

2nd March, 2023

**Preliminary results of SSIF BRK FINANCIAL GROUP S.A. for 31.12.2022 (unaudited)
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 2 March 2023, starting at 15:00, regarding the preliminary financial results 2022.

Presenters:

- *Monica Ivan-CEO*
- *Razvan Rat-Deputy CEO*
- *Sandu Pali-CFO*

So, the conference was divided into three sections, namely:

- A. Presentation of unaudited preliminary financial statements as at 31.12.2022- Monica Ivan, Sandu Pali**
- B. Submission of 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 unaudited preliminary financial statements as at 31.12.2022- Monica Ivan, Sandu Pali**
Key Aspects

Dear Shareholders,

BRK Financial Group published preliminary financial results for 2022 and reported **a profit from core business of 2.57 million lei** (2021: 7.94 million lei), **a negative result from investment activity of -16.1 million lei** (2021: +15.5 million lei), recording **a total loss of 15.1 million lei** (2021:+22 million lei). In the following we will briefly explain the main developments at business segment level.

The total revenues of the core business in the amount of **19.1 million lei** are down 31% compared to 2021 revenues (27.7 million lei), and at the segment level we report a 46% decrease in total revenues from intermediation activity (from 20.5 million in 2021 to 11 million in 2022) **and a 13% increase** (from 7.2 million lei in 2021 to 8.1 million lei in 2022) in **revenues from market making activity** (structured products and issuer market making).

This overall decrease in revenue is massively influenced by the corporate segment revenue, where we report revenue of 475 thousand lei, down 95% from the same segment revenue in 2021. BRK Financial Group remained competitive in this segment, being the market leader in this segment (**8 listings out of the 17 conducted in 2022** were brokered by **BRK**), but the value of the transactions concluded is incomparably lower than the similar amounts brokered in 2021. Moreover, the market positioning was recently recognized at the BSE Awards, where BRK Financial Group received the **"Intermediary of Entrepreneurial Companies on the AeRO Market in 2022"** award.

As for the traditional business segment - transaction brokerage, in 2022 we brokered **transactions worth 1.9 billion lei**, with a market share of 7%, above the organic target set at 5%. Brokered volumes are down compared to those recorded in 2021 (2.8 billion lei), but it should be borne in mind that in the 2021 figures, a few significant corporate transactions brokered (~70 mil euro) had a high incidence in the total brokered volumes. The decrease in intermediated volumes also led to a decrease in commission income by 33%, from 10.7 million lei in 2021 to 7.2 million lei in 2022.

On the market making segment of the issuer (shares listed on the BSE) we report revenues of 4.8 million lei, an increase of 50% compared to 2021, an evolution explained by a combination of factors:

- (i) new contracts entered into during 2021 which in 2022 generated revenue in each month and in 2021 generated revenue only after the time of entry into force;
- (ii) BRK's commercial policies towards this segment.

In terms of market positioning in this segment, **we have a 70% market share**, with BRK being the undisputed leader in this segment since its development in 2019. We would like to mention that BRK received for the fourth consecutive year at the BSE Awards the **"Most Active Intermediary for Increasing Liquidity in 2022"** award.

For the Structured Products Issuance and Liquidity Provision segment, we report revenues of 3.37 million lei, down 16% from 2021 (4.03 million lei) amid a slight decrease in turnover (2022: 635 million lei and 2021: 699 million lei), but also in the profit margin (spread) required to maintain the competitiveness of the products. In terms of market positioning, we maintained our leading position with a market share of 38.66%, slightly down from 2021 (market share: 40.14%).

As regards core activity expenses, they amounted to 14 million lei, down 12% compared to 2021 (15.8 million lei), and at the level of types of expenses, salaries increased by 6%, while the others (with the market, external services, suppliers, etc.) recorded relative decreases of between 10 and 35%, in line with the contraction of the volume of activity in some segments.

The result of the investment activity consists of a loss of 16.1 million lei (2021: +15.5 million lei) mainly composed of the result of the revaluation (marking to market) of portfolio holdings in the amount of -10.68 million lei (2021: +11.41 million lei), interest and exchange rate expenses in the amount of 3.38 million lei (2021: +686 thousand lei), the marked result (-640 thousand lei in 2022 vs +4.9 million lei in 2021).

