



BRK Financial Group: One of the most active financial intermediation companies in Romania

Presentation for investors
October 2021



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BRK Financial Group, 27 years of experience in the capital market

1.

BRK Financial Group, 27 years of experience in the capital market

The broker that revitalizes the funding of Romanian companies

Performance supported by a flexible and adaptable business model outlined in 27 years of existence

One of the main financial intermediaries for retail investors

The leader in ensuring the liquidity of the companies listed via the Issuer's Market Maker programme

Market leader in structured products

The only brokerage company listed on the Bucharest Stock Exchange

BSE:BRK	2020	2021
Total Revenues from core business – S1 (mil. lei)	6.02	11.7
Market capitalization* (mil. lei)	27.3	125
VEKTOR Index**	9 of 10 (Dec.2020)	10 of 10 (Aug.2021)

* Company market cap at the end of 2020 and on October 22nd, 2021. Source: BSE

**As computed by ARIR (Romanian Investors Relations Association)

BRK, a key role in the development of the local capital market

- BRK is one of the most long-lived, innovative, and active financial intermediaries in the Romanian capital market, established on October 26th, 1994 in Cluj-Napoca
- Holds an extensive portfolio of products, in the trend present on the international markets
- Online trading and physical presence at national level, through its agencies in **Bucharest, Timisoara, Iasi and Suceava**



Founding member



Central Counterparty (CCP.RO)

**The Investors Compensation Fund (FCI) has recently become an entity of public interest*

BRK share evolution on the stock exchange

Key data:

- 0.37 lei/share, a **356%** price increase from the end of 2020, 0.0810 lei/share
- 337.7 mil shares and a 54 million lei share capital
- **Diversified shareholder structure with good dispersion**, over 8,000 shareholders; SIF Muntenia, with a participation of 18.47%
- Wood&Company – Market Maker of the Issuer for the BRK shares



A business model focused on the client's needs

Intermediation services

Revenues from brokerage fees for investors with access to the **local stock exchange** and to **foreign markets**

Revenues from **listing** intermediation fees and access to **capital** for Romanian companies, as well as **conducting corporate operations** specific to the listed companies

Management and investment services

Revenues from **structured products** trading spreads

Revenues from **Market Making** transactions for the shares of Romanian issuers

Capital gains from **on own account** and **margin trading** (loans for the acquisition of shares)

BRK's Clients



Issuers
Institutional investors
Retail investors



BRK's strategy to revitalize the access to capital

2.

BRK's strategy aims to...

... revitalize the access to capital in the post-pandemics context

... maintain the priorities of the clients as a central strategic pillar

... register an organic growth of the business by diversifying the range of services provided and by regional expansion

Strategy focused on demand and new opportunities

The **demand-focused** strategy has led to **new opportunities** for both the company and its clients.



Issuers: Intensifying the collaboration with most clients, thanks to the **increased interest for financing and market making on the stock exchange.**



Institutional investors:

High demand for brokerage services to diversify the investment portfolio via new products.



Retail investors:

Increased interest in **building their own investment portfolio** via assisted or direct (online) trading.



Revitalisation of stock market funding for the issuers

The biggest offers on the market in 2021

- Obtained **260 million lei funding** for One United Properties after conducting the first IPO on the BSE in the last 7 years;
- Participated as a distribution agent in the successful completion of the first secondary public offer in the last 4 years, that of TTS, of **288 million lei**;
- Successfully completed the largest private placement of shares in the market: **74,2 million lei**.



Arobs is in the listing process on BSE's AeRO market.

BRK, a pillar of capital funding

Most recent listings, private placements of shares and bonds: 2020-2021

Shares



4.9 mil. lei



Holde

22 mil. lei



STAR RESIDENCE INVEST S.A.

