



Teleconference for analysts and investors

SSIF BRK FINANCIAL GROUP S.A. preliminary results for 31.12.2020

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Presentation of results and main points of the speech

The management of SSIF BRK Financial Group SA organized a teleconference with investors, in which the individual and consolidated preliminary financial results of the company for 31.12.2020 were presented, on March 3, 2021, starting with 17:00.

Speakers:

- *Monica Ivan-CEO*
- *Răzvan Raț-Deputy CEO*
- *Sandu Pali-Economic director*

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

- A. Presentation of the individual and consolidated preliminary financial statements for 31.12.2020-**
Monica Ivan, Sandu Pali
- B. Presenting the answers to the questions asked by email, according to the announcement -**
Monica Ivan
- C. Q&A -** *Monica Ivan, Răzvan Raț, Sandu Pali*

A. Presentation of the financial statements for 31.12.2020- *Monica Ivan, Sandu Pali*

Key highlights for 31.12.2020

- We report a net profit of RON1.87M for 2020, in the conditions of a difficult start of the year, with a loss of RON6.42M in the first 6 months, followed by a return in the third quarter, respectively the fourth quarter of 2020 (RON4.22M profit in Q3 / 2020, respectively RON4.1M profit in Q4 / 2020), significantly exceeding the budgetary projections made in April - of course given that at that time, the portfolio was affected by market corrections.
- Our market share increased from 2.5% in 2019 to 3.7% in 2020.
- Evolution of the Vektor indicator from 6 in 2019 to 9 in 2020, an index that notes corporate governance.
- Market-making activity increasing by 228% compared to 2019, in line with the evolution of turnovers with structured products (RON347M in 2020 compared to RON87M in 2019).
- We appreciate that the volatility that characterized the stock market context in 2020 contributed to the increase in turnovers with structured products, as well as the diversification of the product range by including the main goods (gold, silver, oil) in the range of underlying assets.
- As a market positioning, BRK climbs to the 7th place in the top of intermediaries at BVB, the market share increasing from 2.53% in 2019 to 3.70% in 2020.
- The total revenues of the intermediate segment reached the level of 8.3M (vs 3.8M / 2019), increasing by 114% compared to the previous year. Among the growth catalysts we mention the

ascending evolution of the number of newly opened accounts, but also the increase of the value of the transactions made by the existing clients.

- In 2020 we brokered six private placements.

Sustainability

- Internal actions to digitize work processes.
- Investments in IT for process automation.
- Eliminating the use of paper as much as possible.
- Care for the environment through tree plantation.

Financial education programs supported by BRK's employed lecturers, together with the competent authorities.

Statement of financial position

RON	2019	2020	%
Intangible assets	1.213.729	600.354	-51%
Tangible assets	5.887.007	8.019.937	36%
Financial assets	44.644.883	48.761.259	9%
Loans granted	12.111.428	7.772.861	-36%
Receivables	662.686	914.854	38%
Client bank accounts	53.626.771	51.746.125	-4%
Other assets	26.528.047	77.381.626	192%
Total assets	144.674.551	195.197.016	35%

RON	2019	2020	%
Short-term liabilities	4.216.182	2.443.700	-42%
Liabilities to clients	60.945.094	111.752.738	83%
Payables	12.297.303	12.109.024	-2%
Provisions	2.802.547	246.033	-91%
Total liabilities	80.261.126	126.551.493	58%
Total equity	64.413.423	68.645.523	7%
Total liabilities and equity	144.674.551	195.197.016	35%

Income statement

RON	2019	2020	%
Income from intermediation	3.868.350	8.305.226	115%
Income from market making	1.190.869	3.947.487	231%
Other income	8.442	44.68	429%
Operating expenses	10.100.545	11.166.968	11%
Operating profit	-5.032.884	1.130.425	78%
Net profit	8.153.017	1.879.037	-77%

- Profit Q3 2020 – RON4,2 million.
- Profit Q4 2020 – RON4,1 million.
- Doubling the revenues from intermediation activities.
- Net result from market making: RON3.94 million.
- Loss of RON5.24 million in the first 6 months due to the decrease of stock market quotations.
- Income from structured products were of RON347M in 2020, compared to RON87M in 2019
- BRK reaches the operational break-even, respectively the intermediation and market making revenues cover all the operating costs of the company, the result of the basic activity being of + RON1.13M million. To these is added the result of + RON748k related to the operations in own account (house).
- The exponential increase in fees related to transactions on international markets also contributed to the increase in intermediation revenues, as well as the quantitative increase in primary market operations offered to issuers.
- Each of the 3 segments of the intermediation business (domestic market trading, international market trading, services addressed to issuers) generated an income at least double compared to the previous year.

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

Question 1 - Congratulations on the results for 2020!

Given the success of the Firebyte placement and the effect on the BRK share price, do you plan to make placements for other companies where you hold stock packages?

