

November 15, 2022

Results of SSIF BRK FINANCIAL GROUP S.A. Q3 2022
Conference call for analysts and investors

Presentation of results and main points of the speech

The management team of SSIF BRK Financial Group SA held a conference call with investors on 15 November 2022, starting at 14:00, regarding the company's financial results for Q3 2022.

Hosts:

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

So, the conference was divided into three sections, as follows:

- A. Presentation of Q3 2022 financial statements - *Monica Ivan, Sandu Pali***
- B. Answers to the questions asked by email, according to the announcement - *Monica Ivan***
- C. Q&A section - *Monica Ivan, Razvan Rat, Sandu Pali***

- A. Presentation of Q3 2022 financial statements - *Monica Ivan, Sandu Pali***
Key points Q3/2022

Dear Shareholders,

BRK Financial Group publishes today its financial results for the first 9 months of 2022 and reports profit from core business in the amount of +3.75M RON, a negative result from investment activity in the amount of 12.1M RON, intangible and tangible asset impairment adjustments (depreciation expenses) in the amount of -0.7M RON and other long-term employee benefits expenses in the amount of -1.3M, these items leading to a total loss of 10.39M RON. In the following we will briefly explain the main developments at business segment level.

Total revenues of the core business decreased by 27% from 20.77M RON (Q3 2021) to 15.2M RON, the evolution being influenced exclusively by the corporate segment revenues, where we have a relative decrease in revenues of 89%, and in absolute amount the decrease being 6.42M RON. BRK remained competitive in this segment, being the market leader in this segment (6 listings out of 15 conducted in the first 9 months on the BVB were made by BRK), but the value of transactions closed is incomparably lower than similar values brokered in 2021. Moreover, this contraction of the segment is in line with the global market, where in the first 9 months of the year we are witnessing a 57% drop in revenues, according to a

public press release by the consulting firm Ernst & Young. The same source indicates that global brokered volumes in 2022 are below those recorded in any of the last 18 years.

The other three segments of the core business performed generally well and in line with expectations:

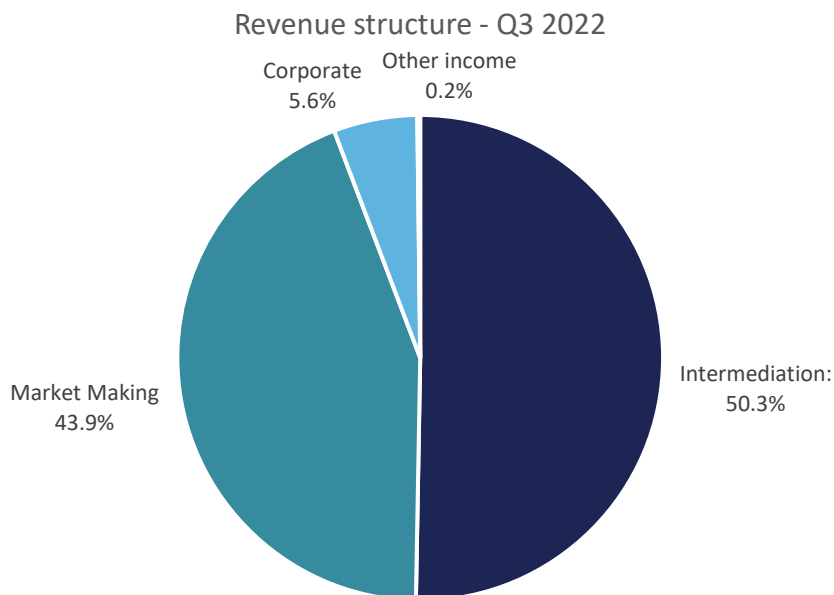
- Intermediation segment: intermediated turnover of 1.54 billion RON (market share 7.34%) down from the same period last year (market share 11.87%, intermediated turnover RON 2.04 billion), but it should be borne in mind that in 2021 figures, one significant corporate intermediated operation (~EUR 60 million) has a high incidence in the previous year's figures. To remove from the discussion the favorable context of 2021, we can take as a basis of comparison 2020, where in the first months we intermediated transactions worth 630M RON and had a market share of 3.21%. We thus appreciate that we are on the desired trajectory in terms of the strategic objective of organic growth.
- In the segment of gains from transactions with structured products we have a 12% increase in intermediated volumes (from 469M RON in Q3 2021 to 529M RON in Q3 2022), a maintained market share (38%) and a 13.4% decrease in revenues explained by the fact that we found an investor appetite for more expensive products correlated with the business policy of maintaining trading spreads (expressed in absolute values) at a constant level in order to keep our products competitive. In fact BRK Financial Group issues different series of products, some are more expensive, some are cheaper (due to different leverage), but they quote fixed spreads and BRK is neutral to investor appetite for the structured products issued.
- On the issuer's market making segment (shares listed on the BVB) we report a doubling of revenues compared to the same period last year (from 1.7M RON to 3.5M RON) explainable by a combination of factors: (i) new contracts concluded during 2021 which in 2022 generated revenues every month, and in 2021 generated revenues only after the moment of conclusion (ii) BRK's commercial policies towards this segment.