Presentation of financial statements - Annex 1

B. Submission of answers to the questions asked by email, according to the announcement

Investors' question	BRK Answer
How have the new structured products been received in the Vienna market? Are there any products listed on other markets in the region (Poland, Hungary)?	We didn't have the runs we wanted, meaning we're almost zero. Our current understanding is that the business model in Austria operates very much on the support of a distribution network, where issuers of products there rely heavily on distribution by banks. Virtually every issuer in Vienna has a bank behind it. We estimate that there will be a similarity to the BSE - where you put products on display and investors trade them. We are keeping the gate called Vienna open, so that we can move products to Budapest. Still, we would like to mention that the fixed costs of membership in Vienna are residual/negligible.
Will we have electronic voting at the 2023 GSM?	We have considered this possibility, we have requested and received the offer to be analyzed.
Will a 2023 budget be presented; if so, do you have an estimated date?	Yes, during this month's GSM. Last year we published the convocation and materials around 23-25 March.
BSE data shows an increase in the number of investors; do you see a similar increase in the number of BRK clients? Can you briefly outline the development from 2021-present?	You may have also seen the fact that in the data published by the BSE - investors who subscribe and exclusively to Fidelis government securities are counted. We at BRK have noticed an increase in the number of new accounts opened after we completed the implementation of the online account opening facility. It is difficult for us to say how we are positioning ourselves in the market, how much we are managing to attract from the mass of new customers coming to the exchange, because we have no visibility in the competitor's figures, and the total, as I told you, has some major peculiarities.
How can you convince me to remain a shareholder in the company when the company reports such losses and the share price is much lower than when I bought it?	We hope that we can convince you by the good parts that result from the business model, by the evolution of the BRK business that we have delivered over the 4 years. The results for 2022, we explained largely by the loss on the investment segment which can (must) be put in parallel with the gains in 2021. It wouldn't hurt perhaps to look at the 4-year trend. Same with the share price, we can look at it when it was at the highs of 2021 (0.4) or at the lows of 2021 (0.07). But in any case, we've said it before and we'll say it again, we would not want to comment too much on the evolution of our own share price, we didn't do it when it was rising 100%/month, we can't do it now.
What is the criterion by which you have allocated the SOP shares to Mrs Ivan and Mr Rat when their management has such disastrous results.?	Firstly, the SOP in question is for 2020, and somewhere in the summer there will be the upload of the shares in the SOP for 2021. The criteria broadly was contribution to results, engagement, and performance. And no, we do not agree (and here we speak on behalf of the entire management team at BRK) with the "disastrous results" of our management, if we are to be judged publicly, the judgment should take

	into account a longer period, take into account the cyclical nature of the brokerage business, the evolution of the markets and only then discuss what we did right and what we did wrong.
Have you prepared the Budget for 2023? What will it look like? Can you tell us anything?	The Draft Budget will be available later this month, when we will publish the EGSM and OGSM notices. What will we have set ourselves the internal goal of having a predictability between the budget and its realization, but there always remains the component of 'investment' 'house portfolio' segment which induces a particular volatility in the final results. Rather in the segments of the base activities, we believe there will be more predictability between budget and realizations.
To what extent do you consider dividends from retained earnings?	Given the fact that a condition for the distribution of dividends is to cover losses carried forward, but now the current result is -15.1 million and the retained earnings also +15.1, they basically close in 0.
If we can expect that in the year 2023, given that the markets have a positive development, can we see a trend reversal in terms of the outcome of investment activity in 2023?	Yes, the outcome of investment activity is partly correlated with the evolution of markets (global and especially local), and can be a good benchmark for such estimates.

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

Question no. 1

A personal opinion, everyone is unhappy with the quote but as you said 2021 was a great year and then it's normal to be so, I appreciate BRK's openness and I appreciate that you are going on certain things-the market making and structured part in which you are market leaders, the listings part again I appreciate and I hope in the future the outlook will change and things will look different, maybe even from this year. if I look at last year's portfolio too I can't say I am satisfied.

BRK Answer, Monica Ivan: We want these things too and we will do whatever is necessary to make it happen. The macro-political and geopolitical context has not helped us. This is how things have been.

Question no. 2

A question related to the Central Counterparty, I understand that BRK will be a member or shareholder of the Central Counterparty?

BRK Answer, Monica Ivan: BRK is a founding shareholder in Central Counterparty, will remain a shareholder in this entity and will apply for membership. To date, certain technical tests have been carried out and we are awaiting authorization.