8.1 mil. lei



7.5 mil. lei

Bonds

CELLINI

1.6 mil. euro



8.7 mil. lei



0.5 mil. euro



25 mil. lei



QUALIS

2.1 mil. euro

Modern services for retail investors

10 minutes needed to open an online trading account

A high flow of placement offers and investment opportunities

Direct and assisted trading via online accounts

BRK advantages for retail investors

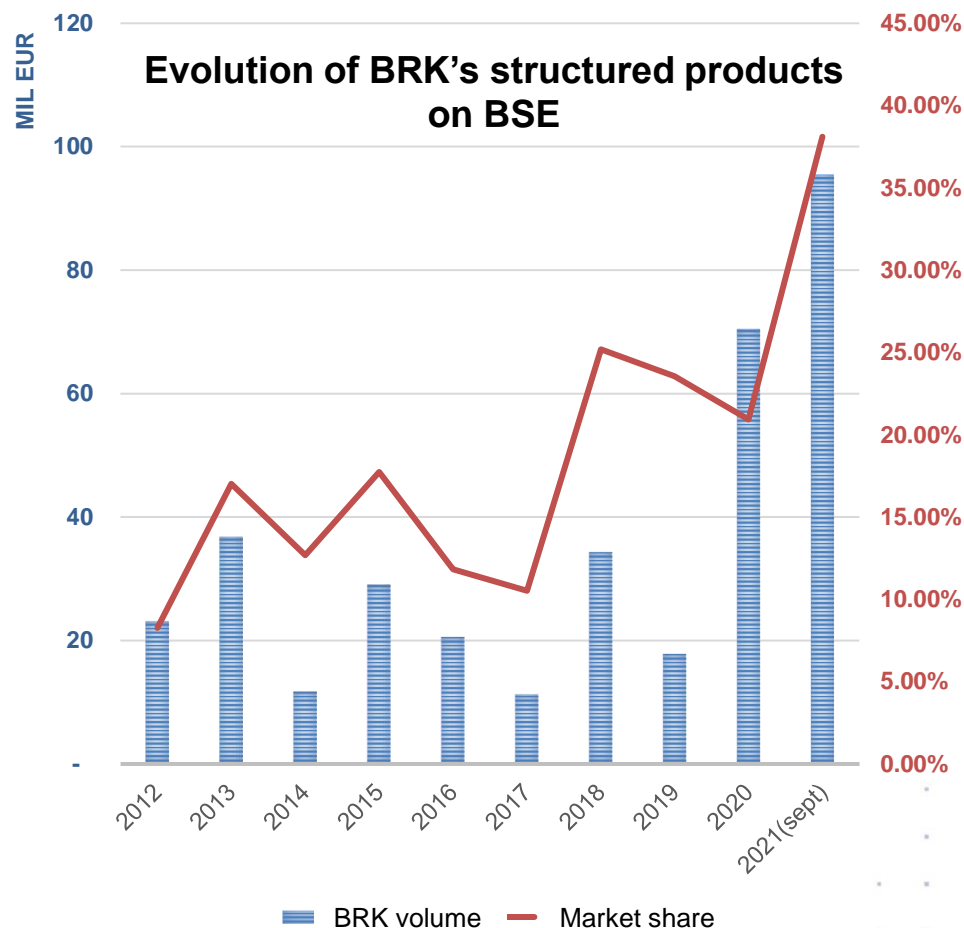
Best quality services at very attractive prices

Supporting financial education, loyalty programs and continuous digitization of services

Diversifying the offer for investors

In 2020 BRK initiated the listing of certificates on regional capital markets

- Assessment of the attractiveness potential for accessing stock exchanges in Budapest, Vienna and Warsaw, with volumes 2-11x larger than BSE
- Opportunity for scalability in other markets at minimal cost, with attractive profitability and low risk
- Passporting the basic prospectus to the equivalent Supervisory Authorities of Hungary, Austria and Poland



Achievements in financial intermediation operations



2010

Market Making Operations on the Sibex Stock Exchange



2012

Structured products launch



2014

Own system for Market Making quotes



2018

BSE award:
"The most active broker for structured products in 2018"



2019

First partnership in the Issuers Market Making programme (currently 12 partnerships)



2019 & 2020

BSE award:
"The most active broker for increasing liquidity in 2020"

BRK's strategy is validated...