Total expenses of the core business decreased by 13.4% mainly due to the fact that some expenses are directly related to the intermediated volume (e.g. commissions paid to the Stock Exchange) or to the fact that external resources (suppliers, legal services) related to the corporate segment were contracted in 2021. Salary expenses increased by 7.92%, but we would like to point out that in the previous reporting (H1 2022) salary expenses included expenses related to the non-cash allocation of Stock Option Plan programs approved by the AGEA's resolutions no.5/26.04.2021 and 2/26.04.2022. On the occasion of this reporting, we decided to segregate the salary expenses into 2 separate lines, namely Salary expenses and employee benefits represent the regular salary expenses, and in the section Expenses with other long-term employee benefits represent the expenses incurred with the share buyback for the implementation of the effects of the 2 resolutions mentioned above. A second change that we would like to highlight on the way the financial statements are presented (compared to the previous reporting, H1 2022) is to move the expenses for Intangible and Tangible Assets Value Adjustments (i.e. Depreciation and Amortization Expenses) out of the Core Activity Expenses.

The result of the investment activity consists of a loss of 12.1M RON (Q3 2021: +13.5M RON) made up of marked profit (-615k RON), revaluation of holdings (-9M RON) and interest paid (-2.25M RON). The approximate value of financial assets measured at fair value through profit and loss is 50M RON but we point out that the portfolio structure does not have the same composition as the local indices; the tradable portfolio is mainly composed (more than 2/3) of shares of issuers for which BRK provides market making services to the issuer.

Comprehensive result

RON	Q3 2021	Q3 2022	Evolution
Intermediation	8,164,885	7,627,013	-6.6%
Market making	5,339,616	6,666,072	24.8%
Corporate	7,272,162	845,949	-88.4%
Other operating income	27,962	29,084	4.0%
Operating expenses	(13,179,489)	(11,408,459)	-13.4%
Operating profit	7,625,136	3,759,659	-50.7%
Net gains/(losses) realized from financial instruments	4,433,170	(615,984)	N/A
Net gains/(losses) from the valuation of financial assets	8,259,816	(9,092,360)	N/A
Net income/(expenses) provisions fixed financial assets	(200,000)	(510,714)	155.4%
Other net income/(expenses) from interest and exchange rate differences	821,886	(2,255,919)	N/A
Net income/(expenses) provisions for risks and expenses	76,918	605,674	687.4%
Other net income/(expenses).	104,170	(278,986)	N/A
Result of operating activities	21,121,096	(8,388,630)	N/A
Asset value adjustments	(833,095)	(709,369)	-14.9%
Expenses on other long-term employee benefits	0	(1,297,091)	N/A
Income before taxes	20,288,001	(10,395,090)	N/A
Income tax expense	(924,431)	0	N/A
Profit/loss for the period	19,363,570	(10,395,090)	N/A



B. Answers to the questions asked by email, according to the announcement

Question No 1 Why did you choose not to publish a revised BVC, given that it was known since H1 that we would be far from the BVC presented (admittedly under different market conditions).

BRK Answer: The BRK business invariably has a volatile component and as long as we try to budget the outcome of the investment activity, we can have such deviations. This is an observation we are making, we will probably have to rethink the budget process. 3 of the 4 operating segments (all but corporate - we have already discussed the cause of the deviation from budget) are in line with expectations. Our major problem is budgeting the result of the investment activity. Last year we deposited it (and did not publish a revised BVC), this year we are extremely far away. What I can say at this point is that we are assuming this shortcoming. We are trying to find a solution for this shortcoming, but realistically we probably should have published 1-2 revisions/year.

Question No 2 When will we see electronic voting introduced? Are steps being taken in this direction?

BRK Answer: possible GMS 2023

Question No 3 The structured product launched in Vienna has had very little trading volume since launch. What is the strategy going forward? Will other products be listed as originally planned in the hope that they will be more popular, possibly in other markets?