Question no. 3

Probably towards the end of the year the Central Counterparty will be authorised?

BRK Answer, Monica Ivan: From the entity's public releases, the estimate is year-end.

Question no. 4

I would like to ask if you will publish the value of BRK holdings for 2022 in the annual report?

BRK Answer, Monica Ivan: Yes we will definitely publish it in the annual report. We have now published the preliminary financial results in a simplified form. With notes and explanations the report for the year 2022 will be published somewhere at the end of March on the company's website 30 days before the OGSM.

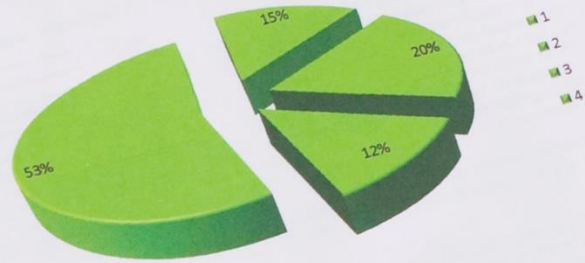
Question no. 5

I saw that a loan was given to GoCab and from my point of view I do not agree that BRK money should be given to a company for which I do not see any future, of course as a personal opinion. I looked at the reports and I noticed very high expenses on advertising, i.e. the equivalent of the receipts and on this trend I cannot look optimistically. I hope you don't give them any more money, they had enough to prove it. This is a personal opinion

BRK Answer, Monica Ivan: As for the decision to fund GoCab, it is a business decision, in line with BRK's strategy of investing in start-ups. As the company (GoCab) is listed and has its own financial reporting schedule, I will not comment on the financial statements of this company.

Presentation Preliminary Individual Financial Results

31st of December 2022



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	38,84	2,02	1,75	86,63	37,03	19,49	66,67
169,88	284,56	55,7	6,2	3,97	64,03	52,37	8,81	85,64
16,74	9,33	31,85	100,57	38,89	64,03	16,76	1,19	1,06
3,8	86,89	6,82	20,27	1,95	38,67	0,2	38,46	69,78
69,94	127,51	4,42	38,4	38,4	51,45	1,4	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		64,03	

Disclaimer

The information contained herein does not constitute an investment recommendation with respect to BRK Financial Group (BRK RO) or any affiliated party.

BRK cautions readers that any forward-looking statements that may be contained in the current document are not guarantees of future performance and that future results could differ materially from those contained in the forward-looking statements.

Forward-looking statements are only concerned as of the date they are made.

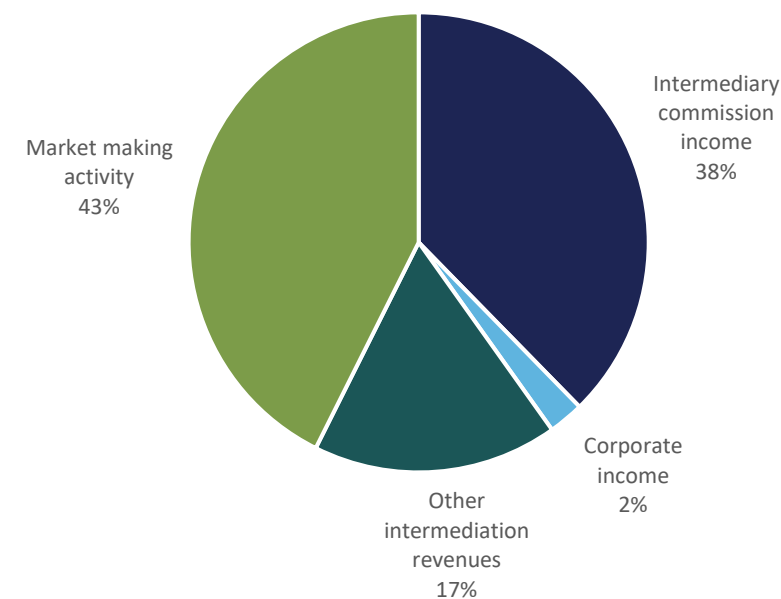
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Individual situation of the global result

