of presenting the results (core activity, own account)? Why don't other elements of the global result go through profit and loss?</p>	<p>1a. Practically, by separating the "core activity" and "house" type operations, we wanted to align ourselves with the practice of classical companies, which have the "exploitation" and "financial" level, ie to separate the current operations without market risk from the exposed to market risk. In addition, it helps us a lot in the dialogue with the banks during the lending / extension of credit lines operations.</p> <p>Two of the sub-segments of house operations (structured products and market making) have a solid recurrence and are located in the non-risk area. We fully recognize the operating expenses as being associated with the basic activity (except those with interest).</p> <p>1b. As for other elements of comprehensive income that do not go through the profit and loss account, first of all I mention that it was a fiscal option, by this choice, we pay profit tax only when we sell from the shares held in subsidiaries and we do not pay tax on unmarked (relative) profit.</p>
<p>Question 2</p> <p>How are BRK subsidiaries doing, and I'm asking you especially about Firebyte and GoCab?</p>	<p>2. Being listed / in the process of being listed and functionally independent, we cannot make any assessments outside the public calendars of communication / listing with investors.</p>
<p>Question 3</p> <p>To what extent is BRK affected by interest rates?</p>	<p>3. The share of loans is residual in the financing structure (less than 10% of equity) so I would say it is a residual impact. Bonds are issued at a fixed interest rate, so we have no impact here either. And in terms of the operational perspective, in Romania we have not yet noticed that correlation between the evolution of stock markets and interest rates.</p>
<p>Question 4</p> <p>How long do you estimate the material error related to Decisions 1 and 8 of the GMS of April 2020 will take to be remedied? When</p>	<p>We'll ask for validation at the first upcoming GMS.</p>

<p>do you expect all legal procedures to be in place for these decisions to take effect?</p>	
<p>Question 5</p> <p>You did not publish your financial results at the time of writing. However, tomorrow, November 12, 2021, you will publish them. Anticipating that the results will be extraordinary on the revenue side given by the offers of private placements carried out by AROBS, DN Agrar and GoCab and the ongoing IPO AQ</p> <p>I can only congratulate you on these financial results. I anticipate a net profit 50-60% higher than in the third quarter of 2020 and 100% trading and market making revenues.</p> <p>In conclusion, we thank Ms. Ivan and the entire team for their efforts in managing SSIF Brk and, below, I will tell you what the next BRK price will be in a month, according to the Weekly technical analysis. We have a triangle / rectangle to continue the upward trend. (0.1-0.4). After breaking 0.36 and 0.4 RON, it should go up to 0.7 RON.</p> <p>There, my money doubles.</p> <p>One reason I will feel happy is that I said at the beginning of 2021 that the BRK share will increase (see from 0.07 to 0.4).</p>	<p>We thank the shareholder for the kind words. We just want to make it clear that PP Arobs revenue did not impact Q3, the transaction ended in October, so the revenue will be in Q4 revenue.</p>
<p>Question 6</p> <p>I would like to know what assets you want to invest in in the next period, given that you have recently issued corporate bonds?</p>	<p>The business plan was presented, we say in quite detail, in the memorandum, and with the listing of the bonds, the memorandum became public. But they resume the main investment directions: working capital, especially for the structured product issuing and market making segments, but at the same time, considering the fungible nature of the money, the overall image of the own portfolio should be considered.</p>
<p>Question 7</p> <p>I come back with the questions, thank you if you can clarify them:</p> <p>1. The question about MM, now that we have clarified that Wood has not complied with his contract. Or did he respect it?</p>	

<p>If someone who had 2% of BRK wanted to go out at a good price (by the way, how did the price go up to the sky before the results were announced, and since then it has been declining - rhetorical question of course) and an MM contract was made for that person to sale - for example on 17.09.2021 - and now there is no need for MM. It's an obvious assumption. I guess I'm waiting for an official statement on this?</p> <p>2. There are some articles in the Stock Exchange that do not put BRK in a very pleasant light. Now we certainly don't listen to any gossip, but Mr. Madadi will still have 11% of SIF4, not just anyone. Should we be concerned about the issues presented or are they just assumptions, as I tried above? I became a shareholder because I saw active people, professionals and actions that make sense from an economic point of view, but these articles made me think and certainly the image of BRK suffers if things are not clarified.</p> <p>3. The transcript from the last meeting has not been published yet. Does anyone write it from the recordings and does that last? maybe put a summary, I think it would be useful to appear on the site for transparency and consistency.</p> <p>Congratulations on your Forbes article!</p>	<p>1. Wood's approach was "best effort" in the first month, so if we refer strictly to the letter of the contract they were within the limits of this contract.</p> <p>We did not feel the need to issue an official statement, regarding the performance of market makers (the degree of fulfillment of obligations) is public on the stock exchange's website.</p> <p>2. To question 2, our best answer is the results delivered. It would be counterproductive to how many projects we have underway to waste positive energy on absolutely any article in the press</p> <p>3. Yes, it was a delay, we apologize for that. We are in an ASF background check, we have had many operations that can be seen in the results</p>
---	--