



Board of Directors' Annual Report 2023

Individual Financial Statements

SSIF BRK FINANCIAL GROUP S.A. in accordance with the International Financial Reporting Standards adopted by the European Union ("IFRS").



31.12.2023

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Identification data

Report date	31 December 2023
Company name	SSIF BRK Financial Group S.A.
Field of activity	Financial intermediation activities
CAEN code	6612
Fiscal code/CUI	6738423
Trade Register Code	J12/3038/1994
Address	Str. Moșilor, Nr. 119, Cluj-Napoca, România
Phone/Fax	0364 401 709 or 0364 401 710
Email	office@brk.ro
Website	www.brk.ro
Securities	337.429.952 ordinary shares with a par value of 0,15 RON/share
Regulated market	Bucharest Stock Exchange, Main Segment, Premium Category
BVB symbol	BRK
ISIN	ROBRKOACNORO
Audit	The financial statements as of December 31, 2023 are audited

Management message



Dear shareholders,

BRK Financial Group publishes today its financial results for 2023 and reports a profit from core business of RON 6.3 million (2022: RON 2.57 million), a negative result from investment activity of RON -5.3 million (2022: RON -16.1 million), and a net profit of RON 376k (2022: -13.6 million RON). Referring to the fourth quarter of 2023, we had a result

from the core business of +2.52 million RON, cancelled out by the result from the investment activity (-2.47 million RON). In the following we will briefly explain the main developments at business segment level.

Total core business revenues are RON 23.5 million, up 22% on 2022 revenues (RON 19.1 million), supported in general by an increase in **intermediation segment revenues** from RON 11 million in 2022 to **RON 15.2 million in 2023** (+37%). **Market-making segment revenues** stagnated (RON 8.3 million in 2023 vs. RON 8.2 million in 2022), but with diverging developments of the 2 sub-segments: we report a 25% increase from RON 4.8 to 6 million in revenues from market-making services provided to issuers, and a 30% decrease in net gains from structured products transactions. Core business expenses are RON 14.4 million, a residual increase (+3.7%) compared to the amount recorded in 2022 (RON 14 million).

In terms of the traditional business segment - transaction brokerage, in 2023 we brokered transactions worth RON 2.23 billion, an increase of 17% compared to the amount brokered in 2022 (RON 1.9 billion). In terms of market share, it was 4.5% at the end of 2023, but the value was heavily diluted by the incidence of the Hidroelectrica IPO, where significant turnovers were brokered by brokers specialized in the institutional client segment. Averaging monthly market shares, BRK Financial Group's market share would be 6.8%. In the Structured Products Issuer and Liquidity Provision and Market Making for Issuers segments respectively, BRK Financial Group maintains its market leadership position with shares of 38.1% and 60.7% respectively.

The result of the investment activity consists of a loss of RON 5.3 million (2022: + RON 16.1 million) mainly composed of interest expenses (RON 4.14 million) and expenses on provisions for loans to subsidiaries (RON -2 million). Gains from trading financial instruments were RON 1.3 million (vs RON -640k in 2022), offset by the result of the revaluation (mark-to-market) of portfolio holdings of RON -1.3 million (2022: RON -10.7 million).

Monica IVAN, Chief Executive Officer

Individual statement of financial position as at 31.12.2023

<i>Lei (RON)</i>	31.12.2023	31.12.2022
Assets		
Intangible assets	260.945	351.065
Tangible fixed assets	9.599.002	8.658.073
Real estate investments		-
Financial assets measured at fair value through other comprehensive income	38.622.163	44.770.110
Financial assets measured at fair value through profit or loss	40.529.391	47.098.012
Financial assets at amortized cost	-	-
Loans and advances granted	4.404.460	4.143.848
Trade and other receivables	2.754.448	1.923.530
Other financial assets	70.350.380	68.220.116
Client bank accounts	107.453.100	50.505.061
Cash and cash equivalents	696.225	1.424.003
Total assets	274.670.114	227.093.818
Liabilities		
Bond liabilities	24.560.706	24.432.138
Financial leasing liabilities	244.826	457.273
Provisions	-	-
Total non-current liabilities	24.805.532	24.889.411
Interest Bonds	420.921	322.708
Deferred income tax liabilities	558.190	978.691
Current income tax liabilities	-	-
Dividend payment	365.271	365.271
Short-term bank debt	19.347.583	20.329.411
Current part of financial leasing liabilities	236.422	166.638
Amounts owed to customers	162.415.869	104.770.215
Trade and other payables	11.126.557	14.003.511
Provisions	557.628	521.882
Total current liabilities	195.028.441	141.458.327
Total liabilities	219.833.973	166.915.600
Equity		
Share capital	50.614.493	50.614.493
Share capital adjustment	4.071.591	4.071.591
Treasury shares	-	(1.285.077)
Benefits to be granted to employees, directors and officers in the form of equity instruments	-	697.762
Capital premiums	5.355	5.355
Reserves from revaluation of financial assets at fair value through other comprehensive income	(15,754,841)	(6.820.240)
Other reserves	15.421.788	13.501.013
Total reserves	(333.053)	6.680.773
Current result	382.118	(15.161.073)
Retained earnings	95.637	15.122.256
Total equity attributable to equity holders of the Company	54.836.142	60.746.080
Total equity and debt	274.670.114	227.093.818

Individual global statement of comprehensive income as at 31.12.2023

	31.12.2023	31.12.2022
Income from core activity	23.490.386	19.183.884
Income from intermediation	15.119.737	11.009.151
Intermediation commission income	8.247.011	7.227.128
Corporate income	765.320	475.849
Other income from core activity	6.107.406	3.306.174
Commission expenses Intermediation	(2.352.649)	(2.168.419)
Net commission income	12.767.088	8.840.732
Income from market making activity	8.370.649	8.174.733
Net trading income	2.379.240	3.373.723
Income from market making services provided to issuers	5.991.409	4.801.010
Expenses with licenses and issuance of structured products	(410.315)	(483.478)
Net income from market making activity	7.960.334	7.691.255
Total Expenditure core activity, of which:	(14.428.835)	(13.957.858)
Salary expenses and employee benefits	(8.037.549)	(7.100.102)
Expenses market commissions and intermediaries	(1.452.667)	(1.157.887)
Expenditure on external benefits	(2.377.622)	(2.581.734)
Expenses with collaborators	(336.784)	(215.802)
Other expenditure core activity	(1.346.191)	(1.974.302)
Value adjustments of intangible and tangible assets	(878.022)	(928.031)
Profit/(loss) from basic activity	6.298.587	2.574.129
Net realised gains/(losses) on financial instruments	1.302.981	(640.243)
Dividend income	605.066	1.732.562
Income from realised share and bond transactions	3.404.344	2.408.907
Losses on realised share and bond transactions	(2.706.429)	(4.781.712)
Net gains/(losses) on valuation of financial assets measured at fair value through profit and loss	(1.361.379)	(10.689.111)
Income from valuation of financial assets measured at fair value through profit and loss	11.788.825	8.631.294
Losses on valuation of financial assets measured at fair value through profit and loss	(13.150.204)	(19.320.405)
Net income/(expense) provisions for non-current financial assets	(2.010.714)	(1.733.375)
Income cancellation of provisions for non-current financial assets	-	-
Expenditure on provisions for non-current financial assets	(2.010.714)	(1.733.375)
Other net interest and exchange rate income/(expenses)	(3.376.114)	(3.382.474)
Interest income on loans and bonds	587.789	331.351
Interest income on margin loans	148.137	241.238
Interest income other	38.741	71.336
Interest expenses	(4.145.476)	(3.753.316)
(Expenses)/Income from exchange rate differences house	(5.305)	(273.083)

**Individual statement of comprehensive income
(continued)**

Net income/(expenses) provisions for risks and charges	(35.746)	500.186
Expenditure on provisions for risks and charges	-	-
Income for cancellation of provisions for risks and charges	431.335	931.521
Other net provisions	(467.081)	(431.335)
Other income/(expenses), net	151.819	(195.056)
Net gains/(losses) on sale of assets	-	23.500
Other operating expenses	(62.646)	(402.951)
Other operating income	214.465	184.395
Result of investment activities	(5.329.153)	(16.140.073)
Result of operating activities	969.434	(13.565.944)
Expenditure on other long-term employee benefits	(587.315)	(1.595.131)
Profit before tax	382.119	(15.161.073)
Income tax expense	-	-
Profit from continuing operations	382.119	(15.161.073)
Discontinued operations	-	-
Loss from discontinued operations (after tax)	-	-
Profit for the period	382.119	(15.161.073)
Other comprehensive income	(8.934.601)	(6.580.260)
Net change in fair value of financial assets at fair value through other comprehensive income (FVTOCI) not transferred to profit or loss	(8.934.601)	(6.580.260)
Positions that can be reclassified to profit and loss	-	-
Net change in fair value of available-for-sale financial assets	-	-
Free shares received classified as available for sale	-	-
Changes in value of fixed assets available for sale	-	-
Items that cannot be reclassified to profit or loss	-	-
Changes in value of fixed assets used	1.500.273	-
Changes in value of investment property	-	-
Creation/creation of reserves from profits for granting free shares to employees	-	-
Tax relating to other items of comprehensive income	-	-
Total other comprehensive income for the period	(8.934.601)	(6.580.260)
Total profit and loss account and other comprehensive income for the period	(8.552.482)	(21.741.333)
Attributable profit:	382.119	(15.161.073)
Shareholders of the Company	382.119	(15.161.073)
Interests without control	-	-
Profit for the period	382.119	(15.161.073)
Total attributable comprehensive income:	-	-
Shareholders of the Company	-	-

Interests without control	-	
Total comprehensive income for the period	(9.853.605)	(6.580.260)
Earnings per share		
Result per basic share (lei)	0.0011	(0.0449)
Diluted earnings per share (lei)	0.0011	(0.0449)
Ongoing activities		
Result per basic share (lei)	0.0011	(0.0449)
Diluted earnings per share (lei)	0.0011	(0.0449)
31.12.2023		
Weighted average number of shares outstanding:	337.429.952	337.429.952

About BRK

SSIF BRK Financial Group S.A. was established as a joint-stock company on 26 October 1994 under the initial name of SIVM Broker SA, and subsequently SSIF Broker S.A., until the end of 2015. Against the backdrop of the expansion of the business into other financial segments through strategic acquisitions, but also as a result of internal development, in 2015 it was decided to change the name from SSIF Broker SA to SSIF BRK Financial Group S.A.

In 2005, BRK Financial Group became the first and, to date, the only financial investment services company listed on the Bucharest Stock Exchange in the Premium category. The shares of SSIF BRK Financial Group S.A. were admitted to trading on the main market administered by the Bucharest Stock Exchange on 5 February 2005 under the symbol BRK. BRK shares are listed in the premium category of the Bucharest Stock Exchange and are included in the composition of the BETPlus, BET-BK, BET-XT, BET-XT-TR and BET-XT-TRN indices. BRK also issued in August 2021 a first series of bonds with a nominal value of RON 25 million maturing in August 2026, and these bonds are traded on the main segment under the symbol BRK26. The head office of the company is located in Cluj-Napoca, while the national presence is ensured through agencies in Bucharest, Timisoara, Iasi and Suceava.

BRK Financial Group S.A. is a founding member of the Bucharest Stock Exchange, the Romanian Commodities Exchange and the Investor Clearing Fund. In 2019, BRK Financial Group became a founding member of the Central Counterparty (CCP.RO Bucharest SA) and in 2021 becomes a member of the main institutions of the Austrian Capital Market (Wiener Borse, OeKB and CCP).

The company offers a range of specialised services to issuers and potential issuers. In the past, BRK has been involved in the listing of 11 of the 12 companies initially listed on the Bucharest Stock Exchange. Over time, BRK has listed a significant number of companies. Among these, we mention: ONE United Properties, AROBS Transilvania Software, DN Agrar Group, Antibiotice Iași, Azomureș Târgu-Mureș, Terapia Cluj-Napoca, Artrom Slatina, Astra Vagoane Arad and others. Over time the company has acquired a wealth of experience in corporate transactions: advisory services on primary and secondary public offerings, takeover bids, buy-outs, delistings, advice on admission to trading on a regulated market, bond issues and public offerings, mandatory tender offers, share buy-backs, company demergers, etc.

Presentation of the core activity

BRK Financial Group's core business is structured into two business lines, namely the Intermediary segment and the Market Making segment. In addition to the core business, there is also the proprietary portfolio management segment, where the company operates proprietary trading, holds stakes in private companies. In turn, the intermediation segment has as its main sub-segments the intermediation of client transactions and corporate actions, while the segment generically called "Market Making" has as its sub-segments "Market making operations for domestic issuers" and "Issuance of structured products and provision of liquidity".

Intermediation segment

Financial intermediation refers to all transaction intermediation services offered to individual investors and companies, as well as specialised services offered to institutional clients. Intermediation services comprise the following:

(A) Transaction brokerage services for investors:

- Intermediation of purchase and sale transactions of securities traded on the Bucharest Stock Exchange (BVB). For this type of services, clients can choose to be assisted by a broker in carrying out transactions, or they can choose online trading on their own account. Within this segment, BRK also offers clients the possibility to trade on margin (based on a credit line granted by the company to the client), liquid shares listed on the Bucharest Stock Exchange.
- Brokerage of trades on international markets, with the company's clients having access to over 100 foreign markets in Europe, North America and Asia. The range of financial instruments is varied (equities, bonds, structured products, ETFs, CFDs, futures, etc.) and the costs involved in trading on international markets through BRK Financial Group are among the most attractive on the market.
- Brokerage of corporate, municipal and government bonds on the BVB and OTC, respectively brokerage of structured products on the dedicated market segment of the Bucharest Stock Exchange.
- Brokerage of domestic and international market transactions for institutional clients.

(B) Specialised services for issuers and potential issuers:

- Capital market financing through public share and bond issues.
- Intermediation of takeover bids or takeovers of companies listed on the stock exchange.
- Listing of companies and investment funds on the capital market through initial public offerings or on the basis of listing prospectuses.
- Advising on financing through share and bond issues or capital market promotion.

In 2023, BRK Financial Group brokered transactions in the equity segment for a total of 2.23 billion lei on the BVB (vs. 1.9 billion in 2022). In terms of market positioning, BRK ranks sixth in the top of intermediaries on the BVB (transactions in the equity segment), with a market share of 4.50% in 2023.

Trading on international markets was also an important source of commission income in 2023.

In terms of issuer services, BRK brokered 3 listings in 2023 (MIB and 2 series of BNET bonds), respectively a private placement of bonds conducted by the Municipality of Reșița, which attracted funding of over EUR 8.8 million, and their listing took place in early 2024.

Market making segment

A) Market making operations for issuers

In 2019, BRK became a market-maker on the regulated spot market of the BVB, signing its first contract under the Issuer Market Maker program, whereby an intermediary enters into a contract with an issuer to support its liquidity. An important feature of this programme is that the market maker assumes much improved values of the listing parameters (minimum volume, maximum spread, market presence) compared to traditional market making activity.

In 2023, BRK Financial Group provided market-making services for **Ages, Agroland Business System, Antibiotice Iași, AROBS Transilvania Software, Aquila Part Prod Com, Bursa de Valori București, DN Agrar Group, Holde Agri Invest, Life is Hard S.A., Medlife, Meta Estate Trust, Purcari Wineries, One United Properties, Romcarbon, Societatea Energetică Electrică S.A., S.N. Nuclearelectrica, Sphera Franchise Group, Teraplast and Transport Trade Services.**

BRK Financial Group's market making activity was recognized and awarded at the BVB Awards Gala, receiving the **"Most Active Intermediary for Liquidity Growth in 2023"** award. This award underlines the importance the company has in providing a functional and efficient market for investors.

B) Issuance of structured products and liquidity-providing operations

Since May 2012, the first structured products have been launched, in the form of Turbo Certificates with the Dow Jones Industrial Average as underlying asset. Over time, BRK Financial Group has diversified the type of structured products issued (issuing capital protected structured products), as well as the range of instruments that constitute the underlying assets of the products issued (international equities, domestic equities or commodities).

In 2023, BRK Financial Group recorded a turnover of RON 462 million in the structured products segment, maintaining its market leadership status (market share 37.8%) for the third consecutive year.

In 2023, BRK Financial Group listed 30 structured products as follows:

- 7 turbo long and turbo short certificates with the Mini Sized Dow Jones Industrial Average futures contract as underlying asset,
- 7 certificates with asset backing Gold Futures,
- 6 certificates with underlying WTI Light Sweet Crude Oil futures contract, and
- 10 certificates backing US stocks (Alphabet, Tesla, Microsoft, Apple, Meta Platforms).

As of 31 December 2023, BRK Financial Group had a total of 40 product series admitted to trading, as follows:

- 4 with underlying support Gold Futures,
- 6 with underlying support international equity,
- 4 with underlying support Copper Futures,
- 10 with underlying support futures WTI Light Sweet Crude Oil Contract,
- 2 with underlying support Silver Futures,
- 14 with underlying support futures Mini Sized Dow Jones Industrial Average Contract.

Own portfolio management

Alongside the intermediation segment, the management of the company's own portfolio of financial assets is another important strand of BRK Financial Group's business, which contributes significantly to the company's results. On the other hand, it is also a risk factor considering that BRK Financial Group is obliged to revalue at the end of each year all its positions in closed companies, and value adjustments of securities affect the result for the year and may change the picture of the company's financial performance. At the end of each month, the company adjusts the value of listed companies in its portfolio by marking to market.

Within the own portfolio we find the following types of placements:

- **The tradable portfolio** (shares and bonds listed on the Stock Exchange - usually short or medium term placements, portfolio of financial instruments listed on international markets - usually speculative placements);
- **Fund units;**
- **Holdings in private companies and loans to subsidiaries;**
- **Capital allocated to the business segment - "Margin loans";**
- **Capital allocated to the business segment "Structured products issuance and liquidity provision operations" and "Market making for equities" under the Issuer Market Making programme.**

We note that the issuance of structured products as well as the provision of liquidity for our own structured products are carried out on a fully hedged basis through hedging operations in the underlying asset market and as such we consider it to be core business. The other operations carried out on own account (including market making operations on domestic equities and bonds where there are no hedging instruments) we do not include them in what we call "core business", as they are exposed and correlated to market risk and are included in the operating activity and presented as a separate segment.

Activity in 2023 - Important events

On 16 January 2023, BRK entered into a credit agreement with TechVentures Bank SA.

On 28 February 2023, BRK published preliminary financial results for 2022 and held a conference call to present them.

On 22 March 2023, BRK convened the O&E AGM for 28 April, on which date the individual and consolidated financial statements for 2022 were approved, the income and expenditure budget for 2023 was approved, respectively the company's strategy for 2023-2028 was approved.

On 15 May 2023, the financial results for the first quarter of the year were published and a conference call was held to present them. Also, on 15 May 2023 an additional deed to the credit line facility agreement with CEC Bank was signed.

On June 20, 2023, BRK signed a financing agreement and addenda to two financing agreements with Romlogic Technology, a company in which BRK Financial Group holds shares.

On 21 June 2023, BRK convened the O&E AGM for 27 July 2023 to elect the financial auditor for 2024 and 2025 and to ratify the investment decisions and the financing granted to the slightly subsidiary.

On 22 June 2023, BRK received approval from the ASF for the Structured Products Issuance Programme, i.e. the issuance of the certificate evidencing the approval of the Base Prospectus for its notarisation to ESMA and the competent authorities of Austria, Hungary and Poland.

On 12 July 2023, the direct transfer of shares included in the stock option plan for 2021 (approved by Resolution No. 12 of the AGOA of 26.04.2022) was completed.

On 28 July 2023, the AGM (second convocation) elected the financial auditor JPA Audit&Consultancy Ltd. for 2024 and 2025, but the quorum requirements were not met for the AGM.

On 16 August 2023, the half-yearly report was published and on 17 August 2023 the conference call for the reseration of the half-yearly financial results was held.

On 15 September, a loan agreement was signed with Gocab Software for RON 390,000.

As of 26 September 2023, BRK shares benefit from market making services from Raiffeisen Bank International.

On 9 October 2023, BRK Financial Group announced that it will broker the bond issue for the City of Reșița.

On 19-20 October 2023, BRK Financial Group signed loan agreements with Gocab Software and Romlogic Technology.

On November 9, 2023, the quarterly report for the third quarter of the year was published and the conference call to present the financial results was held on November 13, 2023.

On 20 November 2023, BRK Financial Group announced that it had sold part of its holding in TechVentures Bank, namely 5% of the bank's share capital, at a price of 4,367,460 lei.

On 15 December 2023, BRK Financial Group informed the market that it had concluded an agreement with Mr. Razvan Rrat, Deputy General Manager of the company, on the termination by agreement of the parties of the mandate contract, starting from 25.01.2024.

Important events after the end of 2023

On January 16, 2024, BRK announced a new loan agreement with Romlogic Technology.

On 26 January 2024, BRK Financial Group informed shareholders and investors of the nomination of Mr. Paul Știopoi for the position of Deputy CEO, with a term of office valid from the date of authorization by the ASF until 06.12.2025.

On 6 February 2024, the AGAO was convened for 13/14 March 2024.

On 28 February 2024, the report on the preliminary financial results for 2023 was published and a conference call was held on 1 March 2024.

On March 8, 2024, BRK Financial Group informed shareholders and investors that it holds in its portfolio the amount of 1,266,350 shares issued by Gabriel Resources Ltd, a company listed on the Toronto Stock Exchange, TSX Ventures Exchange segment, trading symbol GBU, and on March 13, the company informed the market of the transactions made with these shares over time.

On March 13, 2024, the resolutions of the AGAO were published.

Dynamics and structure of total revenue

Intermediation activity

Capital markets trading services are offered by BRK Financial Group nationally and internationally to both retail, professional and institutional clients.

	31.12.2023	31.12.2022
Commission income on the domestic market	7,015,077	5,471,767
Commission income on external market	730,728	955,393
Income from related activities	501,206	799,968
Brokerage commission income	8,247,011	7,227,128
Income from corporate operations	765,320	475,849
Other intermediation income	6,107,406	3,306,174
Total income from intermediation activities	15,119,737	11,009,151
Salaries and employee benefits	(2,997,049)	(2,658,067)
Market and intermediary commission expenses	(2,641,945)	(2,168,419)
External benefits expenses	(136,350)	(311,158)
Expenses with collaborators	(336,784)	(215,802)
Other expenses core business	(327,168)	(790,111)
Total intermediation expenses	(6,439,296)	(6,143,557)
Result of intermediation activity	8,680,441	4,865,594

The intermediation segment generated revenues of RON 15.11 million in 2023 (vs. RON 11 million in 2022), This increase is mainly influenced by other intermediation revenues, where we report an amount of RON 6.1 million, an increase of 85% compared to the revenues of the same segment in 2022, as well as revenues generated by intermediation commissions, where the increase for the same period is 14%.

BRK brokered trades totalling RON 2.94 billion on the BVB in 2023 (vs RON 2.71 billion in 2022). In terms of market positioning, BRK ranks 8th among the intermediaries at the BVB, with a market share of 3.87% in 2023 (vs. 5.65% at the end of 2022).

The result of the intermediation segment was positive in 2023, totalling RON 8.68 million (vs. RON 4.86 million in 2022). In line with the increase in revenues, some direct expenses (commissions paid to stock exchanges and capital market institutions) also decreased.

Market making activity

	31.12.2023	31.12.2022
Net gains from transactions in structured products	2,379,240	3,373,723
Income from market making services provided to issuers	5,991,409	4,801,010
Total income from market making activity	8,370,649	8,174,733
Salaries and employee benefits	(1,885,373)	(1,021,280)
Expenses market commissions and intermediaries	(103,897)	(1,023,857)
External services expenses	(426,555)	(233,751)
Expenses with collaborators	-	-
Other expenses core activity	(290,456)	(297,975)
Total Market Making expenses	(2,706,281)	(2,576,864)
Result of Market Making activity	5,664,368	5,597,869

The market making activity generated revenues of RON 8.37 million in 2023 (vs RON 8.1 million in 2022). Revenues from partnerships under the Issuer Market Maker programme generated revenues of almost RON 6.0 million in 2023, compared to RON 4.8 million in the same period last year (+25%). The increase is explained by the fact that BRK's client portfolio for this service increased to a total of 17 issuers.

As for the Structured Product Issuance and Liquidity Provision segment, we report revenues of RON 2.37 million, down 30% compared to 2022 (RON 3.3 million) on the back of declining turnover (2023: RON 462 million and 2022: RON 635 million), but also on the margin (spread) required to maintain product competitiveness. In terms of market positioning, we have maintained our leading position with a market share of 37.81% slightly down from 2022 (market share: 38.66%).

Own portfolio management activity

	31.12.2023	31.12.2022
Dividend income	605.066	1,732,562
Net realised gains/(losses) on financial instruments	697.915	(2,372,805)
Net gains/(losses) on valuation of financial assets measured at fair value through profit and loss	(1.361.379)	(10,689,111)
Net income/(expense) on provisions for non-current financial assets	(2.000.000)	(1,733,375)
Other net interest and exchange rate income/(expense)	(3.386.828)	(3,382,474)
Other net income/(expenses)	145.815	(195,056)
Net income/(expense) from provisions for risks and charges	(35.746)	500,186
Result of portfolio management activity	(5.335.157)	(16,140,073)

Operations carried out on own account (other than operations providing liquidity on certificates) brought us a negative result of RON -5.3 million, where the revaluation of portfolio positions (RON -1.3 million), interest expenses and exchange rate differences (RON -3.3 million) and provisions for non-current financial assets of RON 2 million were set up.

Company staff

On 31.12.2023, the actual number of company employees was 41.

The company's development strategy involves the expansion of the activity, i.e. the increase in the number of employees in the future, both in administrative and support roles, as well as in directly productive segments (expansion of the sales force), in correlation with the volume of activity. The company constantly encourages and supports the professional development and specialization of the staff employed in the area of competence specific to each one, by participating in professional training programs and continuous professional training. Also, there is an operational continuity plan for each of the existing positions in the organizational chart.

Corporate Governance & Investor Relations

The company operates according to sound principles of corporate governance. These principles are the basis of the management framework. BRK Financial Group operates according to internal procedures that determine the effectiveness of control mechanisms, with the aim of protecting and harmonizing the interests of all categories of participants in the activity carried out within the company.

BRK Financial Group makes every effort to align itself with best practices in the area of investor relations.

BRK Financial Group respects the rights of its shareholders in the sense of carrying out the activities undertaken by the company in their interest. The company is constantly concerned with improving communication and relations with its shareholders, aiming to ensure fair treatment. The articles of incorporation of the company regulate the rights of shareholders regarding the shares held and their exercise by participating in the General and Extraordinary Meeting of Shareholders. Also, the constitutive act regulates the management body of the company and the method of its administration. The relationship with the shareholders is ensured at the level of the executive directors and the Board of Directors.

The website of BRK Financial Group provides concise information on the organization and conduct of the activity, the products and services offered, the financial statements, the Ordinary and Extraordinary General Meetings, the disputes in which the company is involved and other elements that may be of interest to shareholders, collaborators or customers. Also, the company's web page includes the CVs of the members of the Board of Directors and the audit reports. All information intended for shareholders is available in the "Investor Relations" and "About Us" sections, both in Romanian and in English. With regard to potential questions, opinions or suggestions that shareholders may have, the company provides the e-mail address ir@brk.ro, to facilitate easy and appropriate communication. Along with the information available on the company's website, shareholders can consult the reports and communications sent by BRK Financial Group. They can be consulted on the website of the Bucharest Stock Exchange (BVB). The company annually provides the financial reporting calendar, the convocations of AGOA and, as the case may be, AGEA, their decisions and current reports.

Board of Directors

The administration of BRK Financial Group was ensured in 2023 by a Board of Directors consisting of three members. Following the elections held within the AGOA in April 2020, a new Board of Directors was elected, consisting of three members: Mr. Robert Dănilă, Mr. Gabriel Goia and Mr. Sorin Constantin. Considering the fact that in April 2024 the terms of office of two of the three administrators expire, on 13.03.2024 the AGOA was convened for the election of two administrators. Thus, the two elected administrators are Danilă Robert Iulian and Goia Gabriel, who will start the new mandate only after their authorization by the ASF.

During 2023, the Board of Directors of BRK Financial Group SA met 26 times, either by attending the company's headquarters or by means of remote communication, and its activity complied with the legal and statutory provisions. Important topics and projects, relevant to the company's activity, were debated, and decisions were issued that looked at the multiple functional aspects of the company. Among the topics that were found in the agenda of the Board of Directors, having a particular impact on the current activity, were the approvals of some internal policies and procedures that were updated to correspond to the changes made at the company level.

The Board of Directors operates on the basis of its own operating regulations, which establish the actual working method of the Board, the method of convening and meeting it, the company personnel who must present the activity reports (executive directors, CCI representatives, the risk manager, the internal auditor, Economic Director, House Operations Director, Intermediary Operations Director).

In order to avoid any potential conflicts of interest, the members of the Board of Directors, through the submitted and published CV, inform both the Board and the shareholders and potential investors about any professional commitments, including about the executive and non-executive positions in the Board of some companies and/or non-profit institutions, and through the statements provided to the Financial Supervisory Authority, all information related to direct or indirect participations, individual participations or as a result of concerted action with third parties is disclosed.

The remuneration of the members of the Board of Directors is approved by the General Meeting of Shareholders. The members of the Board of Directors do not carry out related activities that are directly or indirectly influenced by the activity of BRK Financial Group SA.