RON	31.12.2022	31.12.2021
Income from basic activity	19.183.884	27.782.933
Intermediary activity	11.009.151	20.551.978
Commission expenses Intermediation	-2.168.419	-3.777.726
Net commission income	8.840.732	16.774.252
Market making activity	8.174.733	7.230.954
Expenses with licenses and issuance of structured products	-483.478	-259.642
Net income from market making activity	7.691.255	6.971.312
Total Expenditure core activity	-13.957.858	-15.799.424
Profit/(loss) from basic activity	2.574.129	7.946.139
Net realised gains/(losses) on financial instruments	-640.243	4.920.787
Net gains/(losses) on valuation of financial assets measured at fair value through profit and loss	-10.689.111	11.418.981
Net income/(expense) provisions for non-current financial assets	-1.733.375	-800.000
Other net interest and exchange rate income/(expenses)	-3.382.474	686.527
Net income/(expenses) provisions for risks and charges	500.186	-762.368
Other income/(expenses), net	-195.056	73.737
Result of investment activities	-16.140.073	15.537.664
Result of operating activities	-13.565.944	23.483.803
Expenditure on other long-term employee benefits	-1.595.131	
Profit before tax	-15.161.073	23.483.803
Income tax expense	-	-1.483.121
Profit for the period	-15.161.073	22.000.682

Income structure



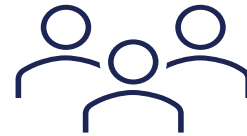
BRK Model

Brokerage services

Income from brokerage commissions for investors with access to **local stock exchanges** and **foreign markets**



BRK Clients



Management and investment services

Income from spread trading in **structured products**



Income from **listing brokerage fees** and access to **capital** for Romanian companies, as well as from **corporate** transactions specific to listed companies



Issuers
Institutional investors
Individual investors

Income from market making services provided to issuers

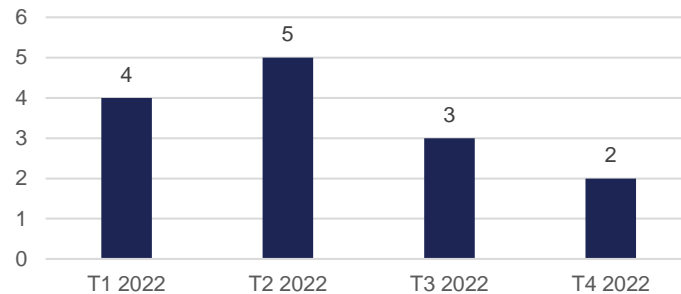


Own-account capital management and margin trading activity

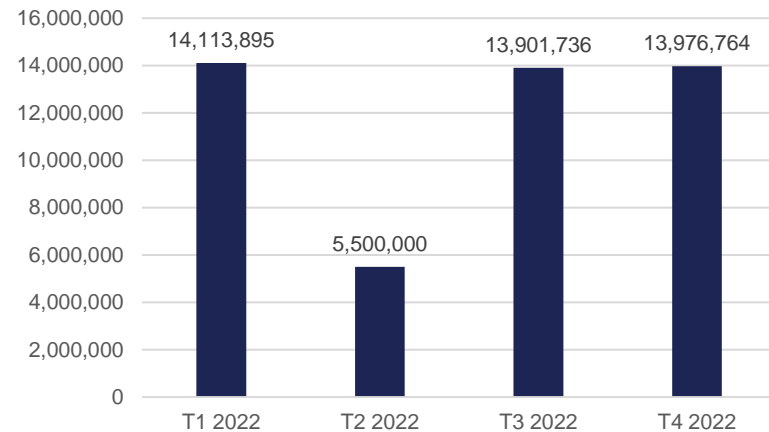


Intermediation activity

Number of corporate events
(placements and listings)