Yes, for 2 closed companies where we have invested and where we hold the control packages we have in view their listing. I can tell you that for one of them, we estimate that the listing will take place this year.

Question 2 - How will you distribute the profit obtained in 2020? Will you pay dividends?

5% of the profit will be mandatorily distributed for the constitution of the legal reserve and, for the difference; the shareholders will decide the difference to cover the losses

Question 3 Are you planning to make other private placements in 2021?

We aim to have at least one financing operation each month. We are in talks with 10-11 companies, of which 4-5 are more advanced who want to come to the stock market.

D. Q&A - Monica Ivan, Răzvan Raț, Sandu Pali

Question 1- What percentage of Firebyte's capital was sold in the private placement?

Monica Ivan, CEO - 25%

Question 2 – What percentage of Firebyte does BRK own? In the last report it was about 60%.

Monica Ivan, CEO – we have a direct majority and indirect ownership through the subsidiary SAI Broker of another 20%.

Question 3 - What will happen to the personnel expenses in 2021? Do you anticipate significant increases or do you think you will maintain a level relatively close to what was recorded in 2020?

Monica Ivan, CEO - a proposal for the revenue and expenditure budget will be presented to the Board of Directors and further to the General Meeting of Shareholders. Compared to previous years, this year we will have a remuneration policy that will be subject to shareholder approval, and next year we will have a remuneration report that will be in accordance with the approved policy.

Question 4 if a participation in a company exceeds 25% of BRK's assets, what is the procedure to follow? Do you need to sell shares to reduce ownership?

Monica Ivan, CEO - there are certain provisions that are mentioned in the European Regulation no. 575/2013, which we also comply with. If we exceed the holding of 25% in a company of BRK assets, certain risk calculations apply differently for those participations.

Question 5 - Did you have an older problem at the agency in Deva? Are the actions over? Have the internal procedures been changed so that they do not happen again?

Monica Ivan, CEO - There are certain issues to be resolved and we are working with a law firm, we are in certain enforcement proceedings, but those amounts will no longer affect the profit and loss account, as provisions have been set up at that time. Certainly, internal procedures are reviewed annually, especially when they are impacted by legislative changes. There are systems and a staff structure that ensure compliance in accordance with the regulations in force. We are constantly concerned with compliance and compliance with regulations.

Question 6 - How many agencies does BRK have open today?

Monica Ivan, CEO - Today we have four agencies open, in Bucharest, Iasi, Timisoara and Suceava.

Question 7 - Did you have or is there a RON9 million loan to Romlogic?

Monica Ivan, CEO- The loan worth about RON9 million no longer exists today, it has been converted into shares.

Question 8 - Romlogic has losses in the last three years and you loaned them with the amount of RON9 million. What is the logic?

Monica Ivan, CEO - Each loan operation followed a certain working procedure that we have and was carefully analyzed in terms of risk, so that the decisions were taken by the Board of Directors accordingly. At the time of granting each loan we issued current reports to the market and also at the loan conversions the same thing happened, all this was done in accordance with the strategy approved by the shareholders. Please note that the loans you refer to have been secured.

Question 9 - Do you know the situation at Romlogic? Are they improving their economic activity?

Monica Ivan, CEO - I want to make the following statement. These are the preliminary financial statements and certainly the date on which we will publish the financial statements for approval, will be accompanied by explanatory notes, respectively for each of the BRK subsidiaries we will make the clarifications accordingly. Investors should be informed about this in an organized and fair manner.

Question 10 - I have a question about Romlogic Technology SA. and GoCab. We saw that you published certain reports to support the activity, respectively for loans in the amount of RON200k and RON600k for the support of the operational activity. I understand that those companies cannot support themselves.

Monica Ivan, CEO - Like any start-up company, at the beginning there is a need for support, there are certain investments that need to be supported, it is a staff structure, there are costs with headquarters and a level of initial share capital, respectively of at least RON90k, these things cannot happen without support. For this reason, we, as shareholders, granted those loans so as to bring our contribution in this way to the development of that start-up.

Question 11 - Is there a listing plan for either of these two companies (Romlogic Technology and GoCab)?

Monica Ivan, CEO - one of the subsidiaries, this year will definitely be a private placement followed by a listing on the Stock Exchange. At the moment, the Firebyte Games subsidiary is preparing to go public after successfully closing a private placement.

Question 12 - The private placement at Firebyte Games through which intermediary was carried out?

Monica Ivan, CEO - It is natural that it was done through BRK Financial Group SA, it is our baby... and it would have been totally inappropriate to choose another broker.

Question 13 - Do BRK customers have access to the private placements?

Monica Ivan, CEO - A questionnaire was sent to test customer interest and a teaser was also sent to customers. After testing the interest, we received certain answers that we capitalized by sending the offer document, obviously the addressability being appropriate depending on the level of risk assumed by the client.