Committees of the Board

Four committees operate within the Board of Directors of BRK Financial Group: the Nomination Committee, the Audit Committee, the Risk Committee and the Remuneration Committee. The committees established at the level of the Board of Directors function as working groups of the Board, their role being determined and established in accordance with the applicable legal provisions and to meet the needs of the company. The establishment of the composition of the committees within the Council was based on the expertise of its members and the need to optimally use the experience accumulated by them in different fields of activity.

The three administrators are members of all committees.

The Risk Committee - the role of this committee is mainly to monitor the risks that may have an impact on the company and to analyze and evaluate the reports sent by the person designated with risk management at the company level. The risk committee is periodically informed by the person appointed with risk management through a complete activity report, on the company's situation in terms of liquidity indicators and other risk indicators that are calculated in accordance with the regulations of the Financial Supervision Authority.

Audit Committee - its role is to analyze and audit the company's financial statements. The audit committee evaluates the periodic financial statements of the company, the correctness of their preparation and the opinions of the auditors regarding the financial statements.

The Remuneration Committee - has the task of evaluating the remuneration policies within the company and proposes their modification and updating to the Board of Directors for approval.

The Nomination Committee - has the role of evaluating the people proposed for management positions and key positions within the company and also to analyze the proposals for the people who can represent the company in the Boards of Directors of other entities.

The internal auditor

During 2023, the internal audit was ensured by the company Asconcor SRL, which operates independently, in accordance with the recommendations of the corporate governance. The internal audit reports were presented to the company's Board of Directors, and the measures proposed in the audit reports were implemented by decisions of the Board of Directors. The internal audit reports aim at verifying the correlation of customer balances with analytical records, verifying capital adequacy reports, survey verification of customer cash availability and other relevant aspects of the company's activity.

The external auditor

According to the legal provisions, the financial-accounting statements and operations of BRK Financial Group are audited by an independent financial auditor, who meets both the criteria established by the Financial Supervisory Authority and those of the Romanian Chamber of Financial Auditors.

In the AGOA dated 26.04.2021, the election of the financial auditor JPA Audit&Consultanța SRL for the years 2022 and 2023 was approved and in the AGOA dated 27.07.2023, the financial auditor JPA Audit &Consultanța S.R.L. was elected for the financial years 2024 and 2025.

Internal control

In accordance with the legal provisions in force, BRK Financial Group has organized an Internal Control and Compliance Department (CCI) composed and coordinated by personnel authorized by the ASF.

The main role of the Internal Control and Compliance Department is to verify compliance with the regulations in force in the field of the capital market and internal procedures, in order to limit the risk to which the company is exposed and to develop honest business practices. CCI representatives aim to prevent any violation of the legal provisions in force or of the internal procedures of BRK Financial Group.

The Department of Internal Control and Compliance reports monthly to the Board of Directors of the company, the executive management and the internal auditor regarding the activity carried out and the reported issues, if applicable. The CCI proposes to the management measures to remedy the reported problems, following which the decision regarding the application of the proposed measures will be taken by the members of the Board of Directors and/or the executive

management. The decision will be brought to the attention of those involved by the representatives of the executive management.

CCI also verifies the transmission to the capital market institutions of the mandatory reports according to the legislation in force, including the current reports deriving from the obligations assumed as an issuer traded on the Bucharest Stock Exchange - Premium category.

During 2023, the Internal Control and Compliance Department drew up control reports, based on the Annual Control and Compliance Plan and at the request of the company's management. Control reports were reported accordingly. As a result of the proposals formulated in the control reports drawn up in 2023, the management of the company took remedial measures by modifying certain procedures, adopting some decisions.

Risk management

Within BRK Financial Group, in accordance with the legal provisions in force, a salaried risk manager was appointed with specific attributions for risk monitoring at company level. The monitoring of risks specific to the activity carried out is done in accordance with the Risk Management Policies - Rules and mechanisms for risk assessment and management, approved by the Board of Directors. In the process of identifying and evaluating financial risks, as well as the indicators used in risk management, EU Regulation no. 575/2013 on prudential requirements for credit institutions and investment companies, EU Regulation no. 2033/2019 on the prudential requirements of investment firms, as well as the regulations and legislation of the Financial Supervision Authority.

Regarding the assessment of operational risks generated by IT systems, the aspects provided for by Norm no. 4/2018 regarding the management of operational risks generated by the IT systems used by entities regulated, authorized/approved and/or supervised by the Financial Supervisory Authority.

The risk management system, built according to the regulations presented above, includes a set of appropriate risk management mechanisms and procedures, analysis, as well as the presentation of the results of the activity of identifying and evaluating financial risks, as well as proposals for appropriate management and of reducing the effects of the risks related to the investment and general activity of the company.

In this sense, the following categories of potential or existing risks to which SSIF BRK Financial Group SA is exposed were analyzed and evaluated:

- Liquidity risks, with the following sub-categories: the risk of not covering the current liquidity requirement and the risk related to the liquidity of the portfolio of financial assets owned by SSIF BRK Financial Group SA;
- Market risks, with the following sub-categories: position risk, currency risk, commodity risk and long-term interest rate risk;
- Credit risks, with the following sub-categories: credit risk (related to participations and debt securities), counterparty credit risk, credit risk arising from loans granted by the company to affiliated entities, legal risk.
- Operational risks, analyzed from the perspective of the quantitative and qualitative approach. Within this category, all the operational risks generated by the processes, systems and human resources that SSIF BRK Financial Group SA uses in its current activity are analyzed;
- Concentration risk, with the following sub-categories: large exposures to a debtor/issuer and large exposures to a sector of economic activity. At the same time, as part of the concentration risk, the exposures registered by BRK Financial Group to different categories of assets and financial operations are also analyzed from the perspective of the requirements provided by the legislation in force;
- Currency risks, which deal with the positions held by BRK Financial Group on cash and deposits in foreign currency, financial instruments denominated in foreign currency, derivative financial instruments with a supporting asset in foreign currency;
- Evaluation of positions and inclusion of instruments from the BRK Financial Group portfolio.

At SSIF BRK Financial Group SA level, financial, investment and operational risks were evaluated/quantified, monitored and treated in order to reduce their impact according to the classification presented previously. When establishing this risk classification structure, the size of the impact of that risk in the situation in which it would materialize on the levels of own funds held by SSIF BRK Financial Group SA was taken into account.

When establishing the quantitative limits for financial risks, the following principles and aspects were taken into account:

Principles:

As a general principle, when establishing the current quantitative levels of financial risks, the risk profile of SSIF BRK Financial Group SA, the current structure of the portfolio, the possible dynamics of the assets, as well as ensuring prudent

levels of the liquidity rate and the adequacy of the capital so as to include shock absorbers for possible crisis situations established by the European regulator.

Aspects considered:

The level of liquidity of the assets in the portfolio was determined according to the characteristics of the portfolio, as well as to ensure a minimum level of liquidity to meet any need to reorient the business policy;

The liquidity requirement has been sized so that the company has liquidity reserves of at least one third in relation to the requirement based on fixed general expenses, so that the company can operate without having to keep liquidity especially for periods of crisis;

The level of own funds held by the company must cover the higher value of the permanent minimum capital requirement, a quarter of the fixed general expenses of the previous year or the sum of the requirements calculated on the basis of the set of risk factors ("K factors").

Thus, on 31.12.2023, the level of SSIF BRK Financial Group's own funds stood at 38.56 million RON.

Transparency and financial reporting

In order to ensure transparency on the activity carried out and on the financial statements, SSIF BRK Financial Group makes available to all interested persons, through the communications sent to the BVB and through its own website, the annual, half-yearly and quarterly reports drawn up in accordance with the applicable accounting standards (IFRS). The annual financial reports are presented both on an individual and consolidated level, both preliminary and audited, together with the explanatory accounting notes. Also, the company publishes other current reports on all important events that have or could have an impact on the company's image and activity. The company has published on its website the articles of incorporation of the company as well as the names of the members of the Board of Directors.

Avoiding conflicts of interest

In order to avoid conflicts of interest, the company applies clear procedures that establish the necessary methods, operations and controls.

BRK Financial Group has reasonably taken the required measures in the direction of avoiding conflicts of interest and through operational segregation. Information flows are managed by applying procedurally established informational barriers.

Social responsibility

Social responsibility is an integral part of the company's business strategy. Involvement in the community, supporting the common development values of society as a whole, have been a constant concern for BRK Financial Group over time. The purpose of the actions taken is to stay connected with society and to be actively involved in protecting the environment, we contribute to raising awareness and encourage social changes. We constantly improve work flows, through which we establish ways to recover and recycle the waste resulting from the current activity.

Financial calendar 2024

April 24, 2024	2024 Ordinary Annual General Meeting
April 25, 2024	Annual report 2023
15 May 2024	Financial results first quarter 2024
20 August 2024	Half-year financial results 2024
November 14, 2024	Financial results third quarter 2024

BRK Share

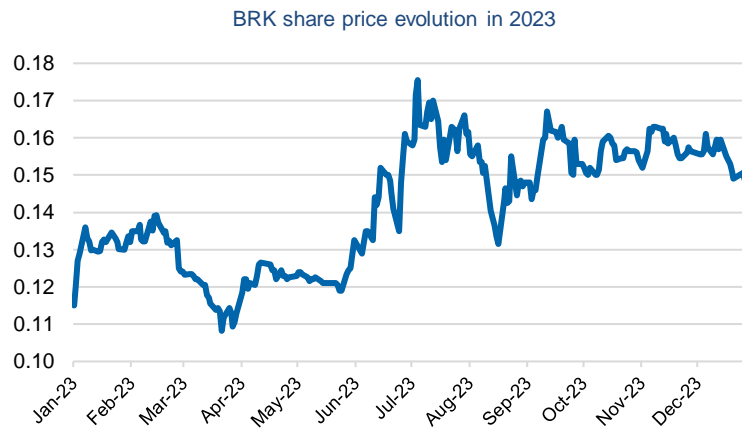
BRK Financial Group shares are issued in dematerialized, ordinary, indivisible and freely negotiable form from the

date of admission to trading on the Bucharest Stock Exchange (BVB). The shares of BRK Financial Group were admitted to trading on the main market administered by the Bucharest Stock Exchange on February 5, 2005, under the symbol BRK. BRK shares are listed in the Premium category of the Bucharest Stock Exchange and are included in the basket of BETPlus and BET-BK indices and benefit from the Market Maker service provided by Raiffeisen Bank International.

The company is subject to capital market legislation, respectively Law no. 297/2004 on the capital market, Law 24/2017 on issuers of financial instruments and market operations, as well as secondary regulations issued by the Financial Supervisory Authority (ASF) and BVB.

The records of the shares are kept by the Central Depository, an independent registry company, authorized by the Financial Supervision Authority. The total number of shares issued by BRK is 337,429,952, and the nominal value of one share is 0.15 lei

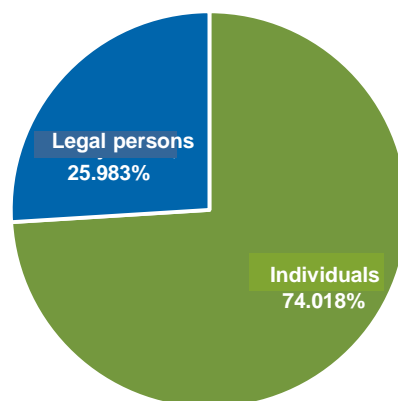
In the year 2023, the price of the BRK share had a rather volatile evolution. At the beginning of the year, in January 2023, the price was around 0.1336 lei/share, then experiencing important fluctuations in the first months of the year. Later, in April 2023, the price dropped to approximately 0.1202 lei/share. Starting from May 2023, the price started to rise and had a general upward trend until the end of the year, the maximum being reached at the level of 0.1595 lei/share, in July. On the last day of 2023, BRK shares closed at 0.1495 lei/share.



Source: BSE

Shareholders

As of December 31, 2023, the BRK Financial Group shareholding structure is presented as follows



Source: BSE

Stock market context

Romania's gross domestic product registered an increase of 3% on the gross series and 1.1% on the seasonally adjusted series in the fourth quarter of 2023 compared to the fourth quarter of 2022, according to the National Institute of Statistics. According to an estimate made by Eurostat for GDP growth in 2023, it increased by 0.4% both in the Eurozone and in the EU. According to the European Commission, for the year 2024, a 3% increase in the rate of economic growth is expected in Romania, against the background of the reduction of inflationary pressures, the decrease of interest rates and the improvement of external perspectives.

According to the INS, the annual inflation rate in December 2023 compared to December 2022 was 6.6%. The annual inflation rate in December 2022 compared to the same period of the previous year, calculated on the basis of the harmonized index of consumer prices (HICP) was 7%.

In 2023, the financial markets recorded various developments. The BET index increased significantly by 31.8%. Central and Eastern Europe performed strongly, with indices in Prague and Budapest rising. Germany's DAX rose 20.0%, and in Paris, the CAC Index rose 16.4%. In the US, stock indices performed positively, and in Asia, the situation was mixed, with declines in Hong Kong, Shanghai and Shenzhen, and notable gains in Korea, Japan and Taiwan.

Region	Index	Symbol	Last price (31 dec. 2023)	Year-to-date variation (%)
	Bucuresti (BET)	BET Index	15.286	31,8
CEE & EU	Prague (PX)	PX Index	1.410	17,3
	Budapest (BUX)	BUX Index	60.739	38,7
	Warsaw (WIG20)	WIG Index	2.356	31,5
	Deutsche Boerse (DAX)	DAX Index	16.702	20,0
	Euronext Paris (CAC)	CAC Index	7.535	16,4
	FTSE 100 (UKX)	UKX Index	7.723	3,6
		EURO STOXX 50	SX5E Index	4.514
USA	Dow Jones Industrial (INDU)	INDU Index	37.710	13,8
	S&P 500 (SPX)	SPX Index	4.783	24,6
	NASDAQ (CCMP)	CCMP Index	15.095	44,2
Asia	Hong Kong Hang Seng (HIS)	HIS Index	17.022	-13,9
	Shanghai (SHCOMP)	SHCOMP Index	2.973	-3,8
	Shenzhen (SZCOMP)	SZCOMP Index	1.837	-7,0
	Korea (KOSPI)	KOSPI Index	2.655	18,7
	Taiwan (TWSE)	TWSE Index	17.931	26,8
	Japan Nikkei 225 (NKY)	NKY Index	33.464	28,2
	Singapore (STI)	STI Index	3.243	-0,2

Source: Bloomberg

At the end of 2023, the main BET index reached the level of 15,371 points, an increase of 31.79% compared to the previous year. This significant advance underlines the excellent performance of the 20 most traded stocks listed on the Stock Exchange. The date of December 8, 2023, remains a reference moment for the main index of the Romanian stock market, as it exceeded the threshold of 15,000 points for the first time in its history.

The BET-TR index ended the year at a level of 31,745 points, marking an increase of 39.93% compared to the last trading day of the previous year. This performance reflects not only the performance of share prices, but also the total impact of dividends paid by the index's constituent companies.

Index	Values at 31.12.2023		% Variation in		% YTD		Index values in December 2023	
			December 2023					
	RON	EUR	RON	EUR	RON	EUR	minimum	maximum
BET	15.371,11	10.758,16	4,48	4,44	31,79	31,07	14.776,31	15.531,23
BET-TR	31.745,21	28.708,34	4,52	4,48	39,93	39,17	30.508,78	32.075,87
BET-TRN	31.025,55	28.057,33	4,52	4,48	37,45	36,70	29.817,80	31.348,71
BETPlus	2.279,93	2.014,27	4,39	4,35	30,42	29,71	2.193,12	2.302,35
BET-FI	59.309,11	25.853,84	2,40	2,36	17,95	17,30	57.106,15	59.309,11
BET-BK	2.887,40	2.468,60	4,71	4,67	31,08	30,37	2.774,61	2.896,88
BET-XT	1.323,75	920,43	4,37	4,33	29,96	29,25	1.273,82	1.335,36
BET-XT-TR	2.702,94	2.411,33	4,41	4,37	37,27	36,52	2.600,35	2.726,62
BET-XT-TRN	2.646,08	2.360,42	4,41	4,37	35,02	34,28	2.545,69	2.669,25
BET-NG	1.120,16	779,70	3,65	3,61	31,42	30,70	1.080,23	1.133,05
ROTX	34.053,81		4,47		31,24		32.928,08	34.249,72

Source: BSE

Declaration of responsible persons in the company

The undersigned, Robert Dănila, Chairman of the Board of Directors, Monica Ivan, General Manager, Sandu Mircea Pali, Economic Director, declare on our own responsibility that, to the best of our knowledge, the individual and consolidated financial and accounting statements as of 31.12.2023, drawn up in accordance with the applicable accounting standards, provide a correct and true picture of the assets, liabilities, financial position, profit and loss account of SSIF BRK Financial Group SA and the Report of the Board of Directors is drawn up in accordance with the provisions of the ASF and includes a correct analysis of the development and the Company's performance as well as a description of the main risks and uncertainties specific to the activity carried out. SSIF BRK Financial Group SA carries out its activity under conditions of continuity.

Chairman of the Board
Robert Dănilă

CEO
Monica Ivan

CFO
Sandu Pali

Statement on the application of corporate governance principles

	Provisions of the Corporate Governance Code	Complies	Does not comply	Partially complies	Reasons for not complying
A1	The Company must have internal Board bylaws that include terms of reference/responsibilities of the Board and key management functions of the Company, and that apply, among other things, the General Principles in Section A.	X			
A2	Provisions for the management of conflicts of interest should be included in the Council Regulation. Council members must notify the Council of any conflicts of interest that have arisen or may arise and refrain from participating in discussions (including by not attending, unless failure to attend would prevent the formation of a quorum) and from voting on a decision on the matter giving rise to the conflict of interest in question.	X			
A3	The Management Board or Supervisory Board must consist of at least 5 members.		X		
A4	The majority of the members of the Board of Directors must be non-executive. At least one member of the Board of Directors or the Supervisory Board must be independent in the case of Standard Category companies. In the case of companies in the Premium Category, not less than two non-executive members of the Board of Directors or the Supervisory Board must be independent. Each independent member of the Management Board or Supervisory Board, as the case may be, must make a declaration at the time of his/her nomination for election or re-election, as well as at the time of any change in his/her status, indicating the basis on which he/she is deemed to be independent in character and judgement.	X			
A5	Other relatively permanent professional commitments and duties of a Board member, including executive and non-executive positions on the boards of not-for-profit companies and institutions, must be disclosed to shareholders and potential investors prior to nomination and during his or her term of office.	X			
A6	Any member of the AC must disclose to the AC any relationship with a shareholder who directly or indirectly holds shares representing more than 5% of all voting rights. This obligation relates to any relationship that may affect the member's position on matters decided by the Board.	X			

A7	The Company must appoint a Secretary to the Board responsible for supporting the work of the Board.	X			
A8	The corporate governance statement will inform whether an evaluation of the Board has taken place under the leadership of the Chairman or the nominating committee and if so will summarise the key actions and changes resulting from it. The company should have a policy/guideline on Committee evaluation including the purpose, criteria and frequency of the evaluation process.	X			
A9	The corporate governance statement should include information on the number of board and committee meetings held during the past year, directors' attendance (in person and in absentia) and a report by the Board and committees on their activities.	X			
A10	The corporate governance statement must include information on the exact number of independent members of the Board of Directors or the Board of Supervisory.	X			
A11	The Board of companies in the Premium Category must establish a nominating committee of non-executives to lead the process of nominating new Board members and make recommendations to the Board. A majority of the members of the must be independent.	X			
B1	The Board must establish an audit committee of which at least one member must be an independent non-executive director. A majority of the members, including the chairperson, must have demonstrated that they have appropriate qualifications relevant to the functions and responsibilities of the committee. At least one member of the audit committee must have proven and appropriate audit or accounting experience. In the case of Premium Category companies, the audit committee must consist of at least three members and a majority of the members of the audit committee must be independent.	X			
B2	The chairman of the audit committee must be an independent non-executive member.	X			
B3	As part of its responsibilities, the audit committee must carry out an annual assessment of the internal control system.	X			
B4	The assessment should consider the effectiveness and comprehensiveness of the internal audit function, the adequacy of risk management and internal control reports presented to the Board's audit committee, the timeliness and effectiveness with which executive management addresses deficiencies or weaknesses identified through internal control, and the presentation of relevant reports to the Board.	X			
B5	The Audit Committee should assess conflicts of interest in relation to transactions the company and its subsidiaries with related parties.	X			
B6	The Audit Committee should assess the effectiveness of the internal control system and the risk management system.	X			

B7	The Audit Committee shall monitor the application of legal standards and generally accepted internal auditing standards. The Audit Committee shall receive and evaluate the reports of the internal audit team.	X			
B8	Whenever the Code mentions reports or reviews initiated by the Audit Committee, they should be followed by regular (at least annual) or ad hoc reports to be subsequently submitted to the Council.	X			
B9	No shareholder may be given preferential treatment over other shareholders in relation to transactions and agreements entered into by the company with shareholders and their affiliates.	X			
B10	The Board must adopt a policy to ensure that any transaction of the Company with any of its closely held companies the value of which equals or exceeds 5% of the Company's net assets (as per the latest financial report) is approved by the Board following a binding opinion of the Board's audit committee and properly disclosed to shareholders and potential investors, to the extent that such transactions fall within the category of events subject to reporting requirements.	X			
B11	Internal audits must be carried out by a structurally separate division (internal audit department) within the company or by engaging an independent third party.	X			
B12	In order to ensure that the internal audit department fulfils its core functions, it must report functionally to the Board through the audit committee. For administrative purposes and as part of management's obligations to monitor and reduce risks, it should report directly to the Chief Executive Officer.	X			
C1	The company must publish the remuneration policy on its website and include in the annual report a statement on the implementation of the remuneration policy during the period annual report.	X			
C1	The remuneration policy should be formulated in such a way that shareholders understand the principles and rationale behind the remuneration of Board members and the CEO and members of the Executive Board in the dual system. It should describe how the remuneration process and decisions are managed, detail the components of executive remuneration (such as salary, annual bonus, long-term incentives linked to share value, benefits in kind, pensions and others) and describe the purpose, principles and assumptions underlying each component (including the general performance criteria attached to any form of variable remuneration). In addition, the remuneration policy should specify the length of the executive director's contract and the notice period set out in the contract, as well as any compensation for unfair dismissal.	X			
C1	The remuneration report should present the implementation of the remuneration policy for the persons identified in the remuneration policy during the annual period under review.	X			

C1	Any material changes to the remuneration policy must be published in good time on the company's website	X			
D1	The company must organise an Investor Relations service - made known to the general public through the person(s) responsible or as an organisational unit. In addition to the information required by law, the company must include on its website a section dedicated to Investor Relations, in Romanian and English, with all the information relevant information of interest to investors, including:	X			
D1.1	Main corporate regulations: articles of association, procedures for general meetings of shareholders;	X			
D1.2	Professional CVs of members of the company's governing bodies, other professional commitments of Board members, including executive and non-executive positions on boards of companies or non-profit institutions;	X			
D1.3	urrent reports and periodic reports (quarterly, half-yearly and annual) - at least those referred to in point D.8 - including current reports with detailed information on non-compliance with this Code;	X			
D1.4	Information relating to general meetings of shareholders: agenda and information materials; procedure for electing Board members; arguments in support of proposed candidates for election to the Board, together with their professional CVs; shareholders' questions on agenda items and company responses, including resolutions adopted;	X			
D1.5	Information on corporate events, such as the payment of dividends and other distributions to shareholders, or other events leading to the vesting or limitation of a shareholder's rights, including deadlines and principles applied to such transactions. That information will be applied within a timeframe that enables investors to make investment decisions.	X			
D1.6	The name and contact details of a person who will be able to provide relevant information on request;	X			
D1.7	Company presentations (e.g. investor presentations, quarterly results presentations, etc.), financial statements (quarterly, half-yearly, annual), audit reports, and annual reports.	X			
D2	The Company will have a policy on the annual distribution of dividends or other benefits to shareholders, proposed by the Chief Executive Officer or the Board of Directors and adopted by the Board, in the form of a set of guidelines that the Company intends to follow with respect to the distribution of net income. The principles of the annual shareholder distribution policy will be published on the company.	X			
D3	The Company will adopt a policy in relation to forecasts whether or not they are made public. Forecasts refer to quantified conclusions of studies aimed at determining the overall impact of a number of factors over a future period (so-called assumptions): by its very nature, this projection has a high level of uncertainty, and actual results may differ significantly from the forecasts initially presented. The forecasting policy will determine the frequency, time period and content of the forecasts. If published, forecasts may only be included in annual, half-yearly or quarterly reports. The forecasting policy will be published on the company's website.		X		The criterion does not apply.

D4	The rules of general meetings of shareholders must not limit the participation of shareholders in general meetings and the exercise of their rights. Amendments to the rules shall enter into force at the earliest with effect from the next shareholders' meeting.	X			
D5	The external auditors will be present at the general meeting of shareholders when their reports are presented at such meetings.		X		
D6	The Board shall present to the annual general meeting of shareholders a brief assessment of internal control and significant risk management systems, as well as opinions on matters to be decided by the general meeting.	X			
D7	Any specialist, consultant, expert or financial analyst may attend the shareholders' meeting on the basis of a prior invitation from the Board. Accredited journalists may also attend the general meeting of shareholders, unless the Chairman the Board decides otherwise.	X			
D8	The quarterly and half-yearly financial reports will include information in both Romanian and English on key factors influencing changes in sales, operating profit, net profit and other relevant financial indicators, both quarterly and from one year to another.	X			
D9	A company will hold at least two meetings / teleconferences with analysts and investors each year. The information presented on these occasions will be published in the investor relations section of the company's website at the date of the meetings / teleconferences.	X			
D10	If a company supports various forms of artistic and cultural expression, sports, educational or scientific activities and considers that their impact on the innovative nature and competitiveness of society are part of its mission and development strategy, it will publish the policy on the activity in this area.	X			



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31.12.2023

Individual Financial Statements
in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union ("IFRS")
at December 31, 2023

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Individual statement of financial position as at 31.12.2023

<i>In RON</i>	Note	31.12.2023	31.12.2022
Assets			
Intangible assets	7	260.945	351.065
Tangible fixed assets	8	9.599.002	8.658.073
Real estate investments	9		-
Financial assets measured at fair value through other comprehensive income	10	38.622.163	44.770.110
Financial assets measured at fair value through profit or loss	10	40.529.391	47.098.012
Financial assets at amortized cost	10	-	-
Loans and advances granted	11	4.404.460	4.143.848
Trade and other receivables	14	2.754.448	1.923.530
Other financial assets	14	70.350.380	68.220.116
Client bank accounts	16	107.453.100	50.505.061
Cash and cash equivalents	16	696.225	1.424.003
Total assets		274.670.114	227.093.818
Liabilities			
Bond liabilities	21	24.560.706	24.432.138
Financial leasing liabilities	21	244.826	457.273
Provisions		-	-
Total non-current liabilities		24.805.532	24.889.411
Interest Bonds		420.921	322.708
Deferred income tax liabilities		558.190	978.691
Current income tax liabilities		-	-
Dividend payment		365.271	365.271
Short-term bank debt	21	19.347.583	20.329.411
Current part of financial leasing liabilities	21	236.422	166.638
Amounts owed to customers	21	162.415.869	104.770.215
Trade and other payables	20	11.126.557	14.003.511
Provisions	22	557.628	521.882
Total current liabilities		195.028.441	141.458.327
Total liabilities		219.833.973	166.915.600
Equity			
Share capital	17	50.614.493	50.614.493
Share capital adjustment	17	4.071.591	4.071.591
Treasury shares	17	-	(1.285.077)
Benefits to be granted to employees, directors and officers in the form of equity instruments		-	697.762
Capital premiums	17	5.355	5.355
Reserves from revaluation of financial assets at fair value through other comprehensive income	18	(15,754,841)	(6.820.240)
Other reserves	18	15.421.788	13.501.013
Total reserves	18	(333.053)	6.680.773
Current result	19	382.118	(15.161.073)
Retained earnings	19	95.637	15.122.256
Total equity attributable to equity holders of the Company		54.836.142	60.746.080
Total equity and debt		274.670.114	227.093.818

Individual global statement of comprehensive income at 31.12.2023

	Nota	31.12.2023	31.12.2022
Income from core activity		23.490.386	19.183.884
Income from intermediation		15.119.737	11.009.151
Intermediation commission income	24	8.247.011	7.227.128
Corporate income	24	765.320	475.849
Other income from core activity	24	6.107.406	3.306.174
Commission expenses Intermediation	27	(2.352.649)	(2.168.419)
Net commission income		12.767.088	8.840.732
Income from market making activity		8.370.649	8.174.733
Net trading income	25	2.379.240	3.373.723
Income from market making services provided to issuers	25	5.991.409	4.801.010
Expenses with licenses and issuance of structured products	25	(410.315)	(483.478)
Net income from market making activity		7.960.334	7.691.255
Total Expenditure core activity, of which:		(14.428.835)	(13.957.858)
Salary expenses and employee benefits	26	(8.037.549)	(7.100.102)
Expenses market commissions and intermediaries	27	(1.452.667)	(1.157.887)
Expenditure on external benefits	28	(2.377.622)	(2.581.734)
Expenses with collaborators	26	(336.784)	(215.802)
Other expenditure core activity	29	(1.346.191)	(1.974.302)
Value adjustments of intangible and tangible assets	29	(878.022)	(928.031)
Profit/(loss) from basic activity		6.298.587	2.574.129
Net realised gains/(losses) on financial instruments		1.302.981	(640.243)
Dividend income	30	605.066	1.732.562
Income from realised share and bond transactions	30	3.404.344	2.408.907
Losses on realised share and bond transactions	30	(2.706.429)	(4.781.712)
Net gains/(losses) on valuation of financial assets measured at fair value through profit and loss		(1.361.379)	(10.689.111)
Income from valuation of financial assets measured at fair value through profit and loss	30	11.788.825	8.631.294
Losses on valuation of financial assets measured at fair value through profit and loss	30	(13.150.204)	(19.320.405)
Net income/(expense) provisions for non-current financial assets		(2.010.714)	(1.733.375)
Income cancellation of provisions for non-current financial assets	30	-	-
Expenditure on provisions for non-current financial assets	30	(2.010.714)	(1.733.375)
Other net interest and exchange rate income/(expenses)		(3.376.114)	(3.382.474)
Interest income on loans and bonds	30	587.789	331.351
Interest income on margin loans	30	148.137	241.238
Interest income other	30	38.741	71.336
Interest expenses	30	(4.145.476)	(3.753.316)
(Expenses)/Income from exchange rate differences house	30	(5.305)	(273.083)

**Individual statement of comprehensive income
(continued)**

Net income/(expenses) provisions for risks and charges		(35.746)	500.186
Expenditure on provisions for risks and charges	30	-	-
Income for cancellation of provisions for risks and charges	30	431.335	931.521
Other net provisions	30	(467.081)	(431.335)
Other income/(expenses), net		151.819	(195.056)
Net gains/(losses) on sale of assets	30	-	23.500
Other operating expenses	30	(62.646)	(402.951)
Other operating income	30	214.465	184.395
Result of investment activities		(5.329.153)	(16.140.073)
Result of operating activities		969.434	(13.565.944)
Expenditure on other long-term employee benefits	26	(587.315)	(1.595.131)
Profit before tax		382.119	(15.161.073)
Income tax expense		-	-
Profit from continuing operations		382.119	(15.161.073)
Discontinued operations		-	-
Loss from discontinued operations (after tax)		-	-
Profit for the period		382.119	(15.161.073)
Other comprehensive income		(8.934.601)	(6.580.260)
Net change in fair value of financial assets at fair value through other comprehensive income (FVTOCI) not transferred to profit or loss		(8.934.601)	(6.580.260)
Positions that can be reclassified to profit and loss		-	-
Net change in fair value of available-for-sale financial assets		-	-
Free shares received classified as available for sale		-	-
Changes in value of fixed assets available for sale		-	-
Items that cannot be reclassified to profit or loss		-	-
Changes in value of fixed assets used		1.500.273	-
Changes in value of investment property		-	-
Creation/creation of reserves from profits for granting free shares to employees		-	-
Tax relating to other items of comprehensive income		-	-
Total other comprehensive income for the period		(8.934.601)	(6.580.260)
Total profit and loss account and other comprehensive income for the period		(8.552.482)	(21.741.333)
Attributable profit:		382.119	(15.161.073)
Shareholders of the Company	32	382.119	(15.161.073)
Interests without control	32	-	-
Profit for the period		382.119	(15.161.073)
Total attributable comprehensive income:		-	-
Shareholders of the Company	32	-	-
Interests without control	32	-	-
Total comprehensive income for the period		(9.853.605)	(6.580.260)
Earnings per share			
Result per basic share (lei)	32	0.0011	(0.0449)
Diluted earnings per share (lei)	32	0.0011	(0.0449)

Individual statement of comprehensive income (continued)

Ongoing activities

Result per basic share (lei)	32	0.0011	(0.0449)
Diluted earnings per share (lei)	32	0.0011	(0.0449)
31.12.2023			
Weighted average number of shares outstanding:		337.429.952	337.429.952

These financial statements were approved today, 24.03.2024.