Amount attracted - corporate segment

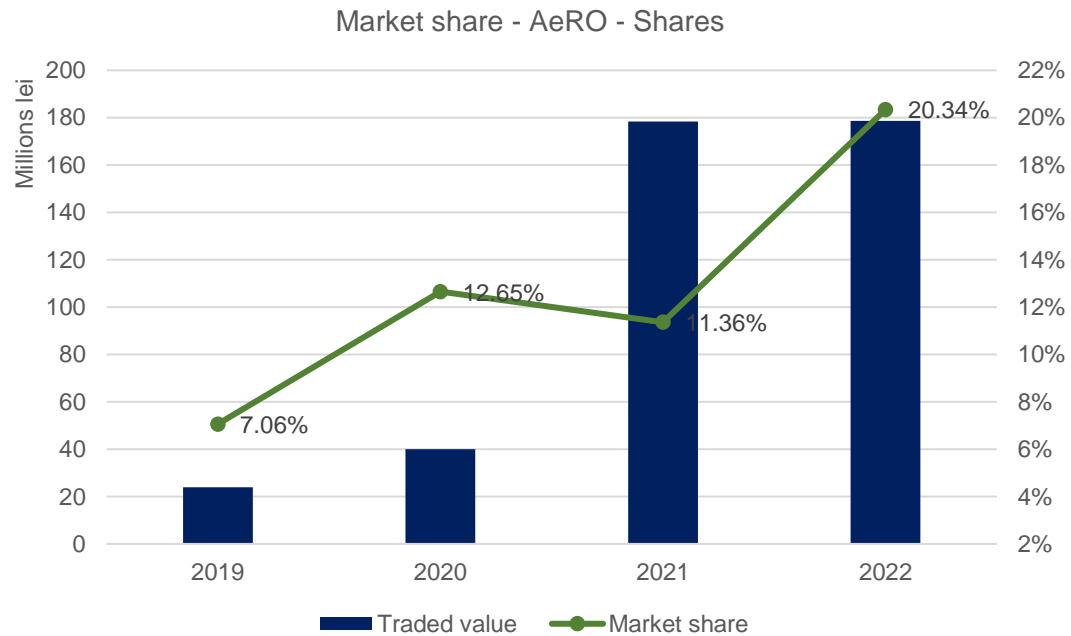


Total amounts attracted in 2022 = 47.492.395 lei

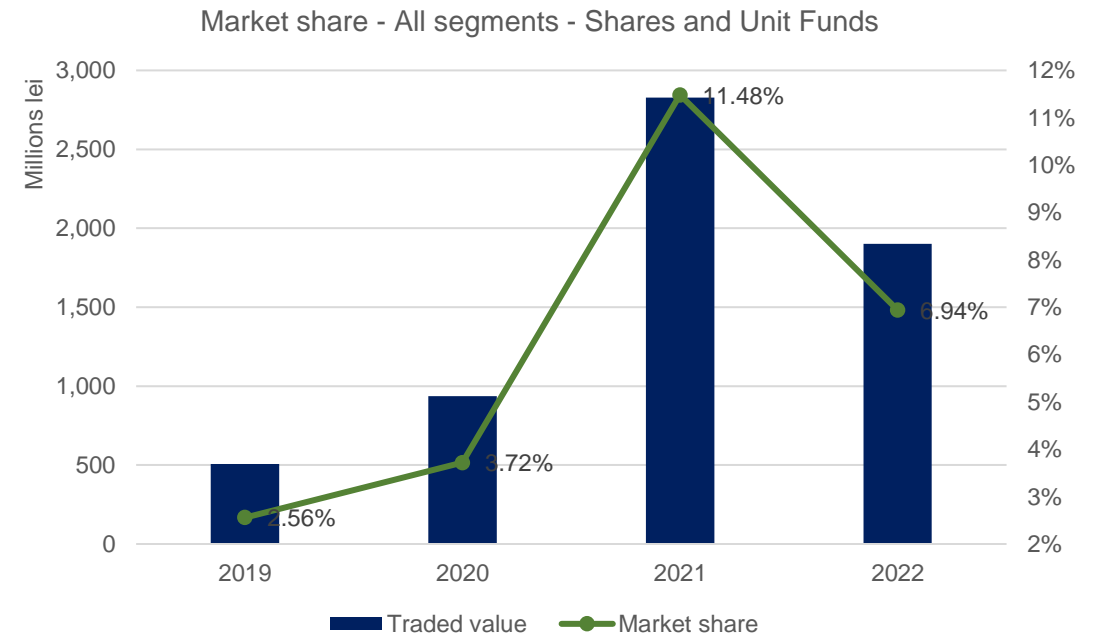
	31.12.2022	31.12.2021
Commission income on the internal market	5.471.767	7.451.599
Commission income on the external market	955.393	2.610.778
Income from related activities	799.968	716.048
Brokerage commission income	7.227.128	10.778.426
Corporate income	475.849	8.424.707
Other intermediation income	3.306.174	1.314.236
Total income from intermediation	11.009.151	20.517.369
Salary expenses and employee benefits	(2.658.067)	(2.359.869)
Expenses market commissions and intermediaries	(2.168.419)	(4.077.028)
Expenditure on external benefits	(311.158)	(1.129.256)
Expenses with collaborators	(215.802)	(585.097)
Other expenditure core activity	(790.111)	(983.006)
Total intermediation expenses	(6.143.557)	(9.134.256)
Result of intermediation activity	4.865.594	11.383.113