The addressability in a private placement, speaking of retail customers is 149.

Question 14 - Mr. Raț Răzvan-Deputy Director stated in interviews that private placements will follow this year on a monthly basis. What is the percentage for shares and bonds?

Răzvan Raț, Deputy CEO - At the moment, if we take into account the 10-11 companies with which we are in discussions today, I can say that seven of them are for shares and four for bonds.

Question 15 - Regarding the salary part, I noticed that the expenses with salaries decreased but the expenses with third parties increased.

Monica Ivan, CEO - In such a business it is somewhat natural for certain functions to be outsourced for a number of benefits that outsourcing can bring. I mention the fact that there were some changes to the IT infrastructure and software, we implemented a back office software to provide us with much better quality support and these implementations brought us these costs. We have started the account for minors, we are working on opening online accounts, we are concerned about sustainability and all this generates the need for resources.

Question 16 - What can you tell us about your "children's account" product, how is it different from a normal account? Will the parent be able to sell his shares?

Monica Ivan, CEO - The account is opened directly in the name of the minor. Both parents must show up to sign the documents for opening the account. From 0 to 14 years old the parents decide and from 14-18 years old, the child has the right to exercise, as such if the parents want, they can leave the trading at the child's disposal. Sales are allowed. There may be market opportunities or a certain situation in the family and then both parents can decide. There is also an obligation to be notified in case of any legal situation in the family and the amounts that will be deposited in this account will not be in the category of those provided in the civil code, respectively alimony, allowance, scholarship, etc .; but a surplus that parents can allocate.

Question 17 - When do you expect to have the possibility of opening an online account? That would be a good thing.

Monica Ivan, CEO - We intend it to be quite soon, we expect the end of March 2021.

Question 18 - Regarding the BRK product "children's account", what is the minimum amount? Is it mandatory to pay a monthly amount? The commissions?

Monica Ivan, CEO - There is no minimum amount, this is also the idea of the product, of accumulation. The obligation of a minimum monthly amount is not imposed. The fees are the standard ones but for this product we gave up the administration fee to encourage savings.

Răzvan Raț – Deputy CEO- I would like to make add something, the current clients have a commission of RON15 / month, RON45 / quarter. If he does not make transactions that generate a commission of RON45 / month, this amount is withheld at the end of the quarter from the account.

Question 19 - in relation to the forecast for this year, how do you see the profit, the turnover?

Monica Ivan, CEO - we have drafted a revenue and expenditure budget and it will be subject to the necessary approvals. The information subject to approval will be made public at the end of March, 30 days before the general meeting of shareholders.

Question 20 - When it comes to listing Firebyte Games, do you have a time horizon for when to list?

Răzvan Raț- Deputy CEO - What does the listing after a private placement mean? Here we have to look at both the listings made by BRK and the listings made by other intermediaries and as time we have a period between 11-13 weeks from the closing of the placement until the day of listing , we started the steps for listing immediately after the settlement of the placement transaction.

Question 21 I saw that you started the year very well by looking at trading volumes and we hope you keep the line even better if possible.

Monica Ivan, CEO - Thank you very much for your appreciation and we are glad to see that the effort made by the BRK team is reflected in the degree of investor satisfaction. I also mention that we are open for discussions and we appreciate the feedback you have on the way it works, the results and the expectations, so please send us these things to the address dedicated to investors actionariat@brk.ro.

Question 22 At what price or price range do you think Firebyte Games will be listed, taking into account the fact that the other listings show an increase of 300-500%.

Razvan Rat- Deputy CEO - it is best to wait for the first day of listing when we see the price that will be adjusted by the market. The price is set by the market.

Question 23 In relation to the profit for 2020, which of the activities carried out did you notice that it brings a higher EBITDA margin?

Monica Ivan, CEO - intermediation and activity in the house account, especially market making operations.

Question 24 For mm do you still have discussions with one issuer or with several issuers? Monica Ivan, CEO - we are in discussions with issuers for this service.

Question 25 In connection with the expansion in foreign markets, can you detail?

Monica Ivan, CEO - we have issued a current report on this issue, for expansion in regional markets in Austria, Poland and Hungary. We are currently working on the legal framework.

We are currently a member of the Vienna Stock Exchange and the local capital market entities OEKB, OEKB-CSD and the Austrian CCP and in parallel we are proceeding with this first step of listing structured products on international markets.

Question 26 Do you still have a stake in Minesa? Can you give us details?

Monica Ivan, CEO - we no longer hold this stake in the portfolio, a current report has been issued, the stake has been sold and the value of this stake has been collected (December 2018).

Question 27 Can you tell us how many companies you have in your portfolio and how many of them are unlisted?

Monica Ivan, CEO - we have participations in the house portfolio, they will be made public (not analytically) in the financial statements that will be made public in March.



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