Chairman of the Board
Robert Danila

CEO
Monica Ivan

CFO
Sandu Mircea Pali

Individual statement of changes in equity for 31.12.2023

<i>In lei</i>	Share capital	Capital adjustments	Own shares	Revaluation differences	Legal and statutory reserves	Reserves from revaluation of financial assets FVTOCI	Other reserves	Reported result	Total equity	Other comprehensive income	Total equity
Balance at 1 January 2023	50.614.493	4.071.590	(1.261.030)	5.608.236	6.095.560	(6.820.240)	2.775.907	648.393	59.199.187	246.899	60.746.080
Profit for the period	-	-	-	-	-	-	-	382,119	382,119	-	382,119
Other comprehensive income	-	-	-	-	-	-	-	-	-	(420.501)	(420.501)
Gain transferred to income statement	-	-	-	-	-	-	-	-	-	-	-
Changes in value of fixed assets available for sale	-	-	-	-	-	-	-	-	-	-	-
Changes in value of fixed assets in use	-	-	-	1.500.273	-	-	-	134.454	1.634.727	-	1.634.727
Changes in value of investment property	-	-	-	-	-	-	-	-	-	-	-
Other changes in equity	-	-	-	-	-	-	-	1.428.317	-	-	1.428.317
Deferred income tax on fixed assets	-	-	-	-	-	-	-	-	-	-	-
Reserves from revaluation of financial assets at fair value through other comprehensive income	-	-	-	-	-	(8.934.601)	-	-	-	(8.934.601)	(8.934.601)
Decreases in share capital	-	-	-	-	-	-	-	-	-	-	-
Transfer of revaluation differences on assets sold to reserves	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income	50.614.493	4.071.590	(1.285.078)	7.108.510	6.095.560	(16.673.845)	2.775.907	1.906.082	62.644.350	(9.108.203)	53.917.137
Transactions with shareholders recognised in equity	-	-	-	-	-	-	-	-	1.285.077	(1.285.077)	-
Cancellation of own shares	-	-	1.285.077	-	-	-	-	-	-	-	-
Repurchase of own shares	-	-	-	-	-	-	-	-	587.315	(587.315)	-
Total transactions with shareholders recognised in equity	-	-	-	-	-	-	-	-	1.285.077	587.315	-
Balance at 30 December 2023	50.614.493	4.071.590	(1.261.030)	5.608.236	6.095.560	(6.820.240)	2.775.907	648.393	59.490.965	(10.980.595)	54.836.141

Individual statement of changes in equity for 2022

<i>In lei</i>	Share capital	Capital adjustments	Own shares	Revaluation differences	Legal and statutory reserves	Reserves from revaluation of financial assets FVTOCI	Other reserves	Reported result	Total equity	Other comprehensive income	Total equity
Balance at 1 January 2022	54.039.986	4.071.590	(24.048)	5.742.690	6.095.560	(239.980)	2.748.759	14.754.318	88.208.929	(978.691)	89.427.600
Profitul perioadei	-	-	-	-	-	-	-	(15.161.073)	(15.161.073)	-	(15.161.073)
Other comprehensive income	-	-	-	-	-	-	-	-	-	697.762	697.762
Gain transferred to income statement	-	-	-	-	-	-	-	290.181	290.181	(369.540)	(79.359)
Changes in value of fixed assets available for sale	-	-	-	-	-	-	-	-	-	-	-
Changes in value of fixed assets in use	-	-	-	(134.454)	-	-	-	-	(134.454)	-	(134.454)
Changes in value of investment property	-	-	-	-	-	-	-	-	-	-	-
Other changes in equity	-	-	-	-	-	-	-	-	-	-	-
Deferred income tax on fixed assets	-	-	-	-	-	-	-	-	-	-	-
Reserves from revaluation of financial assets at fair value through other comprehensive income	-	-	-	-	-	(6.580.260)	-	-	(6.580.260)	-	(6.580.260)
Decreases in share capital	(3.425.493)	-	-	-	-	-	27.148	3.374.300	(24.045)	-	(24.045)
Transfer of revaluation differences on assets sold to reserves	-	-	-	-	-	-	-	782.846	782.846	-	782.846
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income	(3.425.493)	-	-	(134.454)	-	(6.580.260)	27.148	(11.362.138)	(20.826.804)	328.221	(20.498.583)
Transactions with shareholders recognised in equity	-	-	-	-	-	-	-	-	-	897.369	-
Cancellation of own shares	-	-	24.047	-	-	-	-	-	24.047	-	51.195
Repurchase of own shares	-	-	(1.285.077)	-	-	-	-	-	(1.285.077)	-	(2.182.446)
Dividends payable for 2021	-	-	-	-	-	-	-	(6.921.908)	(6.921.908)	-	(6.921.908)
Total transactions with shareholders recognised in equity	-	-	(1.261.030)	-	-	-	27.148	(6.921.908)	(8.182.938)	897.369	(8.182.938)
Balance at 30 December 2022	50.614.493	4.071.590	(1.261.030)	5.608.236	6.095.560	(6.820.240)	2.775.907	648.393	59.199.187	246.899	60.746.080

Individual cash flow statement for the year 2023

In RON	31.12.2023	31.12.2022
Operational activities:		
Gross Result	382.119	(15.161.073)
Adjustments to reconcile net income to net cash used in operating activities:		
Adjustment of the value of tangible and intangible fixed assets	901.452	928.031
Income from repurchase of own shares	-	-
Unrealised(-)/(+)gains on valuation of financial assets	1.361.379	10.689.112
Adjustment to value of short-term investments	-	-
Income tax	-	-
Provisions for current and non-current assets	2.010.714	1.733.375
Provisions for risks and charges	35.746	(500.186)
Interest expenses	4.006.402	2.069.423
Interest income	(4.862.811)	(3.682.858)
Dividend income	(605.066)	(1.734.585)
Gains on turbo certificates	(2.723.285)	(2.646.260)
Gain/(loss) on sale of property, plant and equipment	-	(23.500)
Income from exchange rate differences	5.305	(727.463)
Increase/(decrease) in cash from operating activities before changes in working capital	511.956	(9.055.987)
Changes in working capital:		
(Increase)/Decrease in other receivables balances	830.918	533.190
Increase/(Decrease) in trade and other payables balances	54.804.446	2.170.337
Increase/(Decrease) in balances of assets available for sale	-	-
Net cash flow from operating activities	56.147.320	(6.352.460)
Cash flows from operating activities:		
Corporation tax paid	-	-
Interest income	4.824.070	41.194
Interest paid	(4.006.402)	(1.261.018)
Net cash flow from operating activities	56.964.988	(7.572.284)
Cash flows from investing activities:		
Cash payment for purchase of tangible and intangible fixed assets and investment property	-	(545.533)
Cash payment for purchase of financial instruments	(877.376)	(27.084.106)
Cash proceeds from sale of land and buildings, plant and equipment, intangible assets and other long-term assets	-	23.500
Dividends received/(Dividends paid)	605.066	(5.044.760)
(Loans granted)/reimbursed Advances and customer margin	(2.283.251)	(1.026.802)
Net position from proceeds from sales of turbo certificates and IG payments	2.723.285	10.236.079
Interest income	38.741	3.312.852
Effect of exchange rate changes on loans and borrowings	30.637	323.600
Net cash flow from investing activities	237.101	(19.805.170)
Cash flows from financing activities:		
Borrowings Bond issue	-	-
Lease purchase payments	-	(179.028)
Short-term bank loan receipts/payments	(981.828)	15.287.496
Net cash flow from financing activities	(981.828)	15.108.468
Cash flows - total	56.220.261	(12.268.986)
Changes in cash and cash equivalents		
Cash and cash equivalents at beginning of period	51.929.064	64.198.050
Increase/(decrease) in cash and cash equivalents	56.220.261	(12.268.986)
Effect of exchange rate changes on opening balance of cash and cash equivalents	-	-
Cash and cash equivalents at end of period	108.149.325	51.929.064
Of which :		
Cash held on behalf of customers	107.453.100	50.505.061
Cash held on behalf of the company	696.225	1.424.003

1. THE REPORTING ENTITY

SSIF BRK FINANCIAL GROUP SA ("the Company") is a financial investment services company based in Romania, with its registered office at 119 Motilor Street, Cluj-Napoca, Romania, the main activity of SSIF BRK FINANCIAL GROUP SA is the intermediation of financial investment services.

The Company's shares are listed on the Bucharest Stock Exchange ("BVB"), Premium category), with the stock symbol BRK, since February 5th 2005.

The records of shares and shareholders are kept by the Central Depository S.A., Bucharest, under the terms of the law.

The financial statements of SSIF BRK FINANCIAL GROUP SA represent individual statements ("financial statements") of the Company and have been prepared in accordance with Standard No. 39/2015 for the approval of Accounting Regulations in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), applied by entities authorised, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector and are the responsibility of the Company's management.

The individual annual financial statements for the financial year 2023 and 2022 have been prepared in accordance with the accounting regulations, standards and policies included in these financial statements.

SSIF BRK FINANCIAL GROUP SA issues for the financial year ending 31.12.2023 and consolidated financial statements in accordance with the International Financial Reporting Standards adopted by the European Union ("IFRS"), The consolidated financial statements of SSIF BRK FINANCIAL GROUP SA as at 31 December 2023 will be prepared approved and made public on a date subsequent to the publication of these individual financial statements, and compliance with the legal provisions is the responsibility of the Company's management.

2. BASIS OF THE DRAFTING

a) Declaration of compliance

The individual financial statements are prepared by the Company in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), the Company has prepared these individual financial statements in order to comply with the requirements of the updated Rule 39/2015 for the approval of Accounting Regulations in accordance with International Financial Reporting Standards applicable to entities authorised, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector ("FSA").

For the purposes of Rule 39/2015, International Financial Reporting Standards, hereinafter referred to as IFRS, are standards adopted in accordance with the procedure laid down in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards, as amended and supplemented.

b) Basis of evaluation

The financial statements have been prepared on the historical cost basis except for the following significant items in the statement of financial position:

- financial assets held at fair value through profit or loss are measured at fair value;
- derivative financial instruments are measured at fair value;
- investment property is valued according to the revaluation model in accordance with the provisions of IAS 40;
- non-current assets representing buildings and related land are measured at revalued amount in accordance with the provisions of IAS 16;
- non-current assets available for sale are measured at fair value in accordance with IFRS 5;

In accordance with IAS 29, the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy must be presented in the measuring unit current at the balance sheet date (non-monetary items are restated using a general price index at the date of acquisition or contribution).

According to IAS 29, an economy is considered to be hyperinflationary if, in addition to other factors, the cumulative inflation rate over a three-year period exceeds 100%.

The continued decline in the inflation rate and other factors related to the characteristics of the economic environment in Romania indicate that the economy whose functional currency has been adopted by the Company has ceased to be hyperinflationary, with effect on the financial periods from 1 January 2004, Therefore, the provisions of IAS 29 have been adopted in the preparation of the

separate financial statements up to 31 December 2003.

Thus, the amounts expressed in the current unit of measure as of December 31, 2003 are treated as the basis for the carrying amounts reported in the individual financial statements and do not represent appraised values, replacement cost, or any other measure of the current value of assets or the prices at which transactions would occur at that time.

For the purpose of preparing the separate financial statements, the Company adjusts shareholders' equity to be expressed in the unit of measure current at December 31, 2003.

Continuity of activity

Based on management's own assessment that the Company will continue to operate for the foreseeable future, the Company's management estimates that the Company will continue to operate for more than 12 months from the date of these financial statements.

Determination of fair values

Certain of the entity's accounting policies and disclosure requirements require the determination of fair values for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the methods described below. Where appropriate, additional information about the assumptions used in determining fair values is disclosed in the notes specific to that asset or liability.

i. Investments in equity securities

Other forms of fair value that are not based on the last trading price are the following:

1. Trading price: for holdings in listed equity investments, the Company considers the market to be active and liquid and uses as fair value the closing price from the last trading period at the end of the financial year.

2. Fair value determined by applying the DDM (Discounted Dividend Model): if the company has a consistent history of dividend distributions and the dividend policy is predictable, the valuation price is considered to be the intrinsic value resulting from the DDM model.

3. Fair value determined by applying the DCF (Discounted Cash Flow) method: if the company does not distribute dividends and the valuation is made from the perspective of a significant shareholder, the valuation price is considered to be the intrinsic value resulting from the DCF model.

4. Fair value determined by the asset-based method: if the company has valuable redundant assets and the operational activity is small, the valuation price is considered to be the intrinsic value resulting from the application of the adjusted net asset method.

5. Fair value resulting from the application of the comparative method-similar transactions: if in the last year on the local stock market there have been significant transactions (>10% of the capital) with the shares of companies operating in the same field of activity as the analysed company, the valuation price is considered to be the intrinsic value determined by applying the comparative method (using as reference valuation multiples such as: P/E, P/B, P/S, etc. at which the respective transactions took place in relation to the results published by the companies in the previous financial year).

ii. Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows discounted at the market interest rate at the reporting date.

iii. Derivative financial instruments

The fair value of closed derivatives at the end of the period is calculated as the minimum of the number of put and call positions multiplied by the difference between the average put and call price and further multiplied by the number of contracts in the package. The fair value of open derivatives at the end of the period is calculated, if at the end of the period there are more put contracts than call contracts so: the number of open positions calculated as the number of put positions minus the number of call positions, multiplied by the difference between the average put price and the quotation price at the end of the period. Symmetrically calculated if there are more put than call contracts at the end of the period, the resulting value corrects the initial value of the security given the margin built up.

iv. Financial debts

Fair value, determined for presentation purposes, is calculated based on the present value of future cash flows representing principal and interest, discounted using the market interest rate at the reporting date.

v. Loans granted

Loans granted to related parties are recorded at fair value. Adjustments for loans are calculated based on the stage at which it is classified according to the criteria described in Note 3 of these financial statements.

c) Functional and presentation currency

These financial statements are presented in Lei (RON), which is also the Company's functional currency. All financial information is presented in Lei (RON), rounded to the nearest unit, unless otherwise specified.

d) Foreign currency

Foreign currency transactions are translated into the entity's functional currency at the exchange rate on the transaction date. Monetary assets and liabilities, which at the reporting date are denominated in foreign currencies, are translated into the functional currency at the exchange rate on the reporting date. Foreign exchange differences are recognised directly in other comprehensive income.

The exchange rates of the main foreign currencies published by the National Bank of Romania as at 31 December 2023 are as follows: 4.9746 Lei/EUR; 4.4958 Lei/USD and 5.7225 Lei/GBP (31 December 2022: 4.9474 Lei/EUR; 4.6346 Lei/USD and 5.5878 Lei/GBP).

e) Use of professional estimates and reasoning

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses; actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed periodically, revisions to accounting estimates are recognised in the period in which the estimate was revised and in future periods affected.

Information about the professional judgements critical to the application of accounting policies that significantly affect the amounts recognised in the individual financial statements is included in the following notes:

- Note 11 Note on financial instruments - classification of financial instruments;
- Note 26 on Financial income and expenses - impairment losses on available-for-sale securities, which are reclassified from equity to financial expenses;
- Note 16 - Deferred tax assets and liabilities;
- Note 24 - Liabilities and contingent assets;
- Note 33 - Fair value hierarchy.

3. SIGNIFICANT ACCOUNTING POLICIES

In the following will be presented the significant policies applied by the Company. These individual financial statements (financial statements) have been prepared in accordance with IFRS and the accounting policies of the Company as set out below, these financial statements are the responsibility of the management of BRK Financial Group SA.

The accounting policies set out below have been consistently applied for all periods presented in these financial statements

a) Implementation of IFRS 9

IFRS 9 replaces the existing provisions in IAS 39 'Financial Instruments: Recognition and Measurement' and includes new principles on the classification and measurement of financial instruments, a new credit risk model for calculating impairment of financial assets and new general hedge accounting requirements. It also retains similar principles to IAS 39 on the recognition and derecognition of financial instruments.

SSIF BRK FINANCIAL GROUP SA has adopted IFRS 9 with the date of initial application on 1 January 2018, the Company holds the following financial instruments: equity investments, bonds, cash and current accounts, units in closed-end funds, derivative financial instruments, other financial assets and liabilities. Following the analysis performed, as of the date of initial application of IFRS 9, BRK decided to classify all equity investments at fair value through profit and loss (default option provided by IFRS 9). This approach is in line with the company's business model of managing the performance of its portfolio on a fair value basis with the aim of maximizing returns to shareholders and increasing net assets per share by investing mainly in Romanian shares and securities.

There were no changes in the carrying amount of financial assets and liabilities on transition to IFRS 9 on 1 January 2018 compared to their previous value determined in accordance with IAS 39, except as shown in the table below,

b) Financial instruments

i. Financial instruments

The Company initially recognises loans, receivables and deposits at the date they are originated, All other financial assets (including assets designated at fair value through profit or loss) are initially recognised at the date the entity becomes party to the contractual terms of the instrument.

The entity derecognises a financial asset when the contractual rights to the cash flows from the asset expire.

The entity holds the following significant non-derivative financial assets: financial assets at fair value through profit or loss, loans and receivables.

- **Financial assets at fair value through profit or loss**

Following the adoption of IFRS 9, on 1 January 2018 the company classified all portfolio investments at fair value through profit or loss (the default option provided by IFRS 9), A financial asset is classified at fair value through profit or loss if it is classified as held for trading or if it is so designated on initial recognition, Financial assets are designated as at fair value through profit or loss if the entity manages those investments and makes decisions to buy or sell them on a fair value basis in accordance with its investment and risk management strategy, On initial recognition, attributable transaction costs are recognised in the income statement when incurred, Financial instruments at fair value through profit or loss are measured at fair value and subsequent changes are recognised in the income statement, Financial assets at fair value through profit or loss are not subject to impairment testing, Loans granted to affiliated companies are tested for impairment based on the fulfilment of established scenarios that take into account the probability of repayment of the respective loans in the future.

- **Loans and receivables**

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market, such assets are recognised initially at fair value plus any directly attributable transaction costs, Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method less impairment losses.

Cash and cash equivalents comprise cash balances and demand deposits with original maturities of up to three months.

- **Financial assets and financial liabilities at amortised cost**

Financial assets at amortised cost are tested for impairment in accordance with the requirements of IFRS 9.

In this respect, these instruments are classified as stage 1, stage 2 or stage 3 depending on their absolute or relative credit quality in terms of initial payments, as follows:

Stage 1: includes (i) newly recognised exposures; (ii) exposures for which the credit risk has not significantly deteriorated since initial recognition; (iii) exposures with low credit risk (low credit risk relief).

Stage 2: includes exposures which, although performing, have experienced a significant deterioration in credit risk since initial recognition.

Stage 3: includes impaired credit exposures.

For exposures in stage 1, the impairment is equal to the expected loss calculated over a time horizon of up to one year. For exposures in stages 2 or 3, the impairment is equal to the expected loss calculated over a time horizon corresponding to the entire duration of the exposure.

In respect of bank deposits and amortised cost bonds, the Company has opted to apply the low credit risk exemption in full compliance with IFRS 9 accounting standard.

Impairment adjustments for receivables are based on the present value of expected principal cash flows, for determining the present value of future cash flows, the basic requirement is the identification of expected collections, the timing of payments and the discount rate used.

The Company has defined "non-performing" exposures as receivables that meet one or both of these criteria:

- exposures for which the Company assesses that the debtor is unlikely to pay its obligations in full, regardless of the amount of the exposures and the number of days for which the exposure is past due;
- amounts outstanding.

The Company has applied the Amendments to IFRS 10, IFRS 12 and IAS 27 from 1 January 2015, at which date, after reviewing the criteria set out in the Amendments, the Company's management concluded that the Company meets the conditions for classification as an investment entity.

The Company has re-examined during 2021 the criteria for classification as an investment entity and has concluded that it does not meet them, which is why it has elected to measure its holdings in subsidiaries at fair value through other comprehensive income.

- **Financial assets designated at fair value through other comprehensive income ("FVTOCI")**

After initial recognition, a financial asset is classified as at fair value through other comprehensive income only if two conditions are met simultaneously:

- the asset is held within a business model whose objective is to hold the financial assets both to collect contractual cash flows and to sell them;
- the contractual terms of the financial asset give rise, at specified dates, to cash flows representing solely payments of principal and interest.

In addition, on initial recognition of an investment in equity instruments that is not held for trading, the Company may elect irrevocably to present subsequent changes in fair value in other comprehensive income.

The Company has used the irrevocable option to designate these equity instruments at fair value through other comprehensive income as these financial assets are held both for the collection of dividends and for gains from their sale, not for trading.

A gain or loss on an equity instrument measured at fair value through other comprehensive income shall be recognised in other comprehensive income, except for dividend income.

ii. Derivative financial instruments

Derivative financial instruments are initially recognised at fair value, attributable transaction costs are recognised in the income statement when realised, subsequent to initial recognition derivative financial instruments are measured at fair value and subsequent changes are recognised immediately in the income statement.

i. Financial assets (including receivables)

A financial asset that is not carried at fair value through profit or loss is tested for impairment at each reporting date to determine whether there is objective evidence of impairment. A financial asset is considered impaired if there is objective evidence that, subsequent to initial recognition, an event has occurred that causes a loss and that event has had a negative impact on the asset's expected future cash flows and the loss can be reliably estimated.

Objective evidence indicating that financial assets (including equity instruments) are impaired may include the failure of a debtor to meet payment obligations, the restructuring of an amount owed to the entity on terms that the entity would not otherwise accept, indications that a debtor or issuer will go bankrupt, the disappearance of an active market for an instrument, in addition, for an investment in equity instruments, a significant and prolonged decline below cost in its fair value is objective evidence of impairment under IAS 39 for available-for-sale financial assets, a criterion that no longer applies after the transition to IFRS 9 as the Company has opted for fair value measurement through profit or loss of both equity and debt instruments.

ii. Non-financial assets

The carrying amounts of the entity's non-financial assets, other than investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any evidence of impairment. If such evidence exists, the recoverable amount of the asset is estimated, for goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year.

The recoverable amount of an asset or cash-generating unit is the higher of value in use and fair value less costs to sell. In determining value in use, expected future cash flows are discounted to determine present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

c) Tangible assets

i. Recognition and evaluation

Items included in property, plant and equipment are measured at the date of recognition at cost and subsequently at revalued amount less accumulated depreciation and accumulated impairment losses.

Gains or losses on disposal of property, plant and equipment are determined by comparing the proceeds from the disposal of the asset with the carrying amount of the asset and are recognised at net value within other income in the income statement. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings. The revaluation reserve is reduced each financial year by the corresponding amount of depreciation and amortisation and transferred to retained earnings.

ii. Reclassification as investment real estate

Investment property is defined below under Investment property (e).

When the use of a property changes from owner-occupied real estate to investment property, the property is revalued to fair value and reclassified as investment property.

iii. Subsequent costs

The cost of replacing a component of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied in that component will flow to the entity and its cost can be measured reliably. The

carrying amount of the replaced component is derecognised, Expenditure on ongoing maintenance of property, plant and equipment is recognised in the income statement as it is incurred.

iv. Depreciation of tangible fixed assets

Depreciation is calculated on the depreciable value, which is the cost of the asset, or another value that replaces cost, less the residual value.

Depreciation is recognised in the income statement using the straight-line method over the estimated useful life of each component of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and the useful life, unless it is known with reasonable certainty that the entity will obtain ownership at the end of the lease term. Land is not depreciated.

The useful lifetimes for the current period and comparative periods are as follows:

- construction - 40 years
- technical installations and machinery - 2-10 years, with 5 years average total value
- means of transport - 5 years
- other plant, machinery and furniture - 3-10 years, with 5 years average total value

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted accordingly.

d) Intangible fixed assets

i. Commercial fund

Commercial fund resulting from the acquisition of subsidiaries is included in intangible assets. It is valued at cost less accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the value of the future economic benefits embodied in the asset to which it is attributed. All other expenses, including goodwill expenses, are recognised in the income statement when incurred.

iii. Amortisation of intangible assets

Depreciation is calculated on the cost of the asset or another value that replaces the cost, less the residual value.

Depreciation is recognised in the income statement using the straight-line method over the estimated useful lives of intangible assets, other than goodwill, from the date they are available for use, which most closely reflects the expected pattern of consumption of the economic benefits embodied in the assets.

The estimated useful lives for the current and comparative periods are as follows: 3 years for all intangible assets except commercial fund.

Depreciation methods, useful lives and residual values are reviewed at the end of each financial year and adjusted if necessary.

e) Real estate investments

Investment property is property held either for rental or for capital appreciation or both, but not for sale in the ordinary course of business, use in production, supply of goods or services or for administrative purposes. Investment property is valued in the same way as used assets, at fair value, any appreciation or depreciation in value being recognised in the income statement.

f) Assets acquired under leasing contracts

Leases under which the entity substantially assumes the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at the lower of fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to the asset.

Other leases are categorised as operating leases.

Celelalte contracte de leasing sunt clasificate ca leasing operational.

g) Leasing payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term. Incentives received in respect of operating leases are recognised as an integral part of the total lease expense over the lease term. Minimum lease payments made under a finance lease are allocated between the finance charge and the reduction of the outstanding debt. The finance charge is allocated to each period over the lease term so as to produce a constant periodic rate of interest on the outstanding balance of the debt.

Determining the extent to which an arrangement contains a lease: at the inception of an arrangement, the entity determines whether the arrangement is or contains a lease transaction.

h) Tangible fixed assets held for sale

Property, plant and equipment or disposal groups containing assets or liabilities whose carrying amount is expected to be recovered principally through sale, rather than through continuing use, are classified as assets held for sale.