... by the rapid
increase of the client
base

... by outstanding
operational results

... by remarkable
financial
performance

Team of experienced professionals

Top management



**Monica Ivan,
Chief Executive
Officer**

24 years experience in
the capital market

*ARIR member of
the Board of
Directors*



**Răzvan Raț,
Deputy CEO**

14 years experience in the
financial industry

*BSE member of the
Board of Governors*

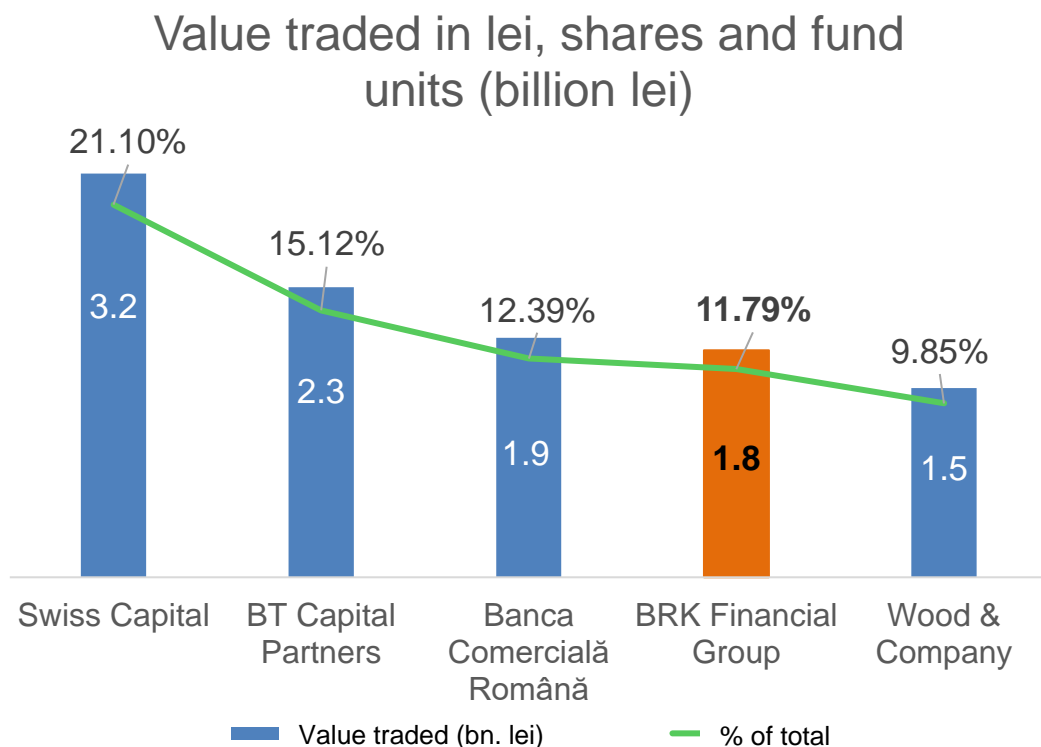
- The quality of BRK's products is complemented and amplified by the quality of services provided by a team that understands the processes related to each operational segment
- BRK aims to develop the research department to provide analysis to a higher number of issuers
- The Stock Option Plan program is the drafting phase, with addressability including the employees
- Average number of employees: 40. The employees are talented and enthusiastic about stock exchanges and the capital market

Operational achievements in the first semester of 2021



3.

Significant increase in market share in the traditional intermediation segment (brokerage)



Source: BSE. Transactions from January to September 2021 were considered.

- The only independent broker in the top 5 brokers, according to the value traded.
- BRK's market share in the traditional brokerage segment has increased significantly, **from 3% in 2020 to almost 12%** in the first 9 months of this year.
- The **increase** in the first 9 months of 2021 compared to 2020 is based on **the growing number of new trading accounts**, as well as **higher values** traded by existing clients.

Market leader in ensuring liquidity via the Issuer's Market Maker programme

BRK Financial Group has the largest number of financial instruments for which it provides liquidity: **11 shares and one bond issue (IMP26)***



**On October 22nd, 2021*

Strengthening the leader position for structured products

470 (mil. lei)

value of structured products traded in H1

38.1%

market share of structured products

1%

average gross profitability obtained

2021 financial results

4.



Increasing turnover and positive results on all business segments in H1 2021

Revenues from
brokerage and
corporate services
8.9 mil. lei

Revenues from
Market Making and
structured products
2.7 mil. lei

Total Revenues
11.7 mil. lei

Operations on own
account, **profit of**
10.1 mil. lei

Core business profit
4.6 mil. lei

Net profit
14.8 mil. lei

Earnings per share
0.0438 lei

Brokered transactions
1,216 mil. lei

Market share
6.62%

Doubling core business revenues

Individual standing of the overall result

Key data:

- **+1114%** increase in revenues from corporate taxes and fees;
- **+6%** increase in revenues from brokerage fees;
- **+157%** increase in other brokerage revenues;
- **3-fold** increase of revenues from the sale of finished products;
- **+43%** increase of the market making activity;