Strong market positioning

Stocks



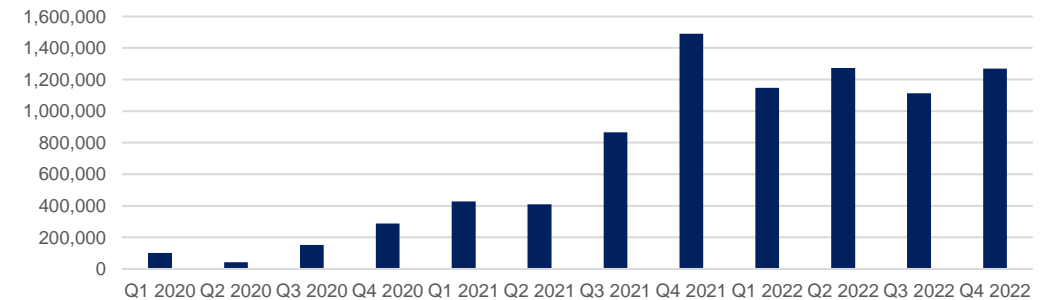
All Segments



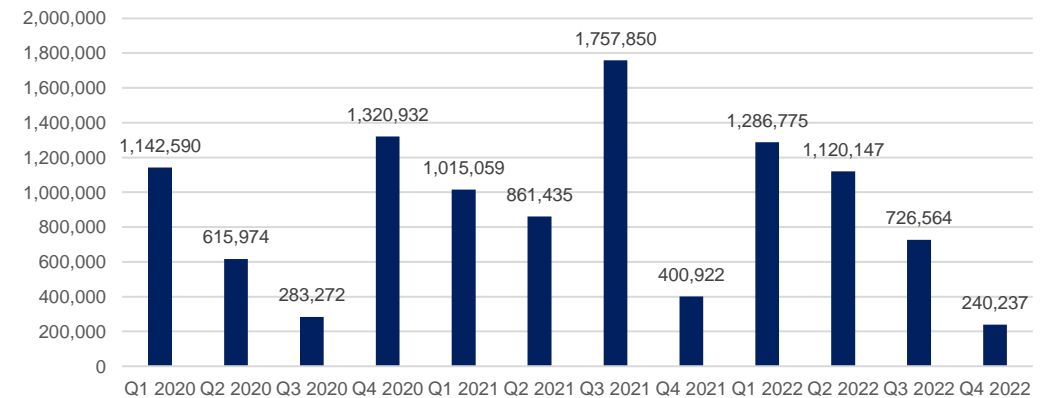
Market making activity

	31.12.2022	31.12.2021
Net gains from trading in structured products	3.373.723	4.035.266
Income from market making services to issuers	4.801.010	3.195.688
Total income from market making activity	8.174.733	7.230.954
Salary expenses and employee benefits	(1.021.280)	(1.857.235)
Expenses market commissions and intermediaries	(1.023.857)	(933.012)
Expenditure on external benefits	(233.751)	(328.866)
Other expenditure core activity	(297.975)	(409.345)
Total Market Making expenditure	(2.576.864)	(3.528.458)
Result of Market Making activity	5.597.869	3.702.496
Dividend income	1.732.562	863.006
Realised gains/(losses) on equity and bond transactions	(2.372.805)	4.057.781
Net gains/(losses) on valuation of financial assets measured at fair value through profit or loss	(10.689.111)	11.418.981
Net income/(expense) provisions for non-current financial assets	(1.733.375)	(800.000)
Other net interest and exchange rate income/(expense)valutar	(3.382.474)	686.527
Other income/(expenses), net	(195.056)	73.737
Net income/(expenses) provisions for risks and charges	500.186	(762.368)
Outcome of portfolio management activity	(16.140.073)	15.537.665