Prior to reclassification to property, plant and equipment held for sale, assets or components of a disposal group are revalued in accordance with the entity's accounting policies; in general, assets or disposal groups are subsequently measured at the lower of carrying amount and fair value less costs to sell.

Impairment losses relating to a disposal group are allocated initially to goodwill and then pro rata to the remaining value of assets and liabilities, except that no impairment will be allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the entity's accounting policies. Impairment losses arising on initial classification as held for sale and subsequent gains or losses as a result of revaluation are recognised in the income statement. Gains in excess of cumulative impairment losses are not recognised.

i) Non-deducted financial liabilities

Liabilities are recognised at the date the entity becomes a party to the contractual terms of the instrument.

The entity derecognizes a financial liability when contractual obligations are discharged, cancelled or expire.

The entity has the following non-derivative financial liabilities: trade payables, payables to customers for cash deposited by them and other payables.

These financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

j) Share capital

Ordinary shares

Ordinary shares are classified as part of equity, Additional costs directly attributable to the issue of ordinary shares are recognised as a reduction of equity net of tax effects.

Buyback of share capital (treasury shares)

When share capital recognised as part of equity is repurchased, the amount of the consideration paid, which includes other directly attributable costs, net of tax effects, is recognised as a reduction of equity. The repurchased shares are classified as treasury shares and are presented as a reduction of equity, when the treasury shares are subsequently sold or reissued, the amount received is recognised as an increase in equity and the surplus or deficit on the transaction is transferred to/reported in retained earnings.

k) Employee benefits

Short-term benefits

Short-term employee benefits are measured on an undiscounted basis and the expense is recognized as the related services are rendered.

A liability is recognised at the amount expected to be paid under short-term cash bonus or profit-sharing plans if the entity has a legal or constructive obligation to pay this amount for services previously provided by employees and the obligation can be reliably estimated.

l) Provisions

A provision is recognised if, as a result of a past event, the entity has a present legal or constructive obligation that can be measured reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting expected future cash flows using a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the debt. Amortisation of discounting is recognised as a financial expense.

m) Selling goods and providing services

Revenue from sales during the current period is measured at the fair value of the consideration received or receivable, Revenue is recognised when the risks and rewards of ownership of the goods are transferred significantly and the amount of revenue can be measured reliably, The timing of the transfer of risks and rewards varies according to the individual terms of the sales contracts.

In the case of brokerage activity, commission income is recognised at the date of the transaction.

n) Rental income

Rental income from investment property is recognised in the comprehensive income statement on a straight-line basis over the lease term.

o) Financial income and expenses

Financial income includes:

- interest income on bank deposits,
- dividend income,
- gains on sale: assets recorded at fair value through profit or loss,
- gains on the revaluation of shares held in own portfolio.

Dividend income is recognised in the income statement on the date on which the entity's right to receive dividends is established, which in the case of listed instruments is the ex-dividend date.

Financial expenditure includes:

- impairment losses recognised on financial assets carried at fair value through profit or loss;
- foreign exchange gains and losses are reported on a net basis.
- Bank interest expenses;
- Interest expenses on bonds.

p) Profit tax

Income tax expense includes current tax and deferred tax. Current tax and deferred tax are recognised in the income statement unless they relate to business combinations or items recognised directly in equity or other comprehensive income.

Current tax is the tax expected to be paid or received on taxable income or deductible loss realized in the current year, using tax rates enacted or substantially enacted at the reporting date, as well as any adjustments to prior years' income tax liability.

Deferred tax is recognised for temporary differences arising between the carrying amount of assets and liabilities used for financial reporting purposes and the tax base used for the calculation of tax.

Deferred tax is not recognised on temporary differences arising on initial recognition of goodwill.

Deferred tax assets and liabilities are set off only if there is a legal right to set off current tax assets and liabilities and if they relate to taxes levied by the same tax authority for the same taxable entity or for different taxable entities, but which intend to settle current tax assets and liabilities on a net basis or whose tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences only to the extent that it is probable that future profits will be available against which the tax loss can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised. Note 15 on deferred tax assets and liabilities mentions cases where deferred tax assets have not been recognised as assets.

q) Earning per share

The entity presents information on basic and diluted earnings per share for its common shares. Basic earnings per share is calculated by dividing profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted by the value of treasury shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of shares outstanding, adjusted by the value of treasury shares held, by the dilutive effects of all potential ordinary shares, which include share options granted to employees.

r) Reporting by segments

An operating segment is a component of the entity that engages in activities from which it could earn revenues and incur expenses, including revenues and expenses from transactions with any of the other components of the entity.

The results from operations of an operating segment are reviewed periodically by the Company's management to make decisions about resources to be allocated to the segment and to review its performance, and for which separate financial information is available.

a) *New standards, amendments and interpretations applicable after 1 January 2021*

There are new standards, amendments and interpretations that apply to annual periods beginning after January 1, 2021 that have not been applied in the preparation of these financial statements.

We list below the standards/interpretations that have been issued and are applicable from or after the period 1 January 2021.

- **Benchmark interest rate reform - amendments to IFRS 7, IFRS 9 and IAS 39 (1 January 2020)**

The amendments modify certain hedge accounting requirements to provide some exemptions from benchmark interest reform.

b) *As of September 30, 2021, the following standards and interpretations have been issued but were not mandatory for annual reporting periods ending December 31, 2021.*

- **- IFRS 17 Insurance Contracts (extension until 1 January 2022)**

IFRS 4 will soon be replaced by a new standard on insurance contracts, consequently, the temporary exemptions and or the general approach of IFRS 9 for insurance companies will no longer apply when the new standard is issued.

IFRS 17 was issued in May 2017 as a replacement for IFRS 4. It assumes a valuation model in which estimates are reassessed each year. Contracts are measured taking into account the following elements:

- Discounted cash flows weighted by probability of realisation
- An explicit risk adjustment
- A contractual service margin representing the contract profit recognized as revenue for the period covered.

- **Classification of current and non-current liabilities - Amendments to IAS 1**

The amendment to IAS 1 states that liabilities should be presented on a payables basis, based on the rights that exist at the balance sheet date. The classification is not affected by expectations of the entity or events after the reporting date. The amendment also clarifies what is meant by the 'extinguishment' of a liability.

- **Amendments to IAS 16 - Property, Plant and Equipment**

The amendment prohibits an entity from deducting from the cost of an item of property, plant and equipment income realised as a result of the use of the item of property, plant and equipment during the period that the item of property, plant and equipment is being brought up to the level necessary for its operation.

- **Definition of a business - Amendments to IFRS 3**

The modified definition of a business requires an acquisition to include input data and a substantive process that together contribute significantly to the company's ability to create results. The definition of "results" is modified to focus on goods and services delivered to customers that generate investment and other income and excludes returns in the form of cost savings or other economic benefits. These changes may lead to a proliferation of acquisitions that are considered asset acquisitions.

- **Onerous contracts - Cost of performance of a contract - Amendments to IAS 37**

The amendments to IAS 37 clarify the direct costs of fulfilling a contract and the allocation of other costs directly to the fulfilment of that contract. Before recognising a provision for contract performance, the entity shall recognise any impairment of assets that arose in the performance of the contract.

- **Annual improvements for the 2018 - 2020 cycle (effective from 1 January 2022)**

- IFRS 9 – Financial Instruments - clarifies what kind of fees should be included in the 10% test on derecognition of financial liabilities.
- IFRS 16 – Rents - amendment to example 13 removing the illustration of payments from the landlord in respect of upgrades, to remove confusion about the treatment of advances in respect of rents.
- IFRS 1 – First-time adoption of IFRS - allows entities to measure assets and liabilities at carrying amounts recorded in the parent company's financial statements, together with any related exchange differences.

IAS 41 - Agriculture - removal of the requirement for entities to exclude cash flows for fees determined by fair value measurement under IAS 41.

- **Definition of accounting estimates - amendment to IAS 8 (effective from 1 January 2023)**

The IASB has issued an Amendment to IAS 8 "Accounting Policies" that clarifies how entities should distinguish between changes in accounting estimates and changes in accounting policies. The distinction is important because changes in accounting estimates are applied prospectively, but changes in accounting policies are generally applied retrospectively and for the current period.

s) Standards and interpretations issued by the IASB but not yet adopted by the EU

At the reporting date of these financial statements, IFRS as adopted by the EU do not differ significantly from the regulations adopted by the IASB, except for the following standards, amendments and interpretations, which are applicable to the Company and whose application has not yet been endorsed by the EU by the date of authorisation of these financial statements:

- Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture, and other amendments (the effective date of application has been deferred indefinitely pending completion of the equity method research project).
- Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Error Corrections' - definition of materiality (applicable for annual periods beginning on or after 1 January 2020).

- Amendments to IAS 28 Investments in Associates and Joint Ventures - Long-term Interests in Associates and Joint Ventures (effective for annual periods beginning on or after 1 January 2019).
- Amendments to various standards as a result of the "Improvements to IFRSs (2015-2017 cycle)" resulting from the annual IFRS improvement project (IFRS 3, IFRS 11, IAS 12 and IAS 23) with the main purpose of removing inconsistencies and clarifying certain wording (applicable for annual periods beginning on or after 1 January 2019).
- Amendments to the IFRS Conceptual Framework References (applicable for annual periods beginning on or after 1 January 2020).

The Company expects that the adoption of these standards and amendments to existing standards will not have a material impact on its annual financial statements in the year in which they are first applied.

SSIF BRK FINANCIAL GROUP SA anticipates that the adoption of these standards and amendments to existing standards will not have a significant impact on the company's financial statements during the period of initial application.

4. FINANCIAL RISK MANAGEMENT

BRK Financial Group is exposed to risks as a result of the complex activity it carries out and the use of financial instruments, following the following risk categories:

- credit risk
- liquidity risk
- market risk
- operational risk
- currency risk
- concentration risk

The explanations provided present information regarding the company's exposure to each risk category, the objectives, policies, processes and procedures used for the assessment and management of risk and capital.

General framework for risk management

The Board of Directors of BRK Financial Group is responsible for establishing, monitoring and supervising the risk management framework at the company level.

The complex activity of the company requires active risk management, and to ensure their management, the company has established a risk management system by developing risk management policies and internal procedures, in accordance with the regulations and legislation in force, the Principles of risk management include the identification and awareness of risks, their assumption, management and monitoring, fulfillment of prudential requirements regarding risk management, periodic review of risk policies and internal procedures, risk control and management,

At the same time, the company's internal procedures define the risk management policies, establish the limits and appropriate controls, the ways of monitoring the risks and compliance with the established limits.

With regularity, missions are carried out to verify and monitor compliance with the provisions of internal procedures and regulations in force, and reports are drawn up to the Executive Management of the company and to the Board of Directors,

In this way, an orderly and constructive control environment is developed, so that, through the proactive risk management activity (fundamental activity within the company), all the risks faced by BRK Financial Group are quantified.

The company's risk profile takes into account all the risks to which it is exposed depending on the risk appetite assumed by the management structure in the decision-making process and the business strategy. As for the risk appetite, it represents the level of risk expressed for each risk category separately, up to which the company is willing to assume risks, respectively accept them, in accordance with the established risk strategy and policies, but with keeping the risks under control within the assumed risk profile for each category of significant risk in part.

The risk profile, respectively the risk appetite of the company is established by the executive management of the company and the Board of Directors, taking into account the business profile of BRK Financial Group SA, the current structure of the portfolio, the investment policy, and the business strategy agreed upon society level.

For the year 2023, the risk profile is summarized in the table below, being made public to interested parties on the company's website.

Tolerance limits/ Risk categories		Very Low	Low	Medium	High	Very High
Colour related to the proposed maximum level						
		(0 - 5%)	(5% - 10%)	(10% - 25%)	(25% - 40%)	> 40% din fp
Market risk	Equity securities					Foarte ridicat
	Debt securities		Low			
	Collective Placement Organisations			Medium		
Currency risk		Very Low (0 - 5%)	Low (5% - 10%)	Medium (10% - 12%)	High (12% - 15%)	Very High > 15% din fp
Credit risk		Very Low (0 - 50%)	Low (50% - 100%)	Medium (100% - 150%)	High (150% - 200%)	Very High > 200% din fp
Counterparty risk		Very Low (0 - 4%)	Low (4% - 8%)	Medium (8% - 12%)	High (12% - 15%)	Very High >15%
Concentration risk		Very Low	Low	Medium	High	Very High
	Sector	< 5%	(5% - 10%)	(10% - 15%)	(15% - 20%)	>20%
	Entity	< 5%	(5% - 15%)	(15% - 20%)	(20% - 25%)	>25%
Operational risk		Very Low (0 - 15%)	Low (15% - 30%)	Medium (30% - 40%)	High (40% - 50%)	Very High > 50% din fp
LCR (liquidity indicator)		Very Low > 5	Low (3.5 - 5)	Medium (2 - 3.5)	High (1 - 2)	Very High < 1
Portfolio liquidity		Very Low > 50%	Low (40% - 50%)	Medium (30% - 40%)	High (20% - 30%)	Very High < 20% din total portofoliu
Leverage		Very Low > 50%	Low (40% - 50%)	Medium (30% - 40%)	High (20% - 30%)	Very High < 20%
CAR (capital adequacy ratio)		Very Low > 50%	Low (35% - 50%)	Medium (25% - 35%)	High (18% - 25%)	Very High < 18%

Later, in February 2023, the company's risk profile was updated in accordance with the legislative changes made on the method of risk management and the adequacy of capital to risks, its new form therefore applicable from February 2023, which can be found on the website the society,

Market risk refers to the risk that the company incurs losses as a result of price fluctuations in the market (equity securities, debt securities, mutual funds, etc.).

Currency risk is given by the probability that the company will record losses from international commercial contracts or other economic relationships, as a result of the change in the exchange rate in the period between the conclusion of a contract and its maturity.

Credit risk generally represents the risk of financial losses determined by the counterparty's total or partial non-fulfillment of its obligations, Credit risk starts from the concept of credit event, which describes any sudden change with a negative impact on the quality credit of a debtor that calls into question his ability to pay the debt.

Counterparty risk is the risk that a counterparty to a transaction will breach its contractual obligations before the final settlement of the transaction's cash flows.

Concentration risk is the risk that arises as a result of exposure to counterparties, groups of related counterparties, respectively counterparties from the same economic sector, geographical region, from the same activity or from the application of credit risk mitigation techniques and includes in particular the associated risks with high indirect exposures to credit risk.

Operational risk can be defined as the risk of loss caused either by the use of processes, systems and human resources that are inadequate or have not performed their function properly, or by external events and actions.

Liquidity risk represents the current or future risk that can negatively affect profit and capital, it being determined by the inability of the company to fulfill its obligations when they are due.

Leverage is the relative size of an institution's assets, off-balance sheet liabilities and contingent liabilities to pay, provide a benefit or provide collateral, including liabilities arising from funding received, commitments assumed, financial derivatives or repurchase agreements, with the exception of obligations that can only be executed during the liquidation of an institution, in relation to the company's own funds.

The capital adequacy ratio (and after the legislative changes - the equity ratio) represents the ratio between the company's equity and its equity requirements.

The liquidity requirement represents the total weighted liquid assets according to the regulations, compared to the level of the requirement based on fixed expenses.

Risk categories

Credit risk

Credit risk is the risk of recording losses or not realizing the estimated profits as a result of the non-fulfillment of contractual obligations by a customer or a counterparty, and this risk results, mainly, as a result of the inability of customers to honor their payment obligations in connection with assets with risk, balance sheet or off-balance sheet.

For the securities intermediation activity, at the balance sheet date, there is no credit risk because according to the internal procedures approved by the Board of Directors, clients can register debits with BRK Financial Group only on the basis of analyzes and approvals and only short term.

Exposure to credit risk

Assets exposed to credit risk represent the following categories of holdings: positions on financial instruments that do not belong to the tradable portfolio, exposures from commissions, interest, dividends, margins for futures contracts, options, warrants, claims on financial and non-financial entities, off-balance sheet items related to elements other than those included in the tradable portfolio, tangible assets, cash, sight and time deposits, loans granted to affiliated entities, any assets that are not deducted from the eligible capital of BRK Financial Group.

The risk of recording losses due to non-fulfillment of obligations by the debtor can have two causes:

- a) bankruptcy of the debtor/issuer - also called the risk of bankruptcy of the debtor (long-term credit risk), This risk takes into account the financial assets that are held for the long term and which, implicitly, are affected by the dynamics of the solvency of the issuer of the respective securities .
- b) bad faith of the debtor (of the counterparty with whom the company carries out certain types of financial transactions) also called the credit risk of the counterparty (short-term credit risk).

The financial operations to which this type of risk refers are the following:

- 1 derivative financial instruments traded on OTC and credit derivative financial instruments;
- 2 repo agreements, reverse repo agreements, operations of giving or taking securities/goods on loan that are based on securities or goods included in the trading portfolio;
- 3 margin lending transactions in relation to securities or goods;
- 4 transactions with a long settlement term.

From the point of view of exposures by exposure classes, they are presented as follows:

Exposures in current accounts and bank deposits

In RON

	Decembrie-23	Decembrie-22
Banca Transilvania	10.659.725	8.233.560
BRD - Group Societe Generale	786.043	1.162.657
UniCredit Bank	7.155	7.579
First Bank	-	206.858
Banca Romaneasca	-	10.001.009
Intesa San Paolo Bank	733	4.065.699
TECHVENTURES BANK	96.089.383	27.015.861
Other commercial banks	606.286	1.235.840
Cash	-	8.233.560
Total current accounts and bank deposits	108.149.325	51.929.064

Exposures from bonds at fair value

In RON

	Decembrie-23	Decembrie-22
Corporate bonds IMP26E	-	247.425
Corporate bonds LIH	-	135.800
Total BONDS	-	410.225

Exposures from loans granted to related parties at fair value

In RON

	Decembrie-23	Decembrie-22
Romlogic Technology SA	3,918,863	2.947.982
Firebyte Games SA	500,000	-
Gocab Software	2,500,384	1.000.000
Total Loans granted	6.919.247	3.947.982

Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulties in fulfilling the obligations associated with financial debts that are settled in cash or through the transfer of another financial asset. As of the date of this report, BRK Financial Group has outstanding loans.

Regarding the intermediation activity, liquidity in relations with clients is ensured by the fact that investment companies have the obligation to maintain clients' assets in separate accounts, without being able to use them in any way.

Regarding the general liquidity, the current sources of availability are represented by the results of the investment activity, the commissions collected from clients, and as extraordinary sources the capital increases.

Liquidity risk takes two forms:

Liquidity risk of the portfolio of financial instruments - losses that may be recorded by BRK Financial Group due to the impossibility of finding a counterparty in financial transactions, thus being put in difficulty in terms of closing positions on financial instruments that register unfavorable price variations.

The risk of covering the liquidity requirement - losses that may be recorded by BRK Financial Group due to the impossibility of financing the net outflows (current liabilities) recorded within a time horizon of 30 days.

Method of determination:

The liquidity risk of the portfolio of financial instruments - The ratio of assets with a high degree of liquidity in the total portfolio - is calculated as a ratio between the value of assets with a high degree of liquidity and the value of the total asset.

Liquidity coverage ratio (LCR) – is calculated as the ratio between the value of assets with a high degree of liquidity (liquidity reserves) and the value of current liabilities (debts included in the maturity band with a maximum maturity of 30 days).

The risk of financing long-term assets from resources other than permanent ones - is calculated as the ratio between the value of temporary resources (eg: unpaid dividends, loans, bonds issued, etc.) and the value of the total asset.

The following holdings were included in the highly liquid assets:

- bank accounts (cash and deposits);
- adjusted value of shares;
- OPC adjusted value.

The values included in the liquidity risk calculation at SSIF BRK Financial Group on 31.12.2023 were the following:

In RON	Book value	Under 3 months	3 to 12 months	More than 1 year	No fixed maturity
31 December 2023					
Financial assets					
Cash and cash equivalents	108.149.325	-	-	-	108.149.325
Deposits placed with banks	-	-	-	-	-
Financial assets at fair value through profit or loss	40.529.391				40.529.391
Financial assets designated at fair value through other elements of the overall result	37.703.159				37.703.159
Loans and advances granted	4.404.460	-	4.404.460	-	-
Obligations at fair value	135.800	-	-	-	-
Other financial assets	70.350.380				70.350.380
Total financial assets	200.903.761	-	4.404.460	-	196.499.301
Financial debts	20.329.411	-	-	-	20.329.411
Dividend payment	365.271	-	-	-	365.271
Financial liabilities at amortized cost	25.000.000	-	-	25.000.000	-
Total financial liabilities	45.694.682	-	-	25.000.000	20.694.682

Market risk

Market risk is the risk that changes in market prices, such as the price of equity instruments, foreign exchange rates and interest rates will affect the company's earnings or the value of financial instruments held. The objective of market risk management is to monitor and control market risk exposures within acceptable parameters and, at the same time, to optimise investment returns.

The selection of investment opportunities is carried out by:

- technical analysis;
- fundamental analysis - determining the issuer's ability to generate profit;

- benchmarking - determining the relative value of an issuer compared to the market or other similar companies;
- statistical analysis - determining trends and correlations using historical prices and trading volumes.

The company is exposed to the following categories of market risk:

Price risk

The company owns shares in companies operating in various sectors of activity, as follows:

Domain	Dec-23		Dec-22	
	Value (RON)	%	(RON)	%
Agriculture, forestry and fishing	822.715	1.05%	467.772	0.42%
Wholesale and retail trade;	2.984.387	3.82%	5.118.770	5.23%
Electricity production	4.909.641	6.28%	1.469.677	0.00%
Health	518.248	0.66%	790.971	0.01%
Manufacturing industry	9.945.376	12.71%	7.562.493	8.73%
Information and communications	12.798.323	16.36%	19.586.884	40.20%
Financial intermediation and insurance	31.939.968	40.83%	28.574.713	22.97%
Real estate transactions	9.291.032	11.88%	14.623.481	21.19%
Other	3.989.983	5.10%	12.237.822	13.32%
Activities of holding companies	123.051	0.16%	666.956	0.73%
Transport and storage	896.996	1.15%	768.451	1.26%
Grand Total	78.219.719	100.00%	91.867.990	100.00%

As can be seen from the table above, on December 31, 2023 the Company mainly held shares in companies active in the field of financial intermediation and insurance, with a weight of **40.83%** of the total portfolio. On December 31, 2022, the main weight in its own portfolio was allocated to companies active in the field of information and communications.

Operational risk

Operational risk is the risk of recording direct or indirect losses resulting from a wide range of factors associated with the company's processes, personnel, technology and infrastructure, as well as from external factors, other than credit, market and liquidity risk, such as those derived from legal requirements, regulations and generally accepted standards regarding organizational behavior.

The company's objective is to identify, measure, monitor, manage and reduce operational risk, so as to achieve a balance between avoiding direct or indirect financial losses that may occur as a result of procedural, human or system errors, or due to external events, which can endanger the reputation of the entity. At the same time, the operational risk at the level of the company is greatly reduced and due to the requirements imposed by the Financial Supervisory Authority (FSA) regarding the way of organization, the required reports, the internal control activities carried out.

The main responsibility for the development and implementation of operational risk controls rests with the management of each organizational unit.

This responsibility is supported by the development of general standards at the company level for operational risk management in the following areas:

- requirements regarding the appropriate segregation of tasks and responsibilities;
- requirements for reconciliation, monitoring and authorization of transactions;
- compliance with regulations and legislative requirements;
- documentation of controls and procedures;
- requirements regarding the periodic assessment of operational risks and the adequacy of controls and procedures to the identified risks;
- training and professional development;
- ethical and business standards;
- reducing risks.

Compliance with company standards is ensured through a program of periodic reviews of internal procedures. The results of these reviews are discussed with members of management.

Interest rate risk

On December 31, 2022, SSIF BRK FINANCIAL GROUP SA contracted a credit line, granted for a period of 1 year, in order to support the company's current activity. The interest related to the credit line is composed of the 3-month ROBOR reference index and a fixed

margin.

Interest rates used to determine fair value

For the determination of the fair value or the impairment testing of the financial instruments, no interest rates were used to update the cash flows, since it was not the case of trade receivables or other financial instruments whose collection is significantly delayed in time,

For uncertain receivables (receivables whose recovery is uncertain), at the end of the reporting period, value adjustments were made for depreciation at the level of the entire amount.

The company faces interest rate risk due to its exposure to unfavorable interest rate fluctuations, The change in the interest rate on the market directly influences the income and expenses related to the financial assets and liabilities bearing variable interest, as well as the market value of those bearing interest fixed,

The following tables present the Company's exposure to interest rate risk:

Currency risk

BRK Financial Group is a financial institution regulated and authorized by the Financial Supervision Authority and subject to European regulations, respectively the legislative package CRD - CRR with its related Technical Standards.

The capital requirement related to the foreign exchange risk is determined according to the provisions of EU Regulation no. 575/2013 on capital adequacy regarding the standardized approach for the respective financial risk.

The limits in which the exposures to this risk must be located are calculated as the ratio between the value of the exposure of the assets exposed to the currency risk and the value of BRK Financial Group's own funds.

BRK Financial Group calculates the capital requirement for currency risk if exposures to this risk exceed 2% of total own funds.

The exposures to currency risk are composed of the following elements:

- derivative financial instruments (CFDs, futures, options, warrants);
- cash in account with external intermediaries;
- bank deposits in foreign currency;
- leasing contracts;
- guarantees at market institutions;
- bonds in foreign currency.

The methodology for determining the exposure and the capital requirement is presented as follows:

In RON	RON	EUR	USD	Other currencies
31 december 2023 Financial Assets				
Cash and cash equivalents	104.516.228	3.627.286	5.263	548
Deposits placed with banks	-	-	-	-
Financial assets at fair value through profit or loss	39.185.746	-	1.343.645	-
Financial assets designated at fair value through other elements of the overall result	37.703.159	-	-	-
Bonds at fair value through the profit and loss account	995	995	-	-
Loans and advances granted	4.404.460	-	-	-
Other financial assets	15.093.174	44.121.665	11.135.541	-
Total financial assets	200.903.761	47.748.951	12.484.449	548

	RON	EUR	USD	Other currencies
Financial debts	19.347.583	-	-	-
Debts loan bonds	25.000.000	-	-	-
Dividend payment	365.271	-	-	-
Financial liabilities at amortized cost	-	-	-	-
Total financial liabilities	44.712.854	-	-	-

In RON	RON	EUR	USD	Other currencies
31 december 2022 Financial Assets				
Cash and cash equivalents	47.279.699	4.025.583	929.965	2.117

Deposits placed with banks	-	-	-	-
Financial assets at fair value through profit or loss	33.324.793	-	2.497.900	-
Financial assets designated at fair value through other elements of the overall result	42.044.539	-	-	-
Bonds at fair value through the profit and loss account	135.800	247.425	-	-
Loans and advances granted	4.143.848	-	-	-
Other financial assets	3.671.092	47.719.128	12.360.942	-
Total financial assets	130.599.771	51.992.136	15.788.806	2.117

	RON	EUR	USD	Other currencies
Financial debts	20.329.411	-	-	-
Debts loan bonds	25.000.000	-	-	-
Dividend payment	365.271	-	-	-
Total financial liabilities	45.694.682	-	-	-

5. CAPITAL MANAGEMENT

The policy of the Board of Directors of BRK FINANCIAL GROUP SA is to maintain a solid base of capital necessary to maintain the confidence of investors, creditors and the market and to support the future development of the company, the Board of Directors monitors the profitability of all agencies, in which trading activity is carried out after a monthly basis, and the results of the analysis are discussed during the monthly meetings of the Board of Directors.

Also during the monthly meetings of the Board of Directors, the report on the investment activity drawn up by the analysis department is discussed, thus global results are monitored, in order to maintain the highest return on capital.

BRK FINANCIAL GROUP SA is subject to prudential regulations regarding the minimum capital requirements and the minimum level of own funds, so as to ensure risk coverage:

- to permanently hold own funds to cover the highest amount between: the requirement calculated on the basis of fixed general expenses, the permanent minimum capital requirement or the requirement calculated on the basis of K factors;
- to permanently hold liquid assets equivalent to at least one third of the requirement calculated on the basis of fixed general expenses;
- to cover the credit risk and the risk of diminution of the value of the receivables, the risk-weighted exposures are considered depending on the class of exposures they belong to;
- to cover the position risk and the settlement/delivery risk, capital is required at the level of 16% of the exposure level;
- to cover the operational risk, capital is required at the level of 15% of the average of the last three years of the operational result.

Indicator name	Reporting on December	Reporting on December
	31, 2023	31, 2022
Total equity	38,560,452.13	40.187.045
Total capital requirements	29,066,815.25	14.424.015
Risk exposures	363,335,190.58	298.194.671

It should be noted that the capital adequacy requirements do not require own funds for liquidity risk.

According to the regulations in force, large exposures are reported to the Financial Supervisory Authority (ASF), which are defined as those gross exposures that exceed 10% of the eligible capital (own funds), in the case of institutions, large exposures cannot exceed the maximum of 25% from the eligible capital (own funds).

Qualified participations are also followed, representing the direct or indirect participation of at least 10% of the voting rights or capital of an entity, in a percentage greater than 15% of the company's own funds.