BRK Answer: There are several questions here, so I will answer them in turn:

1. Initially we listed a single product, we immediately launched for listing a new series (~18 products) on more, more competitive underlying assets. The listing process is relatively time consuming (over 30 days from definition to actual listing on the market). And in Romania such a process takes 15-20 working days. We are trying to streamline this flow for foreign markets, but it takes time.
2. The strategy is to populate the market with products exactly as in Romania, and a conclusion to draw after we have a wider range of products. At the moment we have no way to draw conclusions with a

single product. To explain, even on the BVB it happens that a certain product has a negative turnover for a while. And the product (only one at the moment) listed in Vienna may be similar to the one in Bucharest. Next week I think we will have 18 products in Vienna.

3. As for other markets, we are in the process of approaching the Budapest and Warsaw Stock Exchanges, we are half way there, probably in the first weeks of 2023 we will add another stock exchange of the 2 mentioned.

Question No 4 Buybacks are a popular formula in the states for rewarding shareholders (not free shares like ours). Given the current price, below book value, I would like to see BRK adopt this method. Are there discussions on this at the board level?

BRK Answer: So far no such operation has been proposed. I would like to add that if such an operation were proposed, we would be obliged to publish a current report with an AGM notice within 24 hours, so that no more than 24 hours would pass between the time of some discussions and the time of public dissemination.

Question No 5 GoCab has near zero sales, and cash reserves for another 6-9 months; given that BRK is the majority shareholder, what is the plan for this company? Will BRK funds be allocated or will it be allowed to go bankrupt (if it comes to that point)?

BRK Answer: We cannot comment on a listed company, this company has its own financial reporting calendar and we do not make such comments.

Question No 6 How do you explain the 90% drop in corporate revenues in the context of a few listings, comparable to last year?

BRK Answer: Yes, we are doing well in terms of numbers, but we have to take into account that the incidence of IPO ONE revenues in 2021 was significant in last year's total revenues. In 2022, we did not have any listings of this magnitude (amount funded/fees received etc).

Question No 7 Losses from investment activity are significant. How can you explain them?

BRK Answer: Yes, we have a loss of 12M for 9 months, most of which is uncharged (9M), with the loss being much smaller. I would also add that 30/09/2022 was also a local low point for the markets and we also had a portfolio structure that didn't allow us much flexibility or room for action. And I would also add that the reference point (31.12.2021) where the measurement of investment returns started again was a maximum point. If we look at the picture 2022 cumulated with 2021 we get a positive result from the investment activity, as the portfolio structure was relatively similar, we did not change anything in the strategy.

Question No 8 How do you comment on the share price evolution this year, -60%?

BRK Answer: Last year when I was asked the same question, but from the perspective of "it went up 400%" and answered "no comment", the same now, we can't make any judgement on the share price.

Question No 9 To what extent do you see a recovery in BRK's results by the end of the year as plausible?

BRK Answer: It depends on which segment we are discussing. Operationally we are satisfied, we feel we are in line with expectations and the market context. As far as the investment activity is concerned, we are very much dependent on the evolution of the market.

Question No 10 Looking back at the budget proposed earlier this year, what can you tell us?

BRK Answer: The budget I created in January 2022, when the markets were at an all-time high and growth was still going strong. If we go into the budget analytics, our operating lines are on track (less corporate, I've already explained), our expenses are under budget, and the big derailment from the budget comes from the investment activity, where we had estimated maintaining the 2021 trend in the markets. Not only did we not get any revenue, but we also recorded losses from the investment activity.

D. Q&A section - Monica Ivan, Razvan Rat, Sandu Pali

Question No 1

It was not clear enough to explain the result.

BRK Answer, Monica Ivan: we have a loss of 12 million of which the marked-to-market loss is approximately 9 million.

Question No 2

As an outlook, do you think that after the listing of Hidroelectrica the market sentiment will change and listings will come back, what is the feeling for the next year?

BRK Answer, Razvan Rat: Indeed, listing Hidroelectrica might bring good things on this side but this year's listings have been reduced due to the current context, economic factors and then automatically reduced the money available but yes, Hidroelectrica is likely to bring more investors on the capital market. I think there are several factors. In the corporate area, I can tell you that companies have plans to list but they are waiting for an opportune moment.

Question No 3 I would like to congratulate BRK, you are the most active brokers on the listings side and we congratulate you for that. We look forward to the next wave of listings.

BRK Answer, Razvan Rat: yes, depending on the market context