Income from market making services provided to issuers



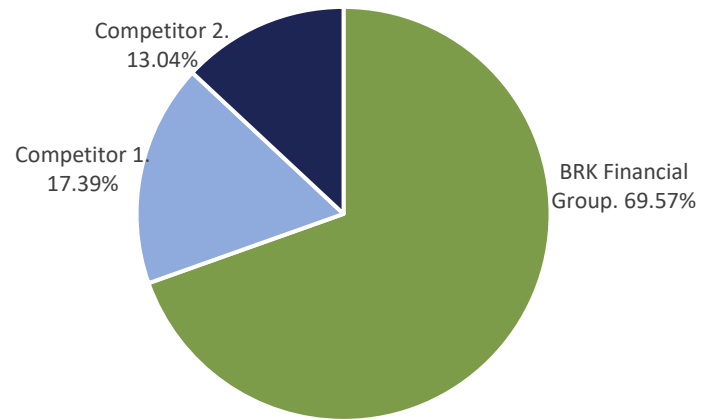
Net gains from structured products trading



Strong market positioning

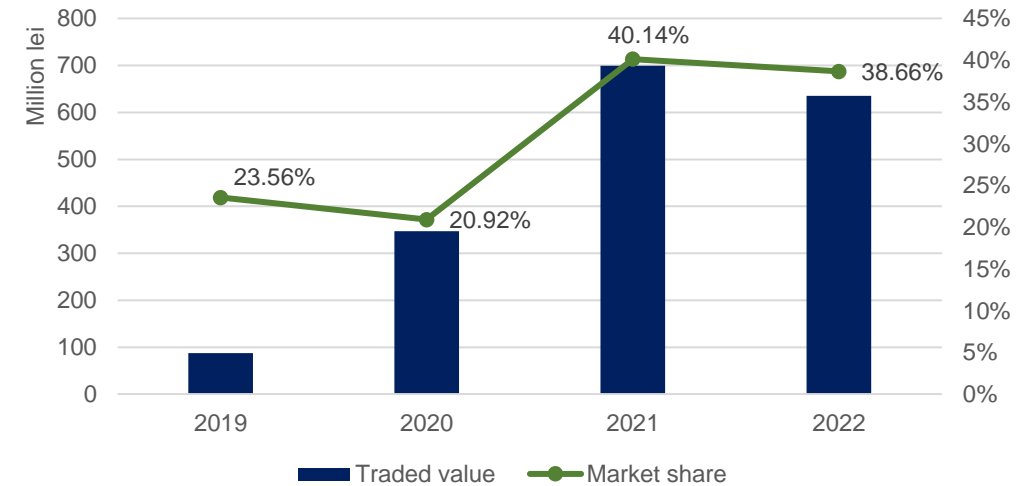
Market Making

Market Share - Market Making Issuers as number of contracts concluded in the market. December 2022



Structured products

Market Share - Structured Products



Statement of individual financial position

RON	31.12.2022	31.12.2021
Asstes		
Tangible and intangible fixed assets	9.009.138	9.367.181
Financial assets at fair value through other comprehensive income	44.770.110	42.044.539
Financial assets at fair value through profit and loss	47.098.012	59.659.013
Loans and advances granted	4.143.848	8.588.612
Trade receivables and other receivables	11.660.382	1.390.340
Other financial assets	58.483.263	63.751.161
Bank account related to clients	50.505.061	63.316.765
Cash and cash equivalents	1.424.003	881.285
Bond issue premium	567.862	-
Total assets	227.661.679	248.998.896
Debts		
Bond loans	25.000.000	24.303.570
Finance lease liabilities	457.273	515.978
Total long-term debt	25.457.273	24.819.548
Bond interest rates	322.708	221.666
Deferred income tax liabilities	978.691	978.691
Current income tax liabilities	-	558.690
Dividend payment	365.271	
Short-term bank debt	20.329.411	5.041.915
Current portion of finance lease liabilities	166.637	161.953
Amounts due to clients (clients' liquid assets)	104.770.215	115.962.249
Trade and other payables	14.003.511	10.693.599
Provisions	521.882	1.022.068
Total current liabilities	141.458.326	134.751.748
Total debts	166.915.599	159.571.296
Equity capital		
Share capital	50.614.493	54.039.987
Other capital items	3.489.631	4.052.899
Total reserves	6.680.773	14.394.966
Current result	-15.161.073	22.000.682
Reported result	15.122.256	-4.082.244
Total equity attributable to equity holders of the Company	60.746.080	89.427.600
Total equity and debt	227.661.679	248.998.896

Q&A

Thank you!





SSIF BRK FINANCIAL GROUP S.A.

📍 Cluj-Napoca, Calea Moșilor 119

☎ (+4) 0364 401 709

✉ office@brk.ro

    BRK FINANCIAL GROUP

www.brk.ro