6. OPERATING SEGMENTS

The intermediary segment

The financial intermediation activity refers to all the transaction intermediation services offered to individual investors and companies, as well as to the specialized services offered to institutional clients. Intermediation services include the following:

(A) Transaction brokerage services for investors:

- Intermediation of sales and purchase transactions of securities traded on the Bucharest Stock Exchange (BSE). For this type of service, customers can choose to be assisted by a broker in carrying out transactions, respectively they can choose the option of online trading on their own account. Within this segment, BRK also offers clients the opportunity to trade on margin (on the basis of a credit line granted by the company to the client), liquid shares listed on the Bucharest Stock Exchange.
- Intermediary transactions in international markets, with the company's clients having access to more than 100 foreign markets in Europe, North America and Asia. The range of financial instruments is very varied (shares, bonds, structured products, ETFs, CFDs, futures, etc.) and the costs involved in trading on international markets through BRK Financial Group are among the most attractive on the market.
- Intermediation of transactions with corporate, municipal and state bonds at BSE and OTC, respectively intermediation of transactions with structured products on the dedicated market segment of the Bucharest Stock Exchange.
- Intermediation of transactions on the domestic and international market for institutional clients.

(B) Specialized services for issuers and potential issuers:

- Financing on the capital market through public issues of shares and bonds.
- Intermediation of public offers for the purchase or takeover of companies listed on the BSE.
- Listing of companies and investment funds on the capital market through initial public offerings or based on prospectuses for admission to trading.
- Consultancy for financing through share and bond issues or promotion on the capital market.

Own portfolio management segment

Along with the brokerage segment, **the management of the own portfolio of financial assets** is another important branch of BRK Financial Group's activity that contributes significantly to the company's results. On the other hand, this is also a risk factor taking into account the fact that BRK Financial Group is obliged to reassess at the end of each year all its positions within its own portfolio, and the value adjustments of securities affect the result of the exercise and can change the picture the financial performance of the company. At the end of each month, the company adjusts the value of the companies listed in the portfolio, by marking to market.

Within our own portfolio we find the following types of investments:

- The tradable portfolio (shares and bonds listed on the BSE - usually short or medium-term investments, portfolio of financial instruments listed on international markets - usually speculative investments);
- Fund units;
- Participations in closed companies and loans granted to subsidiaries;
- Capital allocated to the business segment - "Margin loans";
- Capital allocated to the business segment "Structured product issuance and market making operations";

We mention that the operations of issuing structured products as well as the provision of liquidity on our own structured products is carried out under conditions of full coverage through hedging operations on the market of the underlying asset and as such we consider it to be of the nature of the basic activity. We do not include the other operations carried out on our own account (including market making operations on domestic shares where there are no risk hedging instruments) in what we call the "core activity", as they are exposed and correlated to market risk, being included in the activity operating and presented as a separate segment.

The information regarding the reportable segments is presented as follows:

Information on reportable segment

	December- 2023				December- 2022				2023	2022
	Total, from which:	Brokerage	Trading	Unallocated	Total, from which:	Brokerage	Trading	Unallocated	Total reportable segments	
Intermediation activity	15.119.737	15.119.737	-	-	11.009.151	11.009.151	-	-	15.119.737	11.009.151
Market making activity	8.370.649	-	8.370.649	-	8.174.733	-	8.174.733	-	8.370.649	8.174.733
Other income the basic activity	1.302.981	-	1.302.981	-	(640.243)	-	(640.243)	-	1.302.981	(640.243)
Net gains/(losses) realized from financial instruments	(1.361.379)	-	(1.361.379)	-	(10.689.111)	-	(10.689.111)	-	(1.361.379)	(10.689.111)
Net gains/(losses) from the valuation of financial assets measured at fair value through profit and loss	(2.010.714)	-	(2.010.714)	-	(1.733.375)	-	(1.733.375)	-	(2.010.714)	(1.733.375)
Net income/(expenses) provisions fixed financial assets	(3.376.114)	-	(3.376.114)	-	(3.382.474)	-	(3.382.474)	-	(3.376.114)	(3.382.474)
Other net income/(expenses) from interest and exchange rate differences	(35.746)	-	(35.746)	-	500.186	-	500.186	-	(35.746)	500.186
Net income/(expenses) provisions for risks and expenses	151.819	-	151.819	-	(195.056)	-	(195.056)	-	145.815	(195.056)
Other net income/(expenses).	(8.037.549)	(2.997.049)	(1.885.373)	(3.155.127)	(7.100.102)	(2.658.067)	(1.021.280)	(3.420.755)	(8.037.549)	(7.100.102)
Salary expenses and employee benefits	(1.452.667)	(289.296)	(103.897)	(1.059.473)	(1.157.857)	-	(1.023.857)	(134.029)	(1.452.667)	(1.157.857)
Expenses, market commissions and intermediaries	(2.352.649)	(2.352.649)	-	-	(2.168.419)	(2.168.419)	-	-	(2.352.649)	(2.168.419)
Expenses commissions Intermediation	(410.315)	-	(410.315)	-	(483.478)	-	(483.478)	-	(410.315)	(483.478)
Expenses with licenses and issuance of structured products	(2.377.622)	(136.350)	(426.555)	(1.814.717)	(2.581.734)	(311.158)	(233.751)	(2.036.825)	(2.377.622)	(2.581.734)
Expenditure on external services	(336.784)	(336.784)	-	-	(215.802)	(215.802)	-	-	(336.784)	(215.802)
Expenses with collaborators	(1.346.191)	(327.168)	(290.456)	(728.567)	(1.974.302)	(790.111)	(297.975)	(886.216)	(1.346.191)	(1.974.302)
Other expenses the basic activity	(878.022)	-	-	(878.022)	(928.031)	-	-	(928.031)	(878.022)	(928.031)
Intangible and tangible asset value adjustments	(587.315)	-	-	(587.315)	(1.595.131)	-	-	(1.595.131)	(587.315)	(1.595.131)
Totally explained:	382.119	8.680.441	(75.100)	(8.223.221)	(15.161.045)	4.865.595	(11.025.681)	(9.000.987)	376.115	(15.161.073)
Reportable segment profit before tax	382.119	8.680.441	(75.100)	(8.223.221)	(15.161.045)	4.865.595	(11.025.681)	(9.000.987)	376.115	(15.161.073)
Profit Tax	-	-	-	-	-	-	-	-	-	-
The assets of the reportable segment, of which:	274.670.114	61.252.502	98.348.914	-	168.610.554	61.252.502	98.348.914	-	274.670.114	168.610.554
- Intangible assets	260.945	-	-	284.138	351.065	-	-	351.065	284.138	351.065
- Tangible assets	9.572.269	-	-	8.144.529	8.658.073	-	-	8.658.073	8.144.529	8.658.073
- Real estate investments	-	-	-	-	-	-	-	-	-	-
- Financial investments	83.225.571	-	-	-	91.868.122	-	91.868.122	-	93.033.997	91.868.122
- Loans and advances granted	65.881.616	-	-	-	4.143.848	-	4.143.848	-	-	4.143.848
- Trade receivables and other receivables	8.461.283	-	8.461.283	-	11.660.382	10.747.441	912.941	-	3.546.474	11.660.382
- Availability	2.966.389	-	2.966.389	-	51.929.064	50.505.061	1.424.003	-	2.412.059	51.929.064
Debts of the reportable segment, of which:	108.149.325	107.453.100	696.225	-	151.401.489	104.770.215	46.631.274	-	158.869.156	151.401.489
- customer amounts	219.833.972	162.415.869	43.908.289	13.083.696	104.770.215	104.770.215	-	-	275.977.504	104.770.215

7. INTANGIBLE ASSETS

<i>In RON</i>	Licenses and computer programs	Advances	Total
Cost			
Balance as of January 1, 2022	5.122.651	27.820	5.150.470
Acquisitions	281.892	-	281.892
From which by transfer	-	-	-
Outputs	-	-	-
From which by transfer	-	-	-
Balance as of December 31, 2022	5.291.989	52.274	5.344.263
Balance as of January 1, 2023	5.291.989	52.274	5.344.263
Acquisitions	22.338	-	22.338
From which by transfer	-	-	-
Outputs	-	(23.430)	(23.430)
From which by transfer	-	-	-
Balance as of December 31, 2023	5.314.327	28.844	5.343.171
Depreciation and depreciation losses			
	Licenses and computer programs	Advances	Total
Balance on January 1, 2022	4.846.207	-	4.846.207
Depreciation during the year	210.201	-	210.201
Impairment losses recognized on expenses	-	-	-
Amortization related to outputs	(63.210)	-	(63.210)
Balance on December 31, 2022	4.993.198	-	4.993.198
Balance on January 1, 2023	4.993.198	-	4.993.198
Depreciation during the year	89.028	-	89.028
Impairment losses recognized on expenses	-	-	-
Amortization related to outputs	-	-	-
Balance on December 31, 2023	5.082.226	-	5.082.226
Accounting values			
	Licenses and computer programs	Advances	Total
Balance on January 1, 2022	276.444	27.820	304.263
Balance on December 31, 2022	298.791	52.274	351.065
Balance on January 1, 2023	298.791	52.274	351.065
Balance on December 31, 2023	232.101	28.844	260.945

The component of the balance of intangible assets is made up of computer programs and software licenses. The lifetimes used in the calculation of intangible assets are on average 3 years, the amortization method used is the linear one. The expenses regarding the year's amortization of intangible assets are included in the statement of the overall result under the position *Value adjustments of tangible and intangible assets*.

8. CORPORATE FIXED ASSETS

<i>In RON</i>	Lands and buildings	Technical installations and means of transport	Furniture, office equipment and others	Fixed assets in progress	Total
Balance at 01.01.2022					
Purchases and modernizations carried out	7.786.659	2.700.671	373.194	22.343	10.882.866
Transfers to/from fixed assets in progress	-	338.197	37.998	0	376.195
Entry following the execution of some guarantees received	-	-	-	-	-
Revaluation of fixed assets:	-	-	-	-	-
compensation of depreciation in the balance with the assets	-	-	-	-	-
recording the increase in value	-	-	-	-	-
Transfers to assets held for sale	-	-	-	-	-
Transfers from real estate investments	-	-	-	-	-
Outputs of tangible assets:					
- by sale	-	(452.882)	-	-	(452.882)
- by scrapping	-	-	(19.237)	-	(19.237)
Balance at 31.12.2022	7.786.659	2.992.898	411.192	22.343	11.213.092
Balance at 01.01.2023	7.786.659	2.992.898	411.192	22.343	11.213.092
Purchases and modernizations carried out	-	48.951	40.242	-	89.193
Transfers to/from fixed assets in progress	-	-	-	-	-
Entry following the execution of some guarantees received	-	-	-	-	-
Revaluation of fixed assets:	-	-	-	-	-
compensation of depreciation in the balance with the assets	(869.768)	-	-	-	(869.768)
recording the increase in value	1.640.730	-	-	-	1.640.730
Transfers to assets held for sale	-	-	-	-	-
Transfers from real estate investments	-	-	-	-	-
Outputs of tangible assets:					
- by sale	-	-	-	-	-
- by scrapping	-	-	-	-	-
Balance at 31.12.2023	8.557.621	3.041.849	451.433	22.343	12.073.246

<i>In RON</i>	Lands and buildings	Technical installations and means of transport	Furniture, office equipment and others	Fixed assets in progress	Total
Balance at 01.01.2022	289.923	1.148.975	381.050	-	1.819.948
Depreciation during the year	289.923	543.030	134.545	-	967.498
Impairment losses, of which:	-	-	-	-	-
- recognized as expenses	-	-	-	-	-
- deducted from other elements of the global income statement	-	-	-	-	-
Amortization related to the outflow of fixed assets	-	(45.970)	(186.458)	-	(232.428)
Amortization related to the disposal of fixed assets	-	-	(37.998)	-	(37.998)
Compensation of depreciation in the balance with the assets on the occasion of the revaluation	-	-	-	-	-
Balance at 31.12.2022	579.846	1.646.036	306.794	22.343	2.555.018
Balance at 01.01.2023	579.846	1.646.036	306.794	22.343	2.555.018
Depreciation during the year	289.923	360.816	138.255	-	788.994
Impairment losses, of which:	-	-	-	-	-
- recognized as expenses	-	-	-	-	-
- deducted from other elements of the global income statement	-	-	-	-	-
Amortization related to the outflow of fixed assets	-	-	-	-	-
Amortization related to the disposal of fixed assets	-	-	-	-	-
Compensation of depreciation in the balance with the assets on the occasion of the revaluation	(869.768)	-	-	-	(869.768)
Balance at 31.12.2023	-	2.006.851	445.050	22.343	2.474.244
Accounting values					
Balance on January 1, 2022	7.496.736	1.551.696	-	22.343	9.062.918
Balance on December 31, 2022	7.206.813	1.346.863	104.397	22.343	8.658.074
Balance on January 1, 2023	7.206.813	1.346.863	104.397	22.343	8.658.074
Balance on December 31, 2023	8.557.621	1.034.998	6.384	22.343	9.599.002

As of 31.12.2023, the company has in operation the head office in Cluj Napoca, Motilor str. 119, as well as the buildings owned in Bucharest, Suceava, Iasi where the agencies for the intermediation activity operate.

The amortization expenses for the year are included in the global income statement under the item *Value adjustments of tangible and intangible assets*.

For the other fixed assets of the company, the linear depreciation method was used, in this case the fiscal depreciation does not differ from the accounting depreciation, the chosen depreciation period can be found in the Fixed Assets Register.

Pledged or mortgaged tangible assets

On 15.05.2023, an additional act was signed to extend the credit facility with CEC Bank to obtain a credit line in the amount of 17,600,000 lei, for a period of 11 months from the date of signing the financing contract, with the possibility for its extension. The credit guarantee is made with a real estate and movable mortgage. The credit facility obtained will be used by the company to finance the current activity.

Also in , on 16.01.2023, a credit for revocable revolving working capital was drawn in the amount of 4,900,000 lei from TechVentures Bank.

Presentations on reassessment

The fixed assets representing buildings were revalued on 31.12.2023. The valuation was carried out by an expert valuer, the company Neoconsult Valuation SRL, in accordance with the International Valuation Standards and the work methodology recommended by ANEVAR.

9. REAL ESTATE INVESTMENTS

As of 31.12.2023, the company does not hold assets as real estate investments.

10. FINANCIAL INVESTMENTS

In RON

		December-23	December-22
Financial assets valued at fair value through other elements of the overall result			
Financial assets valued at fair value through other elements of the overall result	shares	38.622.184	44.770.110
Total financial assets designated at fair value through other elements of the global result		38.622.184	44.770.110
Financial assets designated at fair value through the profit or loss account			
	listed shares	27.373.648	33.324.793
	Listed fund units	-	-
	Unlisted fund units	12.802.762	10.999.775
	Listed bonds	995	247.425
	Unlisted bonds	-	135.800
	Unlisted shares	339.114	2.390.219
Other financial instruments		12.852	-
Total financial assets designated at fair value through the profit or loss account		40.529.370	47.098.012
Total financial investments		79.151.554	91.868.122

The listed securities: shares, bonds and fund units are valued at the exchange rate on 31.12.2023 published by the Bucharest Stock Exchange.

The unlisted fund units held are valued at the unit net asset value, and the unlisted bonds at amortized cost.

The structured products held are valued at the quotation from 31.12.2023.

The financial instruments traded on the international markets are of the type of futures contracts, options and contracts for difference (CFDs) and are used for speculative and hedging purposes for market maker operations. They are evaluated at the quotation on 31.12.2023 .

11. LOANS AND ADVANCES GRANTED

<i>In RON</i>	December-23	December-22
Margin loans - gross value	705.060	1.622.192
Loans granted to related parties	6.919.247	3.600.000
Interest related to the loans granted	379.546	521.655
Other loans granted	1.233.375	1.233.375
Impairment of related party loans	(4.832.767)	(2.833.375)
Loans and advances granted - net value	4.404.460	4.143.848

During the year 2023, Brk Financial Group SA granted loans to affiliated companies as follows: Romlogic Technology SA was granted two loans of 700,000 lei, Gocab Software SA three loans - 2,500,384 lei and Firebyte Games Software a loan of 500,000 lei . To determine the fair value, the management of the company took into account the future net cash flows related to these loans. These loans having a maturity of more than 1 year on December 31, 2023, 3 scenarios were defined for each loan regarding the recoverability of the amounts granted in the time interval until the maturity of the loan contract.

The loans granted to affiliated companies are included in stage 2 according to the policy described in Note 3 of these financial statements.

The loans granted to the company's clients in the form of margin loans are classified at stage 1 according to the policy described in Note 3.

For the loans granted to Romlogic Technology SA, the management of BRK Financial Group, based on the accounting policy described in the present financial statements in Note 3, considers that these loans are in stage 2 of default, so a 100% impairment was taken into account from the total value of the loan in the absolute amount of 2,600,000 lei for determining the fair value.

For the loans granted to the company GOCAB SOFTWARE SA, the management of BRK Financial Group, based on the accounting policy described in the present financial statements in Note 3, considers that these loans are in stage 2 of default, so a 100% impairment was taken into account from the total value of the loan in the absolute amount of 1,000,000 lei to determine the fair value. The company maintained the service offered to clients to carry out margin transactions. The balance of margin loans used by customers on 31.12.2023 was 705,060 lei.

For loans in the margin, the securities purchased with these loans constitute as guarantees. Therefore, there are no indications of impairment, and this represents the fair value on December 31, 2023.

12. INVESTMENTS IN ASSOCIATED ENTITIES

The affiliated companies as well as the associated companies (where the significant influence is held) are mentioned below, In those where the ownership share is below 20%, the significant influence is due to the presence in the board of directors of the respective company.

The ownership percentage and the value of the participation in lei in the associated entities are as follows:

Company	Holding percentage in December 2023	Participation value December 2023	Holding percentage in December 2022	Participation value December 2022
Sai Broker	99.98%	10.705.193	99.98%	10.054.082
Romlogic Technology	90.75%	1.017.220	90.75%	2.717.399
Firebyte SA	37.94%	4.029.300	48.93%	6.376.950
POWER ENERGY SA	50%	186.250	50%	250.000
GOCAB SOFTWARE SA	32.53%	1.880.125	49.12%	1.622.400
Total		17.818.088		21.020.831

During the year 2023, no dividends were collected from the associated companies.

During the year 2023, transactions with related parties are presented as follows:

Name	Nature of Affiliation	The nature of the activity	Volume and weight of the respective activity
SAI Broker	Ownership percentage 99.98%	Investment management	-revenues from intermediary commissions 1,778 Lei - income from distribution and brokerage commissions in the amount of 1,610 lei - income from rents in the amount of 34,200 lei -revenues from rebilling utilities 15,574
Romlogic Technology SA	Ownership percentage 90.75%	Manufacturing of computers and peripheral equipment	- income from interest related to loans granted in the amount of 549,399 lei -granting a loan of 700,000 lei
Gocab Software	Ownership percentage 49.12%	Custom software creation activities (customer-oriented software)	-granting three loans in the amount of 2,500,384 lei - income from interest related to loans granted 63,200 lei - income from rents 15,600 lei
Firebyte Games SA	Ownership percentage 48.93%	Development of games for mobile devices	- revenues from intermediary commissions 3,029 lei - rent income 7,288 lei - loan granted 500,000 lei
BRK POWER ENERGY SA	Ownership percentage 50 %	Electricity production	- Income from rents: 5,080 lei

Transactions with related parties were carried out at market value.

On 31.12.2023 and 31.12.2022, the balances of the company's claims from relations with related parties were as follows:

<i>In RON</i>	December-23	December-22
SAI Broker	2.589	53
REIT CAPITAL SA	3.975	-
Firebyte Games SA	500.000	3.975
Gocab Software	2.563.584	514.400
Romlogic Technology SA	4.058.122	2.947.982
BRK POWER ENERGY SA	425	1.116
Total	7.128.695	3.467.526

13.FIXED ASSETS HELD FOR SALE

As of 31.12.2022, the company has no fixed assets held for sale.

14. COMMERCIAL AND SIMILAR RECEIVABLES

<i>In RON</i>	December-23	December-22
Trade receivables	2.062.422	1.079.828
Claims against the state budget	-	-
Net receivables from debtors of which:	50.513	64.764
Employees with payment commitments	28.698	28.698
Debtors former employees and third parties	21.815	36.066
Other debtors	641.512	778.938
Total trade receivables and other receivables	2.754.448	1.923.530

The debtors from the trading of the company's financial instruments come from transactions concluded in December 2023, which have as the settlement date the first two days of January 2024, Similarly, the debtors from financial instruments settled by customers come from transactions concluded in December 2023, which have as the settlement date the first two days of January 2024.

<i>In RON</i>	December-23	December-22
Debtors from the trading of the Company's financial instruments	11.344.212	6.821.348
Debtors from financial instruments traded by clients	59.006.169	61.398.768
Total Debtors from financial instruments trading	70.350.380	68.220.116

The entity's exposure to credit risk and currency risk, as well as impairment losses related to trade receivables, are presented in note number 4.

The gross balances and depreciation of debtors are as follows:

<i>In RON</i>	December-23	December-22
Debtors former employees and third parties, Stage 3	1.809.521	1.809.521
Depreciation of debtors, former employees and third parties	(1.773.455)	(1.773.455)
Debtors former employees and third parties - net value	36.066	36.066

The movement of value adjustments for impairment of receivables from debtors (debtor employees and third party debtors) during the year was as follows:

<i>In RON</i>	December-23	December-22
Balance at January,1	1.773.455	1.783.747
Additional provisions	-	-
Cancellation of provisions	-	-
Balance at December, 31	1.773.455	1.773.455

15. RECEIVABLES AND DEBTS REGARDING DEFERRED TAX

Unrecognized deferred tax assets

Deferred tax receivables were not recognized regarding the following elements:

Unrecognized deferred tax liabilities

In RON

	December-23	December-22
Differences from revaluation of fixed assets	3.488.688	3.488.688
Differences from revaluation of financial assets valued by other elements of the Global result	-	2.628.133
	3.488.688	6.116.816
Tax rate	16%	16%
Unrecognized deferred tax assets	558.190	978.690

16.CASH AND CASH EQUIVALENTS

In RON

	December-23	December-22
Cash account related to customers	107.453.100	50.505.061
Cash and cash equivalents	696.225	1.424.003
Balance at December, 31	108.149.325	51.929.064

The position of cash and cash equivalents also includes short-term deposits.

Customer balances in bank accounts are highlighted and managed separately from those of the company and can be used based on transaction orders given by customers.

The company performed an analysis regarding the depreciation calculation of cash and cash equivalents according to IFRS 9 and considers that the resulting impact is insignificant at the level of the financial statements as a whole.

The entity's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are presented in note number 4.

17.CAPITAL AND RESERVES

The share capital and the number of issued shares are presented as follows:

<i>In RON</i>	Share capital value	Number of ordinary shares	Nominal value/share
On January 1, 2022	54.039.987	337.749.919	0,16
On December 31, 2022	50.614.493	337.429.952	0,15
On January 1, 2023	50.614.493	337.429.952	0,15
On December 31, 2023	50.614.493	337.429.952	0,15

In the first semester of 2022, there was a decrease in the share capital and the number of issued shares.

The share capital did not change during the year 2023, the nominal value remained 0.15 RON/share, the number of shares in circulation is 337,429,952 shares.

In RON

	December-23	December-22
The share capital	50.614.492.80	50.614.492,80
Share capital adjustment	4.071.591	4.071.591
Own shares	-	(1.285.077)
Bonuses	5.355	5.355
Total	54.691.438	53.406.362

18. RESERVES AND REVALUATION DIFFERENCES

<i>In RON</i>	December-23	December-22
Differences from the revaluation of tangible assets	7.108.510	5.608.237
Deferred tax related to the differences from the revaluation of tangible assets	(558.190)	(978.691)
Legal and statutory reserves	6.095.560	6.095.560
Reserves from the revaluation of financial assets valued at fair value through other elements of the global result	(15.754.841)	(6.820.240)
Other reserves	2.775.908	2.775.908
- of which from the application of IAS 29 (adjustment for inflation)	2.775.908	2.775.908
Reserves related to own shares	-	697.762
Total reserves and revaluation differences	(333.053)	7.378.535

Differences from revaluation

The differences from the revaluation registered changes during the year 2023 with the amount of 1,634,727 lei. Following the revaluations, there were increases in the value of tangible assets for the exploitation activity, and these were reflected in the revaluation reserves on 12.31.2023 in the amount of 1,634,727 lei.

Legal reserves

The legal reserves represent the sums constituted annually from the gross profit in the share of 5%, until reaching the level of 20% of the social capital and are recognized as a deduction when calculating the profit tax.

Fair value reserve

The fair value reserve comprises the net cumulative change in the fair value of financial assets available for sale until the investments are derecognized or depreciated.

As a result of the transition to IFRS 9, the fair value reserve was transferred to retained earnings.

Other reservations

"Other reserves" include adjustments to the historical cost of share capital in accordance with IAS 29 "Financial reporting in hyperinflationary economies".

Dividends and other distributions to shareholders

In 2023, no dividends were granted to shareholders.

19. REPORTED RESULT

<i>In RON</i>	December-23	December-22
Profit reported from the transition to IFRS	2.713.367	2.713.367
Reported result from the application of IFRS 9	3.392.306	3.392.306
Reported result IAS 29	(6.880.234)	(6.880.234)
Reported result	870.198	15.896.817
Current result	382.119	(15.161.073)
Distribution of profit	-	-
Total Reported result	477.756	(38.817)

Result carried forward through the transition to IFRS

The carried forward result regarding the transition to IFRS comes from 2008.

The carried forward result from the application of IFRS9 comes from 2018.

Retained earnings IAS 29

The financial statements and the corresponding amounts of the previous periods have been restated to reflect the change in the

general purchasing power of the functional currency and, consequently, are expressed in relation to the unit of measure existing at the end of the reporting period, This capital position includes the influence of the restatement of the capital social with inflation for the period 1994 - 2002.

The applied inflation index registered the following values in the updated period:

Year	2003	2002	2001	2000	1999	1998	1997	1996	1995
Capital discount index	1.00	1.15	1.41	1.90	2.77	4.04	6.42	16.36	22.71

Following the application of these updates, the following values were recorded:

Account	Debit	Credit
Adjustments of the share capital	-	4.071.591
Differences from revaluation *	-	59.884
Other reserves **	-	2.748.760
Reported result from the adoption for the first time of IAS 29	6.880.234	-
Total	6.880.234	6.880.234

*Incorporation of revaluation reserves in 2011.

** Incorporation of reserves from 2007 on the occasion of the absorption of SC Investco.

20. COMMERCIAL DEBTS AND OTHER DEBTS

<i>In RON</i>	December-23	December-22
Trade debts	1.014.830	609.897
Debts to employees	502.729	116.415
Debts with the state budget	1.078.984	348.947
Various creditors resulting from house transactions	379.887	1.177.200
Various creditors resulting from customer transactions	3.909.978	6.860.703
Various lenders resulting from structured products	4.240.147	4.890.349
Total trade debts and other debts	11.126.557	14.003.511

The entity's exposure to currency risk and liquidity risk related to commercial debts and other debts is presented in note number 4. The various creditors represent settlements with the Bucharest Stock Exchange in the process of settlement, in the time interval from the execution of the transactions on behalf of the entity and/or the clients, also various creditors include various creditors from trading and refer to the debt for the products with protected capital and Turbo certificates issued by the company and listed on the Bucharest Stock Exchange.

Starting with 2016, for clients who have opened accounts with external intermediaries, only their funds held at the intermediary mentioned above are reflected in the accounting, the accounts held by these clients are of Margin type and RegTMargin type, meaning that they can appeal margin, and in this case the external intermediary offers clients the opportunity to apply for loans on the margin, clients constituting as collateral the financial instruments from their own trading portfolio.

21. LOANS

The situation of the loans contracted by the company is presented as follows:

<i>In RON</i>	December-23	December-22
Long-term debt		
Financial leasing liabilities	244.826	457.273
Loans from Bonds	24.560.706	24.432.138
Total long-term debt	24.805.532	24.889.411
Short term debts	December-23	December-22
Guaranteed lines of credit	19.347.583	20.329.411
The current part of the financial leasing debt	236.422	166.638
Dividend payment	365.271	365.271
Total short-term liabilities	19.949.276	20.861.321

In the first semester of 2023, the credit facility for financing the current activity - credit line - was extended with a maximum ceiling of 17,600,000 lei. The credit facility will be used to increase the working capital (17.6 million RON).

Real estate guarantees (headquarters and agency offices), mortgage on some share packages held in the own account, assignment of income from market making contracts, the credit line was guaranteed with the following properties from the heritage:

Current number.	Mortgaged estate	real	Categories	Value euro	Value RON
1	Apartment Suceava	Immobile Bucuresti	fixed assets in operation	38.400	176.517
2	Bocsa		fixed assets in operation	157.000	721.698
3	Immobile Cluj- Motilor		fixed assets in operation	1.032.700	4.747.115
4	Apartment Iasi		fixed assets in operation	41.000	188.469
	Total			1.269.100	5.833.799

The amounts owed to clients actually represent the amounts advanced by them in bank accounts on the domestic market or in accounts held with external brokers that are available either for making transactions or for withdrawals depending on the future options of the clients. Their origin is as follows:

<i>In RON</i>	December-23	December-22
Amounts owed to customers		
Creditor customers from transactions on the internal market	110.030.964	56.807.288
Creditor customers from transactions on the external market	52.384.905	47.962.927
Creditor clients from corporate services	-	-
	162.415.869	104.770.215

The shareholders of BRK Financial Group approved, by the Decision of the Extraordinary General Meeting of Shareholders of 26.04.2021, the issue of corporate bonds with a maturity of 5 years and empowered the BOD to issue any decision and to fulfill all

the necessary legal documents and facts, useful and/or timely for the implementation of the decisions to be adopted by the company's AGEA in relation to the issue of non-convertible bonds by the company, the management of the BRK Financial Group company decided, through the Decision of the Board of Directors no. 1/23.07.2021, to carry out between 02.08.2021 - 13.08.2021 the Private Placement regarding the issue of bonds for a number of 250,000 bonds, worth 25,000,000 lei.