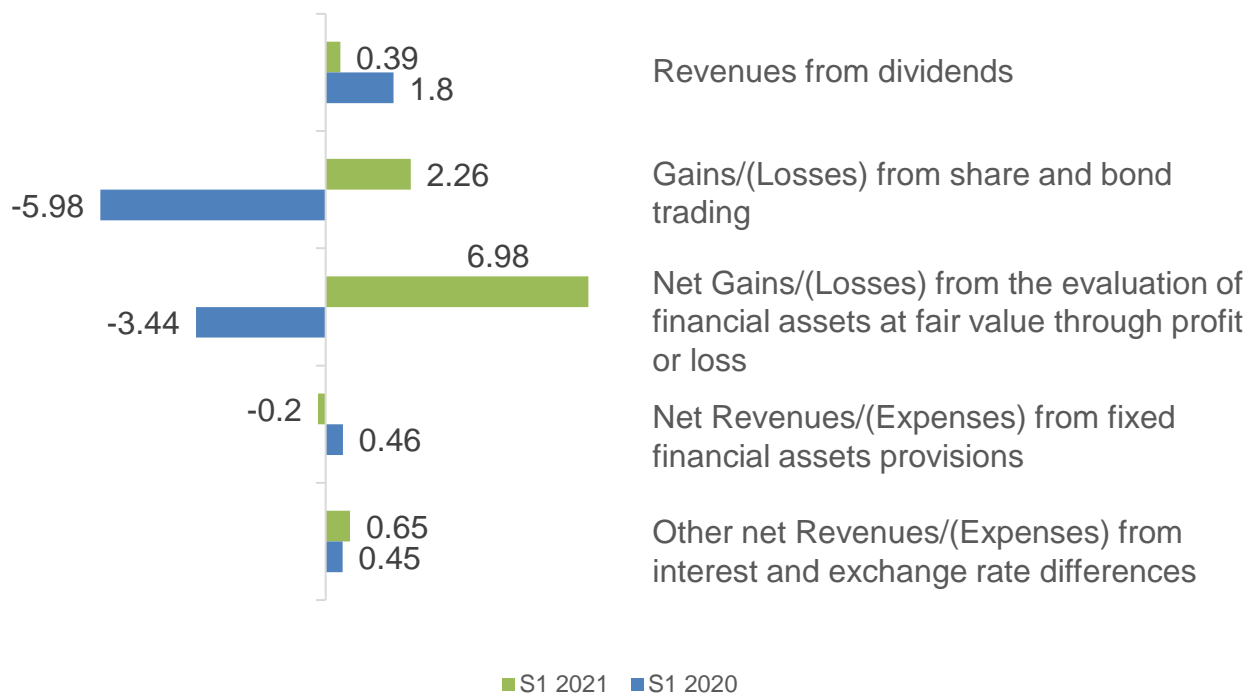
Revenues from core business

	<u>June 30th, 2021</u>	<u>June 30th, 2020</u>
Brokerage	8,984,138	4,079,083
Revenues from brokerage fees	3,655,436	3,447,004
Corporate revenues	4,653,657	383,200
Other brokerage revenues	639,046	248,879
Market making	2,715,836	1,903,763
Net gains from trades	1,876,494	1,758,564
Other MM revenues	839,342	145,199
Other core business revenues	20,602	39,810
Total expenses	7,045,006	5,743,459
Core business result	4,639,571	279,198

Profit of 10.08 mil. lei from own portfolio management in H1 2021

- ✓ Marked net gains (+2.65 mil. lei)
- ✓ Mark to market gains (+6.98 mil. lei)
- ✓ Other financial revenues (provisions, interest, exchange rate differences) of 451 thousand lei

Own portfolio management (mil. lei)



Total profit in H1 2021
10.1 million lei

Loss in H1 2020
- 6,6 million lei

Transitioning to core business profit

Key data:

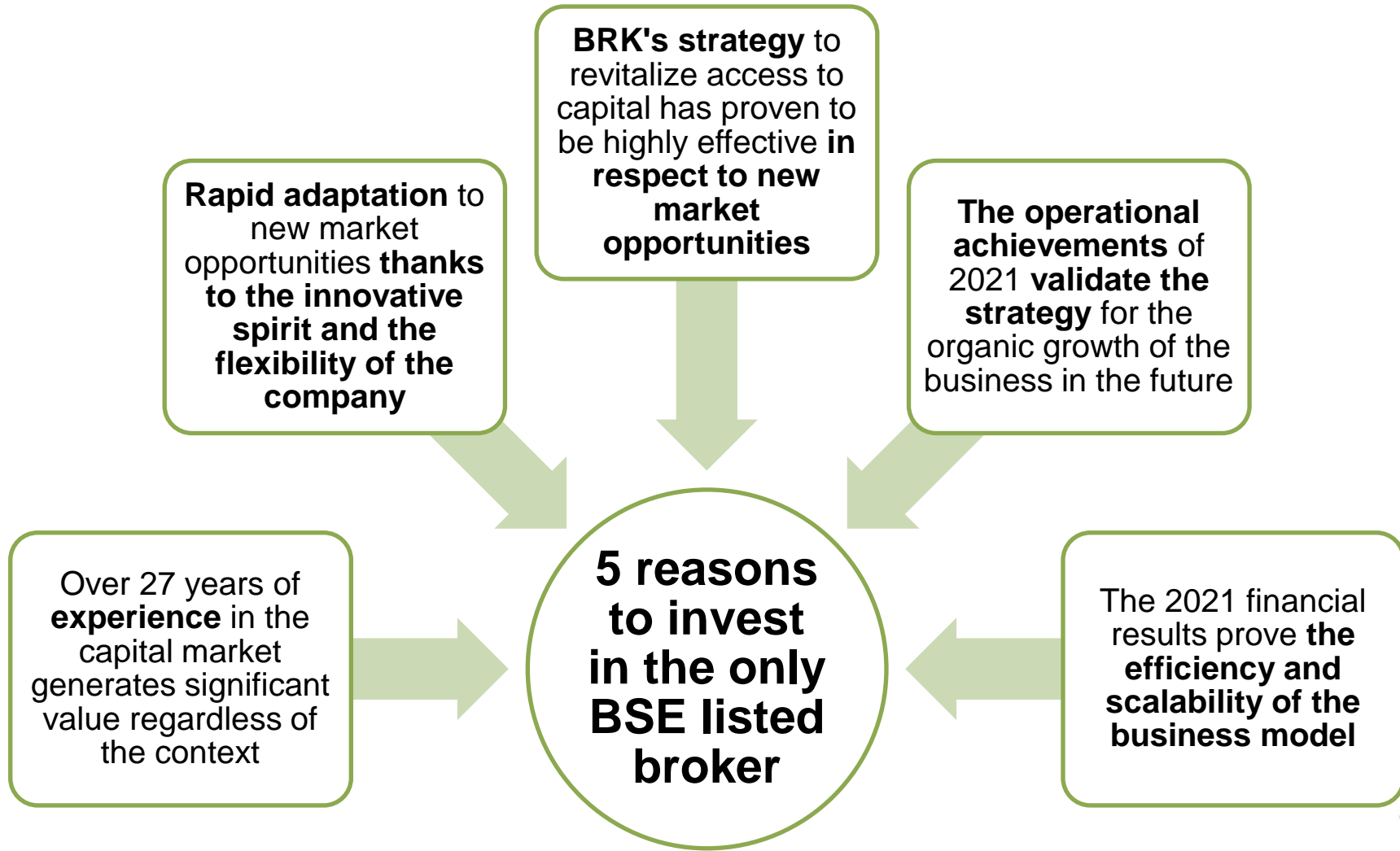
- Obtaining gains from financial instruments and from the evaluation of financial assets;
- Obtaining a **profit of 14.8 million lei** in the first semester of 2021.

	<u>June 30th, 2021</u>	<u>June 30th, 2020</u>
Profit / (Loss) from core business	4,639,571	279,198
Net Gains/(Losses) from financial instruments	<u>2,654,796</u>	<u>(4,089,263)</u>
Net Gains/(Losses) from the evaluation of financial assets at fair value through profit or loss	<u>6,982,271</u>	<u>(3,448,535)</u>
Net Revenues/(Expenses) from fixed financial assets provisions	<u>(200,000)</u>	<u>462,999</u>
Other net Revenues/(Expenses) from interest and exchange rate differences	<u>943,651</u>	<u>450,794</u>
Net Revenues/(Expenses) from provisions related to risks and expenses	<u>30,513</u>	<u>5,167</u>
Other net Revenues/(Expenses)	<u>(12,493)</u>	<u>(85,302)</u>
Operational Result	15,038,309	(6,424,941)
Profit from continuous activities	(238,312)	-
Profit for the period	14,799,997	(6,424,941)

Conclusions

5.

Conclusions



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