By the same decision, the management of the BRK Financial Group company was appointed to carry out the necessary steps for the Private Placement and the admission to trading of the Bonds issued on the regulated market of BVB.

In the period 02.08.2021 - 05.08.2021 the Private Placement was effectively carried out through which subscriptions were collected from a number of 59 natural and legal persons, it closing early by the Issuer's decision, according to the decisions of the Board of Directors dated 23.07.2021 regarding oversubscription, registering a degree of oversubscription of 106,283%, the sale price of the bonds was 100% of the principal, and for the subscriptions made between 02.08.2021 - 06.08.2021, 97% of the principal, according to the decisions of the Board of Directors dated 23.07.2021, so the settlement of all transactions is carried out at a price of 97% of the principal.

On 05.08.2021, the private placement of BRK Financial Group SA bonds was concluded, the value of the bond issue being 25,000,000 RON.

The transaction date related to the issued bonds was 06.08.2021, and the Settlement Date through the Central Depository was 10.08.2021.

In the placement, orders were collected that reflected a subscription of 106.283%, the allocation rate will be 94.08%, the purpose of the obtained funds is to ensure the working capital for the expansion of the market-making activity and the diversification of the portfolio of structured products, other activities of investments.

Characteristics of bonds subject to admission to trading:

- **Type of bonds:** corporate, unsecured, non-convertible
- **The currency in which the bonds are issued:** lei
- **The value of the bond issue:** 25.000.000 lei
- **Number of bonds issued: max** 250.000
- **The nominal value of a bond:** 100 lei
- **Date of Issue:** 10.08.2021
- **Maturity:** 5 years
- **Coupon:** 7.6% per year
- **Payment of coupon:** quarterly
- **Payment of principal:** on maturity
- **Destination of obtained funds:** ensuring the working capital for expanding the market-making activity and diversifying the portfolio of structured products, other investment activities.
- **Cod ISIN:** ROSYZVBBKKI6
- **CFI:** DBFUFR
- **FISN:** BRK FG/7.6 BD 20260813 UNSEC

22. PROVISIONS FOR RISKS AND EXPENSES

<i>In RON</i>	December-23	December-22
Provisions		
Balance on January 1st	521.882	1.022.068
Canceled during the period	(431.335)	(931.521)
Constituted during the period	467.081	431.335
Balance as of December 31	557.628	521.882

During the year 2023, 431,335 lei were added to income from provisions and provisions were created in the absolute value of 467,081 lei.

23. ASSETS AND CONTINGENT LIABILITIES

There are ongoing criminal litigations filed by SSIF BRK FINANCIAL GROUP SA against some former employees, as well as litigations in which SSIF BRK FINANCIAL GROUP SA is an active party to the proceedings regarding amounts that it claims, Not in all cases the claimed amounts can be determined with precision, There are some processes, in which SSIF BRK FINANCIAL GROUP SA had the capacity of an active procedural party, which were won but in which the possibilities of effective recovery are reduced.

24. INCOME FROM INTERMEDIATION ACTIVITY

<i>In RON</i>	Continuo	Continuo	Interrupted		Total	
	us	ous	activities			
	activities	activities	2023	2022	2023	2022
	2023	2022				
Income from commissions on the domestic market	7.015.077	5.471.767	-	-	7.015.077	5.471.767
Income from commissions on the foreign market	730.728	955.393	-	-	730.728	955.393
Income from related activities	501.206	799.968	-	-	501.206	799.968
Subtotal revenues from intermediary commissions and related activities	8.247.011	7.227.128	-	-	8.247.011	7.227.128
Income from corporate operations	765.320	475.849	-	-	765.320	475.849
Other intermediate income	6.107.406	3.306.174	-	-	6.107.406	3.306.174
Total revenue	15.119.737	11.009.151	-	-	15.119.737	11.009.151

The company's revenue recognition policy is to reflect these revenues at gross values, Gross revenues also include market costs, commissions charged by the Stock Exchange, respectively by the ASF.

In order to diversify the income from commissions, the widening of the range of products and the markets on which the transactions are carried out was constantly pursued. The level of commissions collected for the operations carried out by the company also included commissions related to operations on foreign markets, as presented above.

Clients are, in general, assigned to one broker, with the possibility of performing operations both traditionally and online.

The revenues from commissions also include transactions carried out for other non-banking financial institutions, called contracts with custodians, for which SSIF BRK FINANCIAL GROUP SA collects the commissions related to the transactions, but the funds related to sales and purchases do not transit the company's accounts, but are settled through the accounts of the custodian.

25. INCOME FROM MARKET MAKING ACTIVITY

<i>In RON</i>	December-23	December-22
Net gains/losses domestic market	5.866.711	15.103.685
Net foreign market gains/losses	(3.487.472)	(11.729.962)
Revenues from market making services provided to issuers	5.991.409	4.801.010
Result Market Making	8.370.649	8.174.733

26. STAFF COSTS

<i>In RON</i>	December-23	December-22
Expenses with staff and collaborators	(7.569.450)	(6.139.672)
Expenses with contributions and mandatory social insurance	(54.080)	(535.330)
Staff profit sharing	(140.554)	(1.441.892)
Expenses with allowances of BoD members	(414.019)	(425.100)
BoD members' profit participation	(446.761)	(153.239)
Total expenses with salaries in the global result account	(8.624.864)	(8.695.233)

The remuneration of the general directors is established by the Decision of the Board of Directors of the company, and other benefits granted are in accordance with the collective labor contract at unit level.

During the year 2023, the management of the company was ensured by General Director Monica-Adriana Ivan and by Deputy General Director Razvan Rat.

The allowances granted to the members of the CA were in the amount of 425,100 lei.

The average number of employees for the period ending on December 31, 2022 was 42 (December 31, 2021: 39).

27.COMMISSION AND INTERMEDIARY EXPENSES

Expenses with commissions and fees mainly include the commission owed to the ASF, commissions for securities transactions on the regulated market, commissions for registry services owed to the Central Depository:

<i>In RON</i>	December-23	December-22
Fees and commissions Internal Market	(3.256.513)	(2.756.122)
Foreign Market commission expenses	(548.802)	(570.184)
Total	(3.805.315)	(3.326.306)

28. EXPENSES WITH THE PROVISION OF SERVICES

<i>In RON</i>	December-23	December-22
Expenses regarding audit fees, lawyers	(525.833)	(377.735)
Expenses with IT services and software maintenance	(1.724.082)	(1.342.397)
Expenses with consulting and training services	(93.168)	(133.758)
Other expenses with services performed by third parties	(34.539)	(727.844)
Total	(2.377.622)	(2.581.734)

29. OTHER EXPENSES OF THE BASIC ACTIVITY

Expenses with collaborators refer to expenses with delegate agencies in the amount of 336,784 lei (2022: 215,802 lei).

External services expenses are mainly represented by the cost of insurance services, asset evaluation services, IT assistance

services.

Other expenses with the basic activity refer mainly to:

In RON	December-23	December-22
Material expenses	(156.336)	(225.336)
Expenses with other taxes and fees	(49.080)	(54.636)
Utility expenses	(205.967)	(216.316)
Expenses with banking services	(105.617)	(131.367)
Advertising and advertising expenses	(361.578)	(558.085)
Telecommunications expenses	(69.558)	(74.475)
Insurance expenses	(131.004)	(120.004)
Maintenance and repair expenses	(60.007)	(56.366)
Transport costs	(73.020)	(135.361)
Rent expenses	(132.536)	(123.654)
Other expenses	(1.487)	(278.702)
Total	(1.346.191)	(1.974.302)

Value adjustments of intangible and tangible assets include depreciation expenses in the amount of 878,022 lei (2021: 928,031 lei).

30. GAIN/(LOSS) OF TRADING ACTIVITY

in RON	December-23	December-22
Net gains/(losses) realized from financial instruments	1.302.981	(640.243)
Dividend income	605.066	1.732.562
Income from transactions with shares and bonds	3.404.344	2.408.907
Losses from transactions with shares and bonds realized	(2.706.429)	(4.781.712)
Reclassification of gains/(losses) recognized in the global income statement to the income statement, related to financial assets available for sale sold	-	-
Net gains/(losses) from the valuation of financial assets measured at fair value through profit and loss	(1.361.379)	(10.689.112)
Income from the valuation of financial assets measured at fair value through profit and loss	11.788.825	8.631.294
Losses from the valuation of financial assets measured at fair value through profit and loss	(13.150.204)	(19.320.405)
Net income/(expenses) provisions fixed financial assets	(2.010.714)	(1.733.375)
Revenues cancellation provisions fixed financial assets	-	-
Expenses provisions fixed financial assets	(2.010.714)	(1.733.375)
Other net income/(expenses) from interest and exchange rate differences	(3.376.114)	(3.382.473)
Interest income, loans and bonds	148.137	331.351
Income, interest, credits, margin	38.741	241.238
Other interest income	(4.145.476)	71.336
Interest expenses	(5.305)	(3.753.316)
(Expenses)/Revenues differences house exchange rate	148.137	(273.083)

Net income/(expenses) provisions for risks and expenses	(35.746)	500.186
Expenses with provisions for risks and expenses	-	-
Revenue cancellation provisions for risks and expenses	431.335	931.521
Other net provisions	(467.081)	(431.335)
Other net income/(expenses).	151.819	(195.056)
Net gains/(losses) from the sale of assets	-	23.500
Other operational expenses	(62.646)	(402.951)
Other operating income	214.465	184.395
Net financial result recognized in the profit or loss account	(5.329.153)	(16.140.073)
Recognized in other elements of the overall result	December-23	December-22
<i>In RON</i>		
Detailed on the next page		
Recognized in other elements of the overall result		
in RON		
The net change in the fair value of financial assets available for sale transferred to the profit or loss account	(9.853.605)	(6.580.260)
The net change in the fair value of financial assets available for sale:		
related to the securities sold during the period	-	-
related to the titles in the balance at the end of the period		
Free shares related to financial assets available for sale		
Profit tax related to income and financial expenses recognized directly in other elements of the overall result	-	-

The unrealized net gains/(Losses) from the valuation of participations at fair value through the profit or loss account for the financial year ended on December 31, 2022 were mainly generated by the net change in the fair value of the financial instruments that are part of the trading portfolio for which the company analyzed sales opportunities.

The net gains/(losses) from the trading of financial assets recorded at fair value through the profit or loss account represent the income from the sale of the securities reduced by the value of the costs for those securities. for the transactions for which this difference is positive.

Dividend income is recorded in the profit or loss account at net value. The dividend tax rates for the period ending on December 31, 2023 were 5% and (2022: 5%)

In RON	December-23	December-22
AAGES	1.061	673
ANTIBIOTICE IASI	803	778
BURSA DE VALORI BUCURESTI	3.957	21.229
AQUILA	47.259	152.974
Bursa Romana de Marfuri	-	-
COMPA SA	-	-
ELECTROPRECIZIA SA Sacele	-	-
LIFE IS HARD	5,898	5.600
MACOFIL SA TG.JIU	-	-
NEW BUSINESS DIMENSION	-	869.961
ONE UNITED PROPERTIES	5.542	35.521
Millenium Insurance Broker	35.457	-
PURCARI WINERIES PUBLIC COMPANY LIMITED	7.954	9.545
Star Residence Invest	-	-
ROMCARBON SA	37.531	58.241
SAI BROKER SA	-	499.900
Sphera Franchise Group	-	9.325
OMV PETROM S.A	331.200	-
ELECTRICA	12.587	-
TERAPLAST SA	-	21.048
Societatea Nuclearelectrica	60.463	-
TTS	311.687	36.207
SIPEX SA	24.186	11.439
TOTAL	605.066	1.732.563

31. PROFIT TAX EXPENDITURE

Reconciliation of the effective tax rate

In RON	December-23	December-22
Profit for the period	382,119	(15.161.073)
The total expense with the profit tax	-	-
Profit before taxation (including related to discontinued activities)	382,119	(15.161.073)
Profit tax rate	16%	16%
The profit tax calculated by applying the tax rate to the accounting profit	3.632.589	3.632.589
The influence of non-deductible expenses	409.992	409.992
The influence of non-taxable income	(784.056)	(784.056)
The influence of the expenses resulting from the restatement on IFRS not considered when calculating the profit tax	-	-
Cumulative tax losses	9.495.339	9.495.339
The influence of fiscal losses of previous periods	(1.519.254)	(1.519.254)
The total expense with the profit tax calculated according to the	-	-

tax rate		
Unregistered income tax expense for negative amounts	-	-
The final expense with the profit tax	-	-
The final profit tax rate	16%	16%

32. THE RESULT PER SHARE

The result per basic share

The calculation of the basic result per share on December 31, 2023 is based on the profit attributable to shareholders (totally ordinary shareholders) and the average number of ordinary shares in circulation of 337,429,952 shares, on December 31, 2022 the average number of ordinary shares in circulation was of 337,429,952 shares.

The presented result is after calculating the profit tax.

	December-23	December-22
Attributable profit:	382.119	(15.161.073)
Company shareholders	382.119	(15.161.073)
Interests without control	-	-
Profit for the period	382.119	(15.161.073)
Total attributable global result:		
Company shareholders	382.119	(15.161.073)
Interests without control	-	-
Total overall result for the period	382.119	(15.161.073)
The result per share		
Basic earnings per share (lei)	0.0011	(0.0449)
Earnings per share to be diluted (lei)	-	-
Continuous activities		
Basic earnings per share (lei)	0.0011	(0.0449)
Earnings per share to be diluted (lei)	-	-

Weighted average number of ordinary shares

During the year 2023, there were no changes to the number of shares issued.

Year	2023	2022	2021	2020	2019
Number of shares	337.429.952	337.429.952	337.749.919	337.749.919	337.749.919

33. THE HIERARCHY OF FAIR VALUES

The table below analyzes the financial instruments recorded at fair value according to the valuation method. The different levels were defined as follows:

- **Level 1:** Quoted (unadjusted) prices on active markets. For securities at fair value through the income statement, the price is the one at the end of the period, on the last trading day.
- **Level 2:** Input data, other than the quoted prices included in Level 1, Here are the quoted securities for which valuation

methods have been applied that contain observable values for assets or liabilities. If the asset or liability has a specific contractual term, the input data related to Level 2 must contain observable values over the entire period of the asset or liability, examples: quoted prices for similar assets or liabilities on active markets, quoted prices for identical or similar products from markets that are not active, observable values other than quoted prices such as: interest rates, volatilities, other corroborated market inputs.

- **Level 3:** Input data, other than quoted prices included in Level 1 and Level 2. This includes unquoted securities for which valuation methods have been applied that contain observable values for assets or liabilities, either directly (ex: prices) or indirectly (eg: derived from prices). The fair value for these titles was determined either by applying the DDM (Discounted Dividend Model), by applying the DCF (Discounted Cash Flow) method, or by the asset-based method, as presented in the company's accounting policies.

December 31, 2023	Level1	Level 2	Level 3	Total
Financial assets at fair value through the profit or loss account from which:	27.374.643	13.141.896	4.404.460	44.920.999
Quoted shares	27.373.648	-	-	27.373.648
Quoted fund units	0	-	-	0
Unquoted fund units	0	12.802.762	-	12.802.762
Quoted bonds	995	-	-	995
Unquoted bonds	-	-	-	-
Unquoted shares	-	339.135	-	339.135
Loans and advances granted	-	-	4.404.460	4.404.460
Other financial instruments	-	-	-	-
Financial assets designated at fair value through other elements of the global result from which:	13.737.304	3.365.020	21.519.859	38.622.184
Unlisted shares	13.737.304	3.365.020	21.519.859	38.622.184
Total	41.111.947	16.506.916	25.924.319	83.543.183

In RON

December 31, 2022	Level1	Level 2	Level 3	Total
Financial assets at fair value through the profit or loss account from which:	37.903.202	18.495.095	11.849.329	68.247.626
Quoted shares	31.956.191	1.368.603	-	33.324.793
Quoted fund units	-	-	-	0
Unquoted fund units	-	10.999.775	-	10.999.775
Quoted bonds	24.802	-	-	24.802
Unquoted bonds	-	135.933	-	135.933
Unquoted shares	-	2.163.587	226.499	2.390.086
Loans and advances granted	-	-	4.143.848	4.143.848
Other financial instruments	-	-	-	-
Financial assets designated at fair value through other elements of the global result from which:	13.730.434	-	31.039.676	44.770.110
Unlisted shares	13.730.434	-	31.039.676	44.770.110
TOTAL	45.934.049	14.667.898	35.410.023	96.011.970

The table below shows the change in the book value of the holdings classified within level 3 of the fair value hierarchy in 2023 and 2022:

Level 3 fair value change

in RON

	December-23	December-22
On January 1	35.410.022	40.328.227
Total gain/loss recognized in the profit and loss account	-	-
Total gain/loss recognized in other elements of the overall result	(9.853.605)	8.021.540
Purchases during the period	-	8.063.881
Sales during the period	-	(14.677.457)
Transfers in level 3 of the fair value hierarchy (***)	367.902	(6.326.168)
On December 31	25.924.319	35.410.022

33.THE HIERARCHY OF FAIR VALUES (continued)

Current number	Financial assets	Valoarea justa la 31 decembrie 2023 in lei	Evaluation technique	Unobservable input data.ranges of values	Relationship between unobservable inputs and fair value
1	Unlisted majority shares	10.705.193	Income approach - discounted cash flow method	Weighted average cost of capital: 11.39 % Long-term revenue growth rate: 2.6%	The lower the weighted average cost of capital, the higher the fair value The higher the long-term income growth rate, the higher the fair value
2	Unlisted majority shares	-	Income approach - discounted cash flow method	Weighted average cost of capital: 12.75% Discount for lack of liquidity: 15.60% Long-term revenue growth rate: 1.30%	The lower the weighted average cost of capital, the higher the fair value The lower the discount for lack of liquidity, the higher the fair value The higher the long-term income growth rate, the higher the fair value
3	Unlisted minority shares	4.462.693	The cost approach - the adjusted net asset method	The market value of equity relative to their book value: Weighted average cost of capital: 10.50%	In the balance sheet, the accounting value is identified by equity. The lower the resulting Price/Accounting Value, the lower the fair value. The lower the weighted average cost of capital, the higher the fair value
4	Unlisted minority shares	6.351.973	Income approach - discounted cash flow method	Discount for lack of control: 10% Long-term revenue growth rate: 2%	The lower the discount for lack of control, the higher the fair value The higher the long-term income growth rate, the higher the fair value
5	Unlisted bonds	-	Amortized cost approach - fair value estimates.	Discount rate (IRR) of annual cash-flows: 8.23%	The lower the discount rate of the cash flows, the higher the fair value
6	Loans and advances granted	4.404.460	Income approach - discounted cash flow method		
	Total	25.924.319			

33. THE HIERARCHY OF FAIR VALUES (continued)

Current number	Financial assets	Valoarea justa la 31 decembrie 2022 in lei	Evaluation technique	Unobservable input data.ranges of values	Relationship between unobservable inputs and fair value
1	Unlisted majority shares	10.054.082	Income approach - discounted cash flow method	Weighted average cost of capital: 11.39 % Long-term revenue growth rate: 2.6%	The lower the weighted average cost of capital, the higher the fair value The higher the long-term income growth rate, the higher the fair value
2	Unlisted majority shares	-	Income approach - discounted cash flow method	Weighted average cost of capital: 12.75% Discount for lack of liquidity: 15.60% Long-term revenue growth rate: 1.30%	The lower the weighted average cost of capital, the higher the fair value The lower the discount for lack of liquidity, the higher the fair value The higher the long-term income growth rate, the higher the fair value
3	Unlisted minority shares	4.563.127	The cost approach - the adjusted net asset method	The market value of equity relative to their book value: Weighted average cost of capital: 10.50%	In the balance sheet, the accounting value is identified by equity. The lower the resulting Price/Accounting Value, the lower the fair value. The lower the weighted average cost of capital, the higher the fair value
4	Unlisted minority shares	16.648.966	Income approach - discounted cash flow method	Discount for lack of control: 10% Long-term revenue growth rate: 2%	The lower the discount for lack of control, the higher the fair value The higher the long-term income growth rate, the higher the fair value
5	Unlisted bonds	-	Amortized cost approach - fair value estimates.	Discount rate (IRR) of annual cash-flows: 8.23%	The lower the discount rate of the cash flows, the higher the fair value
6	Loans and advances granted	8.588.612	Income approach - discounted cash flow method	Discount rate of cash flows – 5.5%, adjusted with the probability of their non-collection.	The lower the discount rate of the cash flows, the higher the fair value
	Total	35.410.022			

33. THE HIERARCHY OF FAIR VALUES (continued)

Price/Book value: the indicator evaluates the market price of a company relative to its own capital (net assets). This indicator reflects the ratio that investors are willing to pay for the net asset value per share. The P/BV indicator varies significantly depending on the activity sector.

A company that requires more assets (for example, a production company with manufacturing space and machinery) will generally have a Price/Booking Value of Equity indicator, significantly lower than a company whose income comes from the activity of providing services (e.g. a consulting company).

Weighted average cost of capital: represents the cost of the company's capital in nominal terms (including inflation), based on the "Capital Asset Pricing Model". All sources of capital – stocks, bonds and other long-term debt – are included in the calculation of the weighted average cost of capital.

The discount for lack of control represents the discount applied to reflect the absence of control and is used within the discounted cash flow method to determine the value of the minority stake in the capital of the evaluated company.

The discount for lack of liquidity: represents the discount applied to comparable market multiples, to reflect the liquidity differences between the portfolio company subject to evaluation and the comparable companies considered. Appraisers estimate the illiquidity discount based on professional judgment, taking into account market conditions regarding liquidity and factors specific to the appraised company.

34. AFFILIATED PARTIES

Key Management Personnel Benefits

Transactions with related parties, in the form of key management personnel, are summarized in the benefits granted to the members of the Board of Directors and members of the executive management, which were presented in the note Personnel expenses.

Investments in associated entities In note 18 Investments in associated entities from these financial statements, all associated entities are presented, as well as the transactions that took place with them during the period.

35. EVENTS AFTER THE BALANCE SHEET DATE

The events subsequent to the balance sheet date were taken into account when evaluating the conditions that existed on 31.12.2023 regarding the receivables positions and the significant estimates that were made, including those related to the establishment of provisions for litigation.

These financial statements were approved on 24.03.2024



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INDEPENDENT AUDITOR'S REPORT

To the Shareholders' of S.S.I.F. BRK Financial Group S.A.

Opinion

We have audited the financial statements of the S.S.I.F. BRK Financial Group S.A. (BRK Financial Group or the "Company"), which comprise the statement of financial position as at December 31, 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

The financial statements as at December 31, 2023 are identified as it follows:

- Shareholder's Equity 54.836.142 lei
- Profit 382.118 lei

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Company as at December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with the F.S.A. Rule No. 39/2015 approving the Accounting Regulations compliant with International Financial Reporting Standards (IFRS), applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Romania, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole and in forming an opinion on the financial statements and we do not express an opinion on these individual matters.

Key Audit Matter

Our Approach

Revenue recognition for trading and trading commissions

As presented in notes 24-25 in the financial statements, the company records revenues from trading and commissions charged for operations carried out on behalf of its clients in the Romanian market and foreign markets, these revenues being significant in total revenues.

Commission revenues for transactions are established based on percentages agreed upon in contracts with clients.

Due to their significance, this is a key auditing aspect.

Our audit procedures on the recognition of brokerage revenues have included, but are not limited to:

- detailed understanding of the trading process on behalf of clients
- inspection of relevant supporting documents on a sample basis
- analytical and detailed procedures to analyze transactions and estimates recorded by the company at the end of the audited financial year
- testing, where applicable, of internal procedures applicable to the trading process.

Emphasis of Matter

As of December 31, 2023, the company has granted loans and calculated interest to Romlogic Technology SA amounting to 4,058,122 lei, according to Note 12 of the financial statements. The probability of repayment led to the provisioning in previous periods of 2,600,000 lei, with the outstanding receivables (excluding interest) at the balance sheet date being 1,318,862 lei, of which 700,000 lei are loans due in June 2024. Considering the company's policy and the evaluation of the loans according to IFRS reference standards, the company did not create a provision for 618,863 lei (past due), and for 700,000 lei due in 2024, the management considers the performance evaluation of the loan at the maturity date.

According to the Current Report No. 1389 published on March 13, 2024, on the BVB website, the company acquired (through the exercise of a warrant) 1,266,350 shares of Gabriel Resources at a price of 0.39 CAD per share and reported the amount in the process of settlement in the balance sheet assets totaling 1,680,415 lei. In the period after the balance sheet date, the transaction was confirmed, and market events have caused the price of Gabriel Resources shares to decrease significantly from the acquisition value. According to the Current Report, the company still holds warrants, which, according to the management, have no effect on the company's position if not exercised at maturity. These events are not presented in the post-balance sheet events section of Note No. 36 to the financial statements. Our opinion is not modified as a result of these aspects.

Other Information: The Director's Report

The directors are responsible for the preparation and presentation of other information. That information includes the Directors' Report, but do not include the individual financial statements and the audit report.

The directors' report is not part of the individual financial statements. Our opinion on the individual financial statements do not cover the director's report.

In relation with the individual financial statements for the year ended December 31, 2023, our responsibility is to read that other information and to assess if this information differs significantly to the individual financial statements or if it is significantly misstated.

In relation with the Director's Report, we have read and we report that it was prepared, in all material respects, in accordance with the F.S.A. Rule no. 5/2018 and the Rule no. 39/2015 for entities supervised and regulated by the F.S.A.

In our opinion:

- a) Nothing was identified by us that makes us believe that the information presented in the director's report, in all material respects, is not in accordance with the individual financial statements
- b) The director's report mentioned above includes, in all material respects, the information requested by the F.S.A. Rule no. 5/2018 and Rule no. 39/2015 for the approval of the accounting regulations in accordance with the International Accounting Reporting Standards, applicable for the entities authorized, regulated and supervised by the Financial Supervisory Authority ("F.S.A.") for the Financial Instruments and Investments Sector.

Based on our understanding and knowledge obtained during our audit on the S.S.I.F. BRK Financial Group S.A. financial statements prepared for the year ended December 31, 2023 and, on its environment, we are asked to report if we have identified significant misstatements in the directors' Report. We have nothing to report concerning this aspect.

Report on specific regulation concerning S.S.I.F.

In relation with our audit on the financial statements as at December 31, 2023 and considering:

- the provisions in the art. 56 and 61 of the Law no. 126/2018 regarding the prudential rules that intermediaries have to respect for the assurance of the separation of the financial instruments and the funds owned by clients and by the intermediary
- the provisions of art. 21 of the F.S.A. regulation no. 10/2018, with further changes and additions we report that:
 - a) We have reviewed the procedures that ensure the separation of the financial instruments owned by the investors and those owned by the intermediary, aimed at protecting their ownership rights, as well as against the use of those financial instruments by the intermediaries, in transaction on their own, except for situations where the investors give their clear consent.
 - The Company applies procedures that ensure the separation of the financial instruments of their own portfolio from the one owned by their clients.
 - b) We have reviewed the procedures that ensure the separation of the investors' funds with the purpose of protecting the ownership right, except for the credit institutions, in order to prevent the use of such funds in the Company's interest.

- The Company applies procedures to ensure the separation of the investors' funds from the own's fund or that are used in the Company's interest.
- c) We have reviewed the accounting and data processing procedures that are designed to ensure the separation of the funds and financial instruments of the investors and the intermediary.
- The Company designed chart of accounts and opened bank accounts that ensure that investors and own funds are separated.
 - The data processing systems ensure the use of accounts and codes specific in order to separate the above-mentioned items.

Based on our knowledge and the understanding obtained during our audit of the financial statements for the year ended December 31, 2023 of S.S.I.F. BRK Financial Group S.A. and its environment, we did not identify data and nothing came to our attention that make us believe that the Company does not comply to the objectives described in the above paragraphs at the level of the reporting entity.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the F.S.A. Rule 39/2015 and for such internal control as management determines is necessary to enable the preparation of individual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or

regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

*Report on Other
Legal and
Regulatory
Requirements*

We have been nominated as auditors for the financial statements by the General Assembly of Shareholders of S.S.I.F. BRK Financial Group SA for the year ended December 31, 2023. The total duration of our engagement is of 7 years, covering the years ended December 31, 2019 - 2025.

We confirm that our opinion on the financial statements is according to the supplementary report presented to Company's Audit Committee at the same date as this report. We have been independent throughout our engagement to the Company.

We confirm that we have not deliver any other non-audit services as mentioned in the art. 5 par. (1) of the EU regulation no. 537/2014.

In the name of
JPA Audit și Consultanță S.R.L.
Bd. Mircea Vodă 35, etaj 3, sector 3 Bucuresti
Registered Auditor ASPAAS FA319

**Autoritatea pentru Supravegherea Publică a
Activității de Audit Statutar (ASPAAS)**
Firma de Audit:
JPA AUDIT & CONSULTANȚĂ S.R.L.
Registrul Public Electronic: **FA 319**

Florin Toma
Registered Auditor ASPAAS AF1747

**Autoritatea pentru Supravegherea Publică a
Activității de Audit Statutar (ASPAAS)**
Auditor financiar: **FLORIN TOMA**
Registrul Public Electronic: **AF 1747**

Bucharest
March 26th, 2024

No. JPA#0729



Board of Directors' Annual Report 2023

Consolidated Financial Statements

SSIF BRK FINANCIAL GROUP S.A. in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").



31.12.2023

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Identification data

Report date	December 31, 2023
Judicial Name	SSIF BRK Financial Group S.A.
Field of Activity	Financial intermediation activities
CAEN Code	6612
Fiscal code/CUI	6738423
Commercial Register Code	J12/3038/1994
Address	Str. Moșilor, Nr. 119, Cluj-Napoca, România
Telephone/Fax	0364 401 709 or 0364 401 710
Email	office@brk.ro
Website	www.brk.ro
Securities	337.429.952 ordinary shares with a par value of 0,15 RON/share
Regulated Market	Bucharest Stock Exchange, Main Segment, Premium Category
Symbol BVB	BRK
ISIN	ROBRKOACNOR0
Audit	The financial statements as of December 31, 2023 are audited

Enhanced performance

BRK Financial Group's direct holdings in the group's subsidiaries refer to holdings in the companies shown in the table below.

Group company	Main field of activity	Number of shares owned	Nominal value of the share	Shareholding 31.12.2023 (%)
SAI BROKER SA	Fund management activities	220.581	10	99,98%
Firebyte Games SA	Custom software development activities	16.650.000	0,1	48,93%
Gocab Software SA	Custom software development activities	42.250.000	0,1	49,12%
Romlogic Technology SA	Manufacture of computer and peripheral equipment	1.061.484	10	90,74%
BRK POWER ENERGY	Electric power generation	2.500.000	0,1	50,00%

Legal requirements require reporting entities to consolidate their financial statements with those of the entities in which they have invested and which they control.

Consolidated financial statement

Consolidated statement of financial position as at 31.12.2023

<i>In lei</i>	31.12.2023	31.12.2022
Assets		
Intangible assets	11.860.212	9,593.319
Goodwill	2.4.27.467	7.907.347
Tangible fixed assets	10.345.549	9.265.243
Financial assets at fair value through other comprehensive income	20.822.006	17.470.539
Financial assets at fair value through profit or loss	44.850.277	52.781.155
Loans and advances granted	3.055.316	1.787.182
Trade and other receivables	4.988.256	14.356.070
Other financial assets	65.675.830	58.483.263
Inventories	8.723.498	8.794.331
Bank account relating to customers	107.453.100	50.505.061
Cash and cash equivalents	9.786.138	2.750.760
Bond premiums	439.294	245.154
Total assets	290.426.943	233.939.424
Debts		
Borrowings from Bonds	28.000.000	28.000.000
Finance lease liabilities	394.533	84.843
Total long-term liabilities	28.394.533	28.084.843
Current income tax liabilities	(67.845)	-
Deferred income tax liabilities	565.380	917.638
Deferred income	37.189	50.313
Short-term bank debts	20.837.001	20.329.411
Current portion of finance lease liabilities	246.624	746.742
Amounts owed to customers (customer cash)	162.510.613	104.894.047
Trade and other payables	15.991.264	16.349.110
Provisions	901.144	827.930
Total current liabilities	201.021.370	144.115.191
Total liabilities	229.415.903	172.200.034
<i>In lei</i>		
Equity capital	31.12.2023	31.12.2022
Share capital	50.614.493	50.614.493
Share capital adjustment	4.071.591	4.071.591
Treasury shares	-	-1.391.444
Capital premiums	5.256.506	5.355
Subtotal capital and associated accounts	59.942.589	53.299.995
Revaluation differences	7.108.510	5.608.237
Revaluation reserves on financial assets at fair value through other comprehensive income	(4.366.108)	2.084.760
Other reserves	8.313.279	8.590.539
Subtotal reserves and revaluation differences	11.055.684	16.283.535
Group current result	(7.212.644)	-20.888.003
Retained earnings	(4.062.390)	7.593.547
Total equity attributable to equity holders of the company	59.723.238	56.289.074
Non-controlling interests	1.287.801	5.450.316
Total equity and liabilities	290.426.943	233.939.424

Consolidated statement of comprehensive income as at 31.12.2023

	31.12.2023	31.12.2022
Income from basic activity	<u>34.575.828</u>	<u>30.798.236</u>
Income from intermediation	<u>17.571.837</u>	<u>11.766.515</u>
Income from brokerage commissions	8.350.885	7.227.128
Fund management income	2.348.226	2.925.545
Corporate income	765.320	475.849
Other income core business	6.107.406	3.306.174
Intermediation commission expenses	(2.352.649)	(2.168.419)
Net commission income	<u>15.219.188</u>	<u>11.766.515</u>
Income from market making activity	<u>8.370.649</u>	<u>8.174.733</u>
Net trading income	2.379.240	3.373.723
Income from market making services provided to issuers	5.991.409	4.801.010
Expenses with licences and issuance of structured products	(410.315)	(483.478)
Net income from market making activity	<u>7.960.334</u>	<u>7.691.255</u>
Other income basic activity	<u>8.633.342</u>	<u>10.856.988</u>
Income from services rendered	6.835.957	7.372.853
Income from the sale of finished products and goods	(104.683)	36.078
Income from changes in stocks	54.335	(693.029)
Other income from basic activity	1.847.732	4.141.086
Total Expenditure core activity of which:	<u>(27.972.056)</u>	<u>(31.044.095)</u>
Salaries and employee benefits expenses (note 27)	(13.453.591)	(12.885.747)
Market and intermediary commission expenses (note 28)	(1.516.718)	(1.175.414)
External services expenses (note 29)	(6.088.253)	(8.323.255)
Expenses with collaborators	(336.784)	(418.064)
Raw materials and materials expenses	4.743	-
Other expenses core activity (note 30)	(3.699.103)	-
Value adjustments for intangible and tangible assets	(2.882.351)	(5.895.311)
Profit/(loss) from basic activity	<u>3.840.808</u>	<u>(729.338)</u>
Net realised gains/(losses) on financial instruments	<u>1.223.367</u>	<u>(628.156)</u>
Dividend income	605.066	1.732.562
Realised income from equity and bond transactions	3.445.298	3.477.661
Realised losses on equity and bond transactions	(2.826.997)	(5.838.379)
Net gains/(losses) on valuation of financial assets measured at fair value through profit and loss	<u>(914.477)</u>	<u>(10.632.729)</u>
Income from valuation of financial assets measured at fair value through profit and loss	12.235.727	8.687.676
Losses on valuation of financial assets measured at fair value through profit and loss	(13.150.204)	(19.320.405)
Net income/(expense) provisions for non-current financial assets	<u>(10.714)</u>	<u>(1.233.375)</u>
Income on cancellation of provisions for non-current financial assets	-	-
Expenditure on provisions for non-current financial assets	(10.714)	(1.233.375)
Other net interest and exchange rate income/(expenses)	<u>(4.261.286)</u>	<u>(3.715.025)</u>
Interest income on loans and bonds	138.547	381.309
Interest income on margin loans	148.137	241.238
Interest income other	121.287	(114.021)
Net income/(expense) provisions for non-current financial assets	<u>(4.663.952)</u>	<u>(3.919.888)</u>
Income on cancellation of provisions for non-current financial assets	(5.305)	(913.501)
Net income/(expenses) provisions for risks and charges	<u>164.510</u>	<u>598.696</u>

Expenditure on provisions for risks and charges	(121.950)	(551.937)
Income reversal of provisions for risks and charges	753.541	1.682.888
Other net provisions	(467.081)	(532.255)
Other income/(expenses), net	(3.500.460)	(1.100.149)
Net gains/(losses) on sale of assets	22.289	23.500
Income from fixed assets	2.073.511	-
Other operating expenses	(5.682.905)	(1.649.183)
Other operating income	86.646	525.534
Result from investing activities	(7.299.059)	(16.710.738)
Result from operating activities (core and financial investments)	(3.478.266)	(17.440.076)
Expenditure on other long-term employee benefits	(587.315)	(1.595.131)
Impairment of goodwill	(5.479.880)	(4.021.085)
Profit before tax	(9.545.461)	(23.056.292)
Income tax expense	(41.082)	(239.367)
Profit from continuing operations	(9.586.543)	(23.295.659)
Discontinued operations	-	-
Loss from discontinued operations (after tax)	-	-
Profit for the period	(9.586.543)	(23.295.659)
Other comprehensive income	(5.060.583)	-
Net change in fair value of financial assets measured at fair value through other comprehensive income (FVTOCI) not transferred to profit or loss	(5.060.583)	-
Positions that can be reclassified to profit and loss	-	-
Net change in fair value of available-for-sale financial assets	-	-
Bonus shares received classified as available-for-sale	-	-
Changes in value of fixed assets available for sale	-	-
Positions not available for reclassification to profit or loss	-	-
Changes in value of fixed assets in use	-	-
Changes in value of investment property	-	-
Creation/withdrawal of reserves from profit for the grant of free shares to employees	-	-
	-	-
Total other comprehensive income for the period	-	-
Total profit and loss account and other comprehensive income for the period	(14.647.126)	-
Attributable profit:		(23.295.659)
Equity holders of the Company	(7.212.644)	(20.888.004)
Non-controlling interests	(2.373.918)	(2.407.656)
Profit for the period	(9.586.562)	(23.295.660)
Total comprehensive income attributable to:		
Shareholders of the Company	(12.273.227)	(12.913.952)
Non-controlling interests	(2.373.918)	(2.407.656)
Total comprehensive income for the period	(14.647.145)	(15.321.608)
Earnings per share (note 32)		
Basic earnings per share (lei)	(0.0021)	(0.0690)
Diluted earnings per share (lei)	(0.0021)	(0.0690)
Ongoing activities		
Basic earnings per share (lei)	(0.0021)	(0.0690)
Diluted earnings per share (lei)	(0.0021)	(0.0690)
31.12.2023		
Weighted average number of shares outstanding:	337,429,952	337.429.952



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BRK FINANCIAL GROUP

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Consolidated annual financial statements

prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") as at 31 December 2023

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Consolidated statement of financial position as at 31 December 2023

<i>In RON</i>		31.12.2023	31.12.2022
Assets	NOTE		
Intangible assets	5	11.860.212	9,593.319
Goodwill	1	2.4.27.467	7.907.347
Tangible fixed assets	6	10.345.549	9.265.243
Financial assets at fair value through other comprehensive income	8	20.822.006	17.470.539
Financial assets at fair value through profit or loss	8	44.850.277	52.781.155
Loans and advances granted	9	3.055.316	1.787.182
Trade and other receivables	12	4.988.256	14.356.070
Other financial assets	13	65.675.830	58.483.263
Inventories	14	8.723.498	8.794.331
Bank account relating to customers	15	107.453.100	50.505.061
Cash and cash equivalents	15	9.786.138	2.750.760
Bond premiums		439.294	245.154
Total assets		290.426.943	233.939.424
Debts			
Borrowings from Bonds	19	28.000.000	28.000.000
Finance lease liabilities	20	394.533	84.843
Total long-term liabilities		28.394.533	28.084.843
Current income tax liabilities		(67.845)	-
Deferred income tax liabilities		565.380	917.638
Deferred income		37.189	50.313
Short-term bank debts	20	20.837.001	20.329.411
Current portion of finance lease liabilities	20	246.624	746.742
Amounts owed to customers (customer cash)	21	162.510.613	104.894.047
Trade and other payables	22	15.991.264	16.349.110
Provisions	23	901.144	827.930
Total current liabilities		201.021.370	144.115.191
Total liabilities		229.415.903	172.200.034

(Continued on next page)

Consolidated statement of financial position as at 31 December 2023 (Continued)

<i>In RON</i>	<i>Note</i>	31.12.2023	31.12.2022
Equity capital			
Share capital	16	50.614.493	50.614.493
Share capital adjustment	16	4.071.591	4.071.591
Treasury shares		-	-1.391.444
Capital premiums		5.256.506	5.355
Subtotal capital and associated accounts		59.942.589	53.299.995
Revaluation differences		7.108.510	5.608.237
Revaluation reserves on financial assets at fair value through other comprehensive income	17	(4.366.108)	2.084.760
Other reserves		8.313.279	8.590.539
Subtotal reserves and revaluation differences		11.055.684	16.283.535
Group current result		(7.212.644)	-20.888.003
Retained earnings	18	(4.062.390)	7.593.547
Total equity attributable to equity holders of the company		59.723.238	56.289.074
Non-controlling interests		1.287.801	5.450.316
Total equity and liabilities		290.426.943	233.939.424

Chairman of the Board
Robert Danila

CEO
Monica Ivan

CFO
Sandu Pali

Consolidated statement of comprehensive income as at 31 December 2023

		31.12.2023	31.12.2022
	<u>NOTE</u>		
Income from basic activity		<u>34.575.828</u>	<u>30.798.236</u>
Income from intermediation	25	<u>17.571.837</u>	<u>11.766.515</u>
Income from brokerage commissions		8.350.885	7.227.128
Fund management income		2.348.226	2.925.545
Corporate income		765.320	475.849
Other income core business		6.107.406	3.306.174
Intermediation commission expenses		(2.352.649)	(2.168.419)
Net commission income		<u>15.219.188</u>	<u>11.766.515</u>
Income from market making activity		<u>8.370.649</u>	<u>8.174.733</u>
Net trading income	26	2.379.240	3.373.723
Income from market making services provided to issuers		5.991.409	4.801.010
Expenses with licences and issuance of structured products		(410.315)	(483.478)
Net income from market making activity		<u>7.960.334</u>	<u>7.691.255</u>
Other income basic activity		<u>8.633.342</u>	<u>10.856.988</u>
Income from services rendered		6.835.957	7.372.853
Income from the sale of finished products and goods		(104.683)	36.078
Income from changes in stocks		54.335	(693.029)
Other income from basic activity		1.847.732	4.141.086
Total Expenditure core activity of which:		<u>(27.972.056)</u>	<u>(31.044.095)</u>
Salaries and employee benefits expenses (note 27)	27	(13.453.591)	(12.885.747)
Market and intermediary commission expenses (note 28)	28	(1.516.718)	(1.175.414)
External services expenses (note 29)	29	(6.088.253)	(8.323.255)
Expenses with collaborators		(336.784)	(418.064)
Raw materials and materials expenses		4.743	-
Other expenses core activity (note 30)	30	(3.699.103)	-
Value adjustments for intangible and tangible assets		(2.882.351)	(5.895.311)
Profit/(loss) from basic activity		<u>3.840.808</u>	<u>(729.338)</u>
Net realised gains/(losses) on financial instruments		<u>1.223.367</u>	<u>(628.156)</u>
Dividend income	31	605.066	1.732.562
Realised income from equity and bond transactions		3.445.298	3.477.661
Realised losses on equity and bond transactions		(2.826.997)	(5.838.379)
Net gains/(losses) on valuation of financial assets measured at fair value through profit and loss	<u>31</u>	<u>(914.477)</u>	<u>(10.632.729)</u>
Income from valuation of financial assets measured at fair value through profit and loss		12.235.727	8.687.676
Losses on valuation of financial assets measured at fair value through profit and loss		(13.150.204)	(19.320.405)
Net income/(expense) provisions for non-current financial assets		<u>(10.714)</u>	<u>(1.233.375)</u>

Income on cancellation of provisions for non-current financial assets	-	-
Expenditure on provisions for non-current financial assets	(10.714)	(1.233.375)
Other net interest and exchange rate income/(expenses)	<u>31</u>	<u>(3.715.025)</u>
Interest income on loans and bonds	138.547	381.309
Interest income on margin loans	148.137	241.238
Interest income other	121.287	(114.021)
Net income/(expense) provisions for non-current financial assets	(4.663.952)	(3.919.888)
Income on cancellation of provisions for non-current financial assets	(5.305)	(913.501)
Net income/(expenses) provisions for risks and charges	<u>31</u>	<u>598.696</u>
Expenditure on provisions for risks and charges	(121.950)	(551.937)
Income reversal of provisions for risks and charges	753.541	1.682.888
Other net provisions	(467.081)	(532.255)
Other income/(expenses), net	<u>(3.500.460)</u>	<u>(1.100.149)</u>
Net gains/(losses) on sale of assets	22.289	23.500
Income from fixed assets	2.073.511	-
Other operating expenses	(5.682.905)	(1.649.183)
Other operating income	86.646	525.534
Result from investing activities	<u>(7.299.059)</u>	<u>(16.710.738)</u>
Result from operating activities (core and financial investments)	<u>(3.478.266)</u>	<u>(17.440.076)</u>
Expenditure on other long-term employee benefits	(587.315)	(1.595.131)
Impairment of goodwill	(5.479.880)	(4.021.085)
Profit before tax	(9.545.461)	(23.056.292)
Income tax expense	(41.082)	(239.367)
Profit from continuing operations	(9.586.543)	(23.295.659)
Discontinued operations	-	-
Loss from discontinued operations (after tax)	-	-
Profit for the period	<u>(9.586.543)</u>	<u>(23.295.659)</u>
Other comprehensive income	<u>(5.060.583)</u>	-
Net change in fair value of financial assets measured at fair value through other comprehensive income (FVTOCI) not transferred to profit or loss	(5.060.583)	-
Positions that can be reclassified to profit and loss	-	-
Net change in fair value of available-for-sale financial assets	-	-
Bonus shares received classified as available-for-sale	-	-
Changes in value of fixed assets available for sale	-	-
Positions not available for reclassification to profit or loss	-	-
Changes in value of fixed assets in use	-	-
Changes in value of investment property	-	-
Creation/withdrawal of reserves from profit for the grant of free shares to employees	-	-
	-	-

Total other comprehensive income for the period	-	-
Total profit and loss account and other comprehensive income for the period	(14.647.126)	-
Attributable profit:		(23.295.659)
Equity holders of the Company	(7.212.644)	(20.888.004)
Non-controlling interests	(2.373.918)	(2.407.656)
Profit for the period	(9.586.562)	(23.295.660)
Total comprehensive income attributable to:		
Shareholders of the Company	(12.273.227)	(12.913.952)
Non-controlling interests	(2.373.918)	(2.407.656)
Total comprehensive income for the period	(14.647.145)	(15.321.608)
Earnings per share (note 32)		
Basic earnings per share (lei)	(0.0021)	(0.0690)
Diluted earnings per share (lei)	(0.0021)	(0.0690)
Ongoing activities		
Basic earnings per share (lei)	(0.0021)	(0.0690)
Diluted earnings per share (lei)	(0.0021)	(0.0690)
31.12.2023		
Weighted average number of shares outstanding:	337,429,952	337.429.952

Consolidated statement of changes in equity for 31 December 2023

	Share capital own shares and capital premiums	Reserves	Reported result	Current result	TOTAL	Non-controlling interests	TOTAL EQUITY
Balance on 1 January 2023	53.299.995	16.283.536	7.593.547	20.888.003	56.289.075	5.450.316	61.739.391
Profit for the period	-	-	-	7.212.644	7.212.644	2.373.918	9.586.562
Distributed profit	-	-	20.888.003	20.888.003	-	-	-
Other comprehensive income	6.642.594	-	-	-	6.642.594	1.788.594	4.854.000
Total comprehensive income	-	-	-	-	-	-	-
Changes in value of financial assets at fair value through other comprehensive income	-	5.227.852	9.232.066	-	4.004.214	-	4.004.214
	-	-	-	-	-	-	-
Transactions with group shareholders:	-	-	-	-	-	-	-
Capital contributions	-	-	-	-	-	-	-
Issue of new shares/reduction of share capital	-	-	-	-	-	-	-
Dividends paid or distributed	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Balance at 31 December 2023	59.942.589	11.055.684	4.062.390	7.212.644	59.723.239	1.287.804	61.011.043

Consolidated statement of changes in equity for 31 December 2022

	Share capital own shares and capital premiums	Reserves	Reported result	Current result	TOTAL	Non- controlling interests	TOTAL EQUITY
Balance on 1 January 2022	71.663.886	15.128.699	- 11.237.397	15.911.956	91.467.144	4.681.529	96.148.673
Total equity capital remaining at beginning of period					-		-
Profit for the period				- 20.888.003	20.888.003	- 2.407.656	23.295.659
Profit distributed			15.911.956	- 15.911.956	-		
Other comprehensive income	1.261.030		2.918.988		1.261.030		1.261.030
Total comprehensive income					-		-
Changes in value of financial assets at fair value through other comprehensive income	- 16.199.427	1.154.837			1.154.837		1.154.837
					-		-
Transactions with group shareholders:					-		-
Capital contributions					-		-
Reduction of share capital	- 3.425.494				3.425.494	-	3.425.494
Dividends paid or distributed					-		-
					-		-
Balance at 31 December 2022	53.299.995	16.283.536	7.593.547	- 20.888.003	56.289.075	5.450.316	61.739.391

Consolidated statement of cash flows for 31 December 2023

	Cash flow statement	
	31-Dec-23 Lei	31-Dec-22 Lei
Flows from operating activities		
Profit before tax	(9.545.461)	(23.056.292)
Adjustment of non-monetary items		
Depreciation	2.882.351	2.346.304
Depreciation of goodwill	5.479.880	4.021.085
Fair valuation of financial instruments	914.477	10.632.730
Provisions	(153.796)	634.679
Exchange rate difference	5.305	303.663
Interest income (net)	4.255.981	(3.547.459)
Other non-monetary items		
	3.838.736	(8.665.290)
Increase/Decrease in stocks	70.833	(3.778.266)
Increase/Decrease in receivables	9.367.814	1.116.874
Increase/Decrease in debts	57.494.913	(9.093.789)
Prepaid expenses		
Interest paid (net)	(4.482.816)	(3.500.741)
Income tax paid	(41.082)	(1.389.644)
(Loans granted)/repaid Customer margin	917.133	(5.017.433)
	67.165.531	(30.328.289)
Net cash inflows (outflows) from operating activities		
Cash flows from investing activities		
Payments for acquisition of tangible fixed assets	(148.638)	-
Purchases of intangible assets	(30.750)	(6.382.945)
Flows from sale of financial assets(+)/(-) purchase of financial instruments	(877.376)	(1.500.995)
Dividends received/paid	605.066	1.732.562
Net position from proceeds from sales of turbo certificates and IG payments	2.723.285	2.646.260
	2.271.587	(3.505.118)
Net inflows (outflows) from investing activities		
Flows from financial activities		
Increase/decrease of share capital	-	
Credit inflows		15.761.563
Loan payments	(5.453.701)	
	(5.453.701)	15.761.563
Net inflows (outflows) from financial activities		
Increase/decrease in cash balance	63.983.417	(18.071.844)

Cash and cash equivalents at beginning of period	53.255.821	71.327.665
<i>Cash and cash equivalents at end of period</i>	117.239.238	53.255.821
Of which:		
Cash held on behalf of customers	107.453.100	50.505.061
Cash held on behalf of the company	9.786.138	2.750.760

Chairman of the Board
Robert Danila

CFO
Sandu Pali

CEO
Monica Ivan

1. THE REPORTING ENTITY

BRK GROUP (the "Company") is a financial investment services company based in Romania. The address of the registered office is Cluj-Napoca, 119 Motilor Street, and the main activity of BRK GROUP is the intermediation of financial investment services. The Company's shares are listed on the Bucharest Stock Exchange ("BVB"), Premium category), with the stock symbol BRK, since 05 FEBRUARY 2005.

The records of shares and shareholders are kept by the Central Depository S.A., Bucharest, under the terms of the law.

The financial statements of the BRK GROUP represent consolidated financial statements ("financial statements") of the Company and have been prepared in accordance with Standard No. 39/2015 for the approval of Accounting Regulations in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), applied by entities authorised, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector and are the responsibility of the Company's management.

The consolidated annual financial statements for the year 2023 have been prepared on the basis of the accounting regulations, standards and policies included in these financial statements.

2. GROUP ENTITIES

BRK Financial Group's direct shareholdings in the Group's subsidiaries refer to the shareholdings in the companies shown in the table below.

Group company	Main field of activity	Number of shares held	Nominal value of the share	Shareholding 31.12.2023 (%)	Group interest (%)
SAI BROKER SA	Fund management activities	220.581	10	99,98%	99,98%
Firebyte Games SA	Custom software development activities	16.650.000	0,1	48.81%	48.81%
Gocab Software SA	Custom software development activities	42.250.000	0,1	66.45%	66.45%
Romlogic Technology SA	Manufacture of computers and peripheral equipment	1.061.484	10	90,75%	90,75%
BRK POWER ENERGY	Electricity production	2.500.000	0,1	100,00%	99,99%

The direct shareholding of 48.81% in Firebyte Games SA is composed of the direct shareholding of the parent company of 37.82% and the shareholding of SAI BROKER SA of 10.99%.

The direct holding of 66.45% in Gocab Software SA is composed of a direct holding of 49.85% by the parent company and a holding of 16.60% by SAI BROKER SA.

The 100% direct shareholding in BRK Power Energy is composed of 50% direct shareholding of the parent company and 50% shareholding of SAI BROKER SA.

According to legal requirements, reporting entities are required to consolidate their financial statements with those of the entities in which they have invested and which they control.

General information - SAI Broker

SAI Broker SA was established in the second half of 2012 and aims to offer investors viable investment alternatives through the products it intends to launch, so that through proper management of the portfolio of financial assets it aims to optimize the ratio between potential return and investment risk assumed. The company has the dynamism and tenacity required for such a challenge, as well as the experience accumulated over the years, which together constitute the prerequisites for the success of a policy focused on the client's needs.

The company's main field of activity is: 663 - 'Fund management activities'. The company's main object of activity classified according to the Classification of Activities in the National Economy (C.A.E.N.) is: 6630 "Fund management activities": (1) management of undertakings for collective investment in transferable securities (UCITS) established in Romania or in another EU Member State; (2) in addition to the management of UCITS, the company may manage alternative investment funds (AIF).

SAI Broker S.A. manages 9 investment funds (as of 30 December 2023), as follows:

- open-ended funds (FIX INVEST Open-ended Investment Fund, Prosper Invest Open-ended Investment Fund, Fortuna Classic Open-ended Investment Fund, Fortuna Gold Fund)
- closed funds, aimed at retail investors (FIAIR BET-FI Index Invest) or at professional investors (FIAIP SMART Money, FIAIP Optim Invest, FIAIP H.Y.B. Invest and FIAIP Alpha Invest)

General information - Firebyte Games SA

Firebyte Games S.A., was founded in December 2017, specializing in mobile game development. The company operates in a very dynamic and competitive environment given that access to the global market is quite easy. The Firebyte Games project was defined and initiated by Mr. Ovidiu Stegaru, who has served as CEO since its inception until today. The financial backing of the company was provided by BRK Financial Group and Mr. Andrici Adrian. The expertise of Mr. Ovidiu Stegaru and his experience and that of the team he proposed for the launch and development of the Firebyte project, together with the very good dynamics of the global gaming industry, were the main investment catalysts.

The first project conceived, planned, organized and developed by the company was the strategy game Castle Siege: War of Legends, the development of which spanned throughout 2018 and the first part of 2019. Since 2019, the company has perfected partnerships with globally renowned publishers. This strategic option was adopted mainly due to the fact that the marketing budget for launching a game on the global market is significant and the success of a game depends largely on the marketing budget used in the publishing campaign. In its first 3 years of operation the company developed 45 games or game prototypes for mobile devices, most of which were Hypercasual games in revenueshare partnerships. The company listed on the BVB, AeRo segment starting April 6, 2021.

Since its establishment, the company has set a bold medium and long-term goal to become a major and globally recognized game studio, both in the area of development and publishing of games made for mobile devices. In its three years of operation, the company has invested significantly in staff development, data management and collection, as well as improving executive management's monitoring and project management processes.

The main factors behind the success of a company in the mobile games industry are:

- The setup and management of development teams;
- Management of specifications and key product elements;
- Game architecture;
- Game marketing.

The company's business model focuses on two directions:

- Game development in collaboration with external partners through revenue-share agreements.
- Development and publishing of casual games on a proprietary basis

On February 1, 2023, a contract was entered into with Delaware-based Euclid Labs Inc. ("Magic Eden"), the potential value of which exceeds 10% of the net turnover of the last financial statements completed financial statements. Through this contract, Firebyte Games intends to create and sell a collection of Nonfungible tokens (NFT), accounted for on a decentralized blockchain (Solana, Polygon). In doing so, the company will access and use a technology platform developed by Magic Eden that enables the creation, issuance, sale and distribution of Non-fungible tokens ("Magic Eden Platform") for the purpose of creating, issuing, selling and/or distribution of the Collection in accordance with the mutually defined and agreed terms.

AGE OF BATTLES OPEN BETA LAUNCH

As of May 2, 2023, Age of Battles (AOB) has been released in Open BETA phase and is available for download and play by the general public, with the goal of this phase focused on player feedback to identify and fix bugs for game completion, as well as to

encourage players to create a participatory community around the game and thus contribute to the game's notoriety. "Age of Battles" (AOB) is a strategy combat game that involves collecting warrior cards and battling in real-time with other players around the world. This game is based on a complex set of mechanics involving both strategy and tactics, allowing players to choose and customize different units to suit their play style.

APPROVAL OF THE PROSPECTUS FOR THE SHARE CAPITAL INCREASE.

On 22.12.2023, the EU Prospectus for the share capital increase with cash contribution was approved by the Financial Supervisory Authority ("FSA") by FSA Decision no. 1329/22.12.2023. The EU Prospectus for the share capital increase and the detailed timetable for the capital increase operation was published on 28.12.2023. The newly issued shares are being offered for subscription through the exercise of pre-emptive rights by shareholders of record on 29.09.2023. Two pre-emptive rights are required to subscribe for a new share. The price per share in the first stage was set at 0.20 lei/share. Shares remaining unsubscribed after the end of the first stage will be offered in a private placement at an issue price of 0.21 lei/share.

Product portfolio. Over the last 5 years the company has developed more than 260 mobile game projects. Most of the games developed are Hypercasual games, based on partnerships with publishers, but there have also been more complex projects in the mid-core games category such as Castle Siege: War of Legends and Cooking game, which have brought the company a great image capital among partners.

1. Castle Siege: War of Legends Castle Siege: War of Legends is the company's first game. Castle Siege: War of Legends is a strategy game in which players have the opportunity to face each other in real time.
2. Cooking Story Cooking Story: is a time management game, with tycoon and idle elements, in which users must serve dozens of hungry customers with the desired dishes.
3. Hypercasual games Knitting Master: is a hypercasual game in which the player has to knit clothes to earn money from his customers. With a relaxing gameplay, where the user touches the right yarn balls to knit the given pattern row by row, Knitting Master keeps players addicted to the basic mechanics of the game. Challenge levels seek out the perfectionist within each player, as they challenge them to complete a pattern without the Cancel button available to fix annoying mistakes. Boosters and bonuses for knitting to perfection await skilled players, who take on the task of completing lots of patterns in this unique, addictive and relaxing game.

General information - Gocab Software SA

GoCab Software is a company that has developed and operates an app dedicated exclusively to taxi drivers, which numbers over 5.000 taxi driver partners throughout the country, and is already available in 19 cities (Bucharest, Cluj-Napoca, Brasov, Oradea, Baia Mare, Craiova, Tulcea, Buzău, Iași, Sibiu, Arad, Timișoara, Deva, Reșița, Galați, Brăila, Alexandria, Giurgiu, Constanța) Through the GoCab app, passengers can order a taxi online, simply and quickly from any city in the country, and the process is intuitive. The app offers a pleasant user experience, with transparency in terms of the price of the journey and full flexibility in terms of payment methods: by card directly in the app, by physical card, cash or through vouchers offered free of charge by the app developers. In addition, all drivers are verified and journeys are geo-tagged for added safety.

The modules developed and integrated into the GoCab app cover:

- Orders,
- Dispatchers/Carriers,
- Corporate,
- Fleet,
- Collections and Payments,
- Bonus,
- Partners,
- Notifications,
- Users.

The company aims to:

- To develop the most appreciated and used app in Romania, among taxi drivers,
- To increase the quality of the urban taxi transport service,
- To increase revenue or benefits for taxi drivers through partnerships and additional services.
- The company's two main investment directions are:
 - The development of the application suite, by implementing modules to facilitate and/or automate the processes used in the taxi business,
 - Marketing campaigns aimed at customers and drivers using the GoCab application.

- Adopted/visited monetisation model:
- GoCab Pro service whereby customers will receive a guarantee that their order will be honoured and taxi drivers will be guaranteed a minimum number of orders for a predefined period,
- Related services, through partnerships, developed by the company for the benefit of GoCab affiliates, which will generate a significant component of operational revenue,
- Monetisation of orders submitted as part of the standard service will be an alternative source of operational revenue.

By the end of 2023 the GoCab app has been downloaded by over 250,000 customers and over 25,000 taxi and ridesharing drivers. The company's main focus is signing contracts with corporate customers. (employee transport with e-voucher) In 2023 GoCab Software has steadily increased its portfolio of corporate clients, reaching over 40 contracts.

Its 700 fixed locations nationwide generate over 20,000 corporate orders per month.

This is all due to the investment in the corporate module, designed for companies that need transportation for employees. From 15 June to 23 July 2023 the GoCab digital platform for alternative car and driver transport, developed and operated by GoCab Software S.A., was audited according to the rules on the procedure for granting/withdrawing technical approval for digital platforms for alternative car and driver transport, approved by the Decision of the President of the Authority for the Digitalization of Romania no. 572/2020.

On 5 September 2023 the Authority for the Digitisation of Romania issued the technical approval for the GoCab digital platform for the operation and provision of the digital platform for alternative transport by car and driver.

In November 2023 the 1970/08 fair value assessment report of the GoCab platform was prepared. From 1 October 2023, GoCab Software SA is launching the custom software development service.

In November 2023 the Valuation Report 1970/08 11.2023 was issued for the purpose of determining the fair value of the GoCab Software S.A. platform, report prepared by the ANEVAR-approved appraiser NG Consulting SRL, based on the Asset Valuation Standards.

On the basis of the analysis carried out, the fair value, excluding VAT, of the GoCabra Platform was established at RON 3,241,000. The valuation was carried out on the basis of two methods, namely the income approach and the cost approach. The fair value of the GoCab software platform with the income approach was established at 6,572,511.92 lei and with the reconstruction cost method at 3,241,129.17 lei. On the basis of the analysis carried out, the fair value, excluding VAT, of the GoCab Platform was established by retaining the cost-based value of 3,241,129.17 lei, rounded down to 3,241,000 lei. In 2023, following the valuation of the GoCab platform, the Company decided to recognise the value of the platform in the accounts. The increase in value was 2,023,761 lei.

General information - Romlogic Technology SA

The company started its work with a technical blog to support several projects. One of them involved a long-term collaboration with a taxi dispatcher in Bucharest. Growing very quickly and reaching a high level, it turned into a complete and efficient transport service solution.

The company provides software support for various projects, hardware maintenance and IT infrastructure implementation. Innovation is a key element of the company's business. It is constantly concerned with discovering new developments in the market and implementing them in the services it offers, in order to become more efficient and to expand its knowledge area. A very good example of innovation is the Equinox device, which incorporates a radio transceiver, GPS, dedicated ordering software and, of course, the classic taxi.

General information - BRK Power Energy SA

BRK Power Energy proposes to build and commission a gas-fired power plant consisting of 4 engines each with an electrical capacity of 3.36 MWh (total 13.44 Mwh). The power plant will supply electricity mainly to the system services market (balancing market - tertiary system). At the same time the power plant will also produce heat energy that can be delivered to third parties established in the vicinity of the plant.

The total value of the investment amounts to approx. 8.5-9 million (depending on location), of which 4.75 million will be a supplier credit from the electric motor manufacturer. The company intends to acquire the land necessary for the investment and is in the process of due diligence for a possible location. Following the acquisition of the land, the company will start the process of obtaining the necessary approvals and authorisations for the investment, and will also initiate a private placement fundraising.

Pentru societatile mentionate mai sus, a fost calculat fond comercial astfel:

Affiliated company	Calculation based on own capital as at	Initial calculation of goodwill	Value at 31.12.2023	Value at 31.12.2022
Firebyte Games SA	30.06.20	874.772	-	874.772
Gocab Software SA	31.12.21	1.322.486	840.196	1.322.486
SAI Broker	31.12.20	1.823.826	1.587.271	1.823.826
Romlogic Technology SA	31.12.20	7.907.346	-	3.886.262
		11.928.432	2.427.467	7.907.346

3. THE BASICS OF DRAFTING

a) Declaration of conformity

The consolidated financial statements are prepared by the Company in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), the Company has prepared these consolidated financial statements in order to comply with the requirements of the updated Rule 39/2015 for the approval of Accounting Regulations in accordance with International Financial Reporting Standards applicable to entities authorised, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector (FSA).

For the purposes of Rule 39/2015, International Financial Reporting Standards, hereinafter referred to as IFRS, are standards adopted in accordance with the procedure laid down in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards, as amended and supplemented.

b) Basis of evaluation

The financial statements have been prepared on the historical cost basis except for the following significant items in the statement of financial position:

- financial assets held at fair value through profit or loss are measured at fair value;
- derivative financial instruments are measured at fair value;
- investment property is valued according to the revaluation model in accordance with the provisions of IAS 40;
- non-current assets representing buildings and related land are measured at revalued amount in accordance with the provisions of IAS 16;
- non-current assets available for sale are measured at fair value in accordance with IFRS 5;

In accordance with IAS 29, the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy must be presented in the measuring unit current at the balance sheet date (non-monetary items are restated using a general price index at the date of acquisition or contribution).

According to IAS 29, an economy is considered to be hyperinflationary if, in addition to other factors, the cumulative inflation rate over a three-year period exceeds 100%.

The continued decline in the inflation rate and other factors related to the characteristics of the economic environment in Romania indicate that the economy whose functional currency has been adopted by the Company has ceased to be hyperinflationary, with an effect on the financial periods from 1 January 2004. Therefore, the provisions of IAS 29 have been adopted in the preparation of the consolidated financial statements up to 30 December 2003.

Thus, the amounts expressed in the current unit of measure at 30 December 2003 are treated as the basis for the carrying amounts reported in the consolidated financial statements and do not represent the values at fair value, replacement cost, or any other measure of the current value of assets or the prices at which transactions would occur at that time.

For purposes of the consolidated financial statements, the Company adjusts shareholders' equity to be expressed in the unit of measure current at December 30, 2003.

Continuity of activity

Based on management's own assessment that the Company will continue to operate for the foreseeable future, the Company's management estimates that the Company will continue to operate for more than 12 months from the date of these financial

statements.

Determining fair values

Certain of the entity's accounting policies and disclosure requirements require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the methods described below. Where appropriate, additional information about the assumptions used in determining fair values is disclosed in the notes specific to the asset or liability concerned.

i. Investments in equity securities

Other forms of fair value that are not based on the last trading price are the following:

1. Trading price: for holdings in listed equity investments, the Company considers the market to be active and liquid and uses as fair value the closing price of the last trading period at the end of the financial year.
2. Fair value determined by applying the DDM (Discounted Dividend Model): if the company has a consistent history of dividend distributions and the dividend policy is predictable, the valuation price is considered to be the intrinsic value resulting from the DDM model.
3. Fair value determined by applying the DCF (Discounted Cash Flow) method: if the company does not distribute dividends and the valuation is made from the perspective of a significant shareholder, the valuation price is considered to be the intrinsic value resulting from the DCF model.
4. Fair value determined by the asset-based method: if the company has valuable redundant assets and the operational activity is small, the valuation price is considered to be the intrinsic value resulting from the application of the adjusted net asset method.
5. Fair value resulting from the application of the comparative method-similar transactions: if in the last year on the local stock market there have been significant transactions (>10% of the capital) with the shares of companies operating in the same field of activity as the analysed company, the valuation price is considered to be the intrinsic value determined by applying the comparative method (using as reference valuation multiples such as: P/E, P/B, P/S, etc. at which the respective transactions took place in relation to the results published by the companies in the previous financial year).

ii. Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows discounted at the market interest rate at the reporting date. This fair value is determined for presentation purposes.

iii. Derivative financial instruments

The fair value of closed derivatives at the end of the period is calculated as the minimum of the number of put and call positions multiplied by the difference between the average put and call prices and further multiplied by the number of contracts in the package. The resulting value affects the profit and loss account.

The fair value of open derivatives at the end of the period is calculated, if at the end of the period there are more put contracts than call contracts, as follows: the number of open positions calculated as the number of put positions minus the number of call positions, multiplied by the difference between the average sale price and the quotation price at the end of the period. Symmetrically, if there are more buy contracts than sell contracts at the end of the period, the resulting value corrects the initial value of the security given the margin built up.

iv. Financial debts

Fair value, determined for presentation purposes, is calculated based on the present value of future cash flows representing principal and interest, discounted using the market interest rate at the reporting date.

v. Loans granted

Loans to related parties are recorded at fair value. Adjustments for loans are calculated based on the stage at which it is classified according to the criteria described in Note 3 of these financial statements.

c) Functional and presentation currency

These financial statements are presented in Lei (RON), which is also the Company's functional currency. All financial information is presented in Lei (RON), rounded to the nearest unit, unless otherwise specified.

d) Foreign currency

Foreign currency transactions are converted into the entity's functional currency at the exchange rate on the transaction date. Monetary assets and liabilities, which at the reporting date are denominated in foreign currency, are translated into the functional currency at the exchange rate on the reporting date. Exchange differences are recognised directly in other comprehensive income. The exchange rates of the main foreign currencies published by the National Bank of Romania as at 30 December 2023 are as

follows :

Date	Exchange rate RON/EUR	Exchange rate RON/USD	Exchange rate RON/GBP
31.12.2022	4.9474	4.6346	5.5878
31.12.2023	4.9746	4.4958	5.8022

e) *Use of professional estimates and reasoning*

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses; actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed periodically, revisions to accounting estimates are recognised in the period in which the estimate was revised and in future periods affected.

Information about the professional judgements critical to the application of accounting policies that significantly affect the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 11 Note on Financial Instruments - classification of financial instruments;
- Note 26 on Financial income and expenses - impairment losses on available-for-sale securities, which are reclassified from equity to financial expenses;
- Note 16 - Deferred tax assets and liabilities;
- Note 24 - Liabilities and contingent assets;
- Note 33 - Fair value hierarchy.

4. SIGNIFICANT ACCOUNTING POLICIES

The calculation methods and accounting policies used in these condensed consolidated financial statements are the same as those used in the most recent annual financial statements prepared for the financial year ended 31 December 2022, the income tax for interim periods is calculated using the tax rate and calculation methodology expected to be used for the full annual profit (loss).

5. OPERATIONAL SEGMENTS

Intermediation segment

Financial intermediation refers to all transaction intermediation services offered to individual investors and companies, as well as specialised services offered to institutional clients. Intermediation services include the following:

(A) Transaction brokerage services for investors:

- Intermediation of purchase and sale transactions of securities traded on the Bucharest Stock Exchange (BVB). For this type of services, clients can choose to be assisted by a broker in carrying out transactions, or they can choose online trading on their own account. Within this segment, BRK also offers clients the possibility to trade on margin (based on a credit line granted by the company to the client), liquid shares listed on the Bucharest Stock Exchange.
- Brokering transactions in international markets, with clients having access to over 100 foreign markets in Europe, North America and Asia. The range of financial instruments is very varied (equities, bonds, structured products, ETFs, CFDs, futures, etc.) and the costs involved in trading on international markets through BRK Financial Group are among the most attractive on the market.
- Brokerage of corporate, municipal and government bonds on the BVB and OTC, respectively brokerage of structured products on the dedicated market segment of the Bucharest Stock Exchange.
- Brokerage of domestic and international market transactions for institutional clients.

(B) Specialised services for issuers and potential issuers:

- Capital market financing through public share and bond issues.

- Intermediation of takeover bids or takeovers of companies listed on the stock exchange.
- Listing of companies and investment funds on the capital market through initial public offerings or on the basis of listing prospectuses.
- Advising on financing through share and bond issues or capital market promotion.

Own portfolio management segment

Alongside the intermediation segment, the **management of the company's own portfolio** of financial assets is another important strand of BRK Financial Group's business that contributes a significant proportion to the company's results. On the other hand, it is also a risk factor given the fact that BRK Financial Group is obliged to revalue at the end of each year all the positions in its own portfolio, and adjustments in the value of securities affect the result for the year and may change the picture of the company's financial performance. At the end of each month, the company adjusts the value of the listed companies in its portfolio by marking them to market.

Within the own portfolio we have the following types of investments:

- The marketable portfolio (shares and bonds listed on the stock exchange - usually short or medium-term placements, portfolio of financial instruments listed on international markets - usually speculative placements);
- Fund units;
- Holdings in private companies and loans to subsidiaries;
- Capital allocated to the business segment - "Margin loans";
- Capital allocated to the business segment "Structured products issuance and market making operations";

We note that the issuance of structured products as well as the provision of liquidity on our own structured products is fully hedged by hedging operations in the underlying asset market and as such we consider it to be core business. The other operations carried out on own account (including market making operations on domestic equities where there are no hedging instruments) we do not include them in what we call "core business", as they are exposed and correlated to market risk and are included in the operating activity and presented as a separate segment.

Information on reportable segments

	December- 2023				December- 2022			
	Total, of which:	Intermediation	Trading	Unallocated	Total, of which:	Intermediation	Trading	Unallocated
Intermediation activity	15.223.611	15.223.611	-	-	11.009.389	11.009.389	-	-
Fund management activity	2.348.226	2.348.226	-	-	2.925.545	2.925.545	-	-
Market making activity	8.370.649	-	8.370.649	-	8.174.733	-	8.174.733	-
Other income Core business	8.611.885	-	-	8.611.885	10.856.988	-	10.856.988	-
Net realised gains/(losses) on financial instruments	1.223.367	-	1.223.367	-	(628.156)	-	(628.156)	-
Net gains/(losses) on valuation of financial assets measured at fair value through profit and loss	(914.477)	-	(914.477)	-	(10.632.729)	-	(10.632.729)	-
Net income/(expense) on provisions for non-current financial assets	(10.714)	-	(10.714)	-	(1.233.375)	-	(1.233.375)	-
Other net interest and exchange rate income/(expense)	(4.261.286)	-	(4.261.286)	-	(3.715.025)	-	(3.715.025)	-
Net income/(expense) from provisions for risks and charges	164.510	-	-	164.510	598.696	-	-	598.696
Other net income/(expenses)	(3.500.460)	-	-	(3.500.460)	(1.100.149)	-	-	(1.100.149)
Salaries and employee benefits	(13.453.591)	(2.997.049)	(1.885.373)	(8.571.169)	(12.885.747)	(2.658.067)	(1.021.280)	(9.206.400)
Market and intermediary commission expenses	(1.516.718)	-	-	(1.516.718)	(1.175.414)	-	(1.023.857)	(151.557)
Intermediary commission expenses	(2.352.649)	(2.352.649)	-	-	(2.168.419)	(2.168.419)	-	-
Expenses with licenses and issuance of structured products	(410.315)	-	(410.315)	-	(483.478)	-	(483.478)	-
External services expenses	(6.088.253)	(136.350)	(426.555)	(5.525.348)	(8.323.255)	(311.158)	(233.751)	(7.778.346)
Expenses with collaborators	(336.784)	(336.784)	-	-	(418.064)	(418.064)	-	-
Other core business expenses	(3.697.661)	(327.168)	(290.456)	(3.080.037)	(5.895.311)	(790.111)	(297.975)	(4.807.225)
Value adjustments of intangible and tangible assets	(2.882.351)	-	-	(2.882.351)	(2.346.304)	-	-	(2.346.304)
Other long-term employee benefits expense	(587.315)	-	-	(587.315)	(1.595.131)	-	-	(1.595.131)
Total - explicit:	(4.070.324)	11.421.837	1.394.840	(16.887.002)	(19,035,207)	7,589,116	(237,906)	(26,386,416)
Reportable segment profit before tax	(4.070.324)	11.421.837	1.394.840	(16.887.002)	(19,035,207)	7,589,116	(19,035,207)	(26,386,416)
Income tax								
Assets of the reportable segment, of which:	274.842.490	212.593.937	53.641.562	-	168.610.554	61.252.502	98.348.914	-
- Intangible assets	295.238	-	-	295.238	351.065	-	-	351.065
- Tangible fixed assets	8.311.753	-	-	8.311.753	8.658.073	-	-	8.658.073
- Investment property	-	-	-	-	-	-	-	-
- Financial investments	42.542.282	-	42.542.282	-	91.868.122	-	91.868.122	-
-Loans and advances granted	4.405.359	-	4.405.359	-	4.143.848	-	4.143.848	-
- Trade and other receivables	2.003.398	-	2.003.398	-	11.660.382	10.747.441	912.941	-
- Cash and cash equivalents	217.284.460	212.593.937	4.690.523	-	51.929.064	50.505.061	1.424.003	-
Debts of the reportable segment, of which:	318.352.414	212.593.937	24.874.853	80.883.624	150.833.627	104.770.215	46.063.412	-
- amounts due from customers	212.593.937	212.593.937	-	-	104.770.215	104.770.215	-	-

6. INTANGIBLE FIXED ASSETS

The cost value, amortisation of intangible assets and their net book value are shown in the table below. This value does not include the value of goodwill, which is shown under a separate heading in the Consolidated Statement of Financial Position.

Cost	Formation expenses	Development expenditure	Concessions, patents, licences, trademarks, rights and similar assets	Other intangible assets	Advances granted for intangible assets		TOTAL
Cost 01.01.2023	2.150	2.792.677	1.060.442	15.051.848	2.739		18.909.856
Inputs	-	3.778.614	-	2.052.104	86.443	135.987	5.917.161
	-	-	-	-	-	-	-
Output	-	2.021.610	-	-	-	-	2.021.610
Balance at 31.12.2023	2.150	4.549.681	1.062.925	17.103.951	138.718		22.857.425
Depreciation and impairment losses							
Balance at 01.01.2023	2.150	701.017	717.418	7.895.952	0		9.316.537
Depreciation during the year		80.097	131.510	1.466.917			1.678.523
Depreciation on disposals		-	-	-			-
Balance at 31.12.2023	2.150	781.114	848.928	9.362.869	0		10.995.060
Net balance at 01.01.2023	0	2.091.660	343.024	7.155.896	2739		9.593.319
Net balance at 31.12.2023	0	3.768.567	213.997	7.741.082	138.718		11.860.212

The balance of intangible assets consists of software and software licenses with an average life of 3 years, as well as development expenses related to the software creation activity, representing applications under development that have not been received.

Expenses relating to the year's amortisation of intangible assets are included in the statement of comprehensive income under the heading *Value adjustments of tangible and intangible assets*.

7. TANGIBLE FIXED ASSETS

	Land and buildings	Tangible assets in progress	Technical installations and means of transport	Furniture, office equipment	Assets under construction	Assets IFRS 16	TOTAL
Cost							
Cost at 01.01.2023	7.959.599	-	3.771.824	892.512	22.343	-	12,646,278
Purchases	-	-	154.348	40.242	-	-	194.590
Building Revaluations	1.688.772	-	-	-	-	-	1.688.772
Construction in progress	-	-	-	-	318.658	-	318.658
Outputs	-	-	60.130	12.648	-	-	72.778
Write-offs Depreciation from Revaluations	917.809	-	-	-	-	-	917.809
Balance at 31.12.2023	8.730.562	0	3.866.042	920.106	341.001	220.930	13,857,711
Depreciation and impairment losses							
Balance at 01.01.2023	680.500	-	2.021.720	678.816	-	-	3.381.036
Depreciation during the year	333.295	-	502.335	232.475	-	-	1.068.104
Depreciation on disposals	869.768	-	60.130	7.079	-	-	936.978
Balance at 31.12.2023	144.026	-	2.463.924	904.212	-	-	3.512.162
Net balance at 01.01.2023	7.279.099	-	1.750.104	213.696	22.343	-	9.265.242
Net balance at 31.12.2023	8.586.536	-	1.402.118	15.894	341.001	-	10.345.549

As of 31.12.2023 the company has in operation for the performance of the activity the head office in Cluj Napoca, Motilor 119, as well as the buildings owned in Bucharest, Suceava, Iasi where the agencies for the intermediation activity operate.

As of 31.12.2023, the company does not own any land for the operating activity, and the land related to the buildings in operation is incorporated in the value of the buildings.

Depreciation expense for the year is included in the statement of comprehensive income under the heading *Value adjustments of tangible and intangible assets*.

For the company's other fixed assets the straight-line depreciation method was used, in which case the tax depreciation does not differ from the book depreciation.

Tangible fixed assets in progress are related to BRK Power Energy and are connected with the preparation of assets necessary for the company's activity.

Pledged or mortgaged tangible fixed assets

On 18.04.2022 a credit agreement was signed with CEC Bank for obtaining a credit line in the amount of 22,000,000 lei, for a period of 12 months from the date of signing the financing contract, with the possibility of extension. The guarantee of the loan being carried out with real estate and movable mortgage. The credit facility obtained was used by the company for refinancing the credit line held by the company with Libra Bank in the amount of 723,000, refinancing the credit line held by the company with TECHVENTURES BANK in the amount of 4,500,000, and financing the current activities in the amount of 16,777,000 lei.

Presentations on re-evaluation

The fixed assets representing buildings were revalued on 31.12.2023. The valuation was carried out by an expert appraiser, Neoconsult Valuation SRL, in accordance with the International Valuation Standards and the working methodology recommended by ANEVAR.

8. REAL ESTATE INVESTMENTS

As of 31.12.2023 the company does not hold any investment property assets.

9. FINANCIAL INVESTMENTS

In lei

		Dec- 2023	Dec -2022
Financial assets at fair value through other comprehensive income			
Financial assets at fair value through other comprehensive income	shares	20.822.006	17.470.539
Total financial assets designated at fair value through other comprehensive income		20.822.006	17.470.539
Financial assets designated at fair value through profit or loss			
	Listed shares	28.591.337	38.633.478
	listed fund units		0
	unquoted fund units	14.261.048	8.825.638
	listed bonds	448.217	1.277.851
	unlisted bonds	-	816.216
	unlisted shares	339.235	3.227.972
	other financial instruments	1.210.440	0
Total financial assets designated at fair value through profit or loss		44.850.277	52.781.155
Total financial investments		65.672.283	70.251.694

Listed securities: shares, bonds and fund units are valued at the exchange rate on 31.12.2023 published by the Bucharest Stock

Exchange.

Unlisted fund units held are valued at net asset value per unit and unlisted bonds at amortised cost.

Structured products held are valued at the quotation as at 31.12.2023.

Financial instruments traded on international markets are futures, options and contracts for difference (CFDs) and are used for speculative and hedging purposes for market making operations. They are valued at the quotation on 31.12.2023.

10. LOANS AND ADVANCES GRANTED

	December -23	December -22
Margin loans - gross value	705.060	1.622.192
Loans to related parties	1,900,815	0
Interest on loans granted	534.696	164.990
Other loans granted and amounts receivable	1.233.375	1.233.375
Impairment of loans	(1.318.630)	-1.233.375
Loans and advances granted - net amount	3.055.316	1.787.182

The balances shown above do not include balances recorded with entities within the group that have been eliminated through consolidation. However, these balances are shown in the section on transactions with related parties.

The parent company BRK FINANCIAL GROUP has maintained the service offered to customers to carry out transactions on margin. The balance of margin loans granted to customers as at 31.12.2023 was 705,060 lei.

For margin loans, customers constitute as collateral the securities purchased with these loans. Therefore there is no indication of impairment and this represents the fair value at 30 December 2023.

11. INVESTMENTS IN ASSOCIATED ENTITIES

Affiliated companies and associated companies (where significant influence is held) are mentioned below. For those where the shareholding is below 20%, significant influence is due to the presence on the board of directors of the company concerned.

The percentage of ownership and the value of the shareholding in lei in associated entities are as follows:

Company	Percentage ownership in December 2023	Share value December 2023	Percentage ownership in December 2022	Share value December 2022
Sai Broker	99.98%	10.705.193	99.98%	10.054.082
Romlogic Technology	90.75%	1.017.220	90.75%	2.717.399
Firebyte SA	37.94%	4.029.300	48.93%	6.376.950
POWER ENERGY SA	50%	186.250	50%	250.000
GOCAB SOFTWARE SA	32.53%	1.880.125	49.12%	1.622.400
Total		17.818.088		21.020.831

In 2023 there were no dividends receivable from associated companies.

Transactions that took place with affiliated companies have been eliminated through consolidation, and as a result they are not reflected in these financial statements. The transactions that have been eliminated are as follows:

Name	Nature of membership	Nature of activity	Volume and weight of the respective activity
SAI Broker	Ownership percentage 99.98%	Investment management	-income from intermediation commissions 1.778 Lei
			-income from distribution and intermediation commissions amounting to 1.610 lei - rental income in the amount of 34.200 lei
Romlogic Technology SA	Ownership percentage 90.75%	Manufacture of computers and peripheral equipment	-interest income on loans granted in the amount of 549,399 lei
			-loan granting 700.000 lei
Gocab Software	Ownership percentage 49.12%	Custom software development activities (client-oriented software)	-granting three loans in the amount of 2.500.384 lei
			- interest income on loans granted 63,200 lei
Firebyte Games SA	Ownership percentage 48.93%	Developing games for mobile devices	-income from intermediation commissions 3.029 lei
			-income from rents 7.288 lei
			-loan granted 500.000 lei
BRK POWER ENERGY SA	Ownership percentage 50 %	Electricity production	- Rental income: 5.080 lei

Transactions with related parties were carried out at market value.

Also through the consolidation process, mutual balances between affiliated entities have been eliminated from these financial statements:

<i>In lei</i>	December-23	December-22
SAI Broker	2.589	53
Firebyte Games SA	500.000	3.975
Gocab Software	2.563.584	514.400
Romlogic Technology SA	4.058.122	2.947.982
BRK POWER ENERGY SA	425	1.116
Total	7.124.420	3.467.526

12. FIXED ASSETS HELD FOR SALE

As at 31.12.2023 the company does not hold any fixed assets classified as held for sale.

13. TRADE AND SIMILAR RECEIVABLES

<i>In lei</i>	December-23	December-22
Commercial creditor	3.413.870	2.357.507
Amounts related to unconsolidated affiliated entities	350.235	516.581
Receivables from the state budget	64.580	375.220
Prepaid expenses	307.125	414.134
Sundry debtors	2.053.612	12.128.053
Fixed assets	463.568	438.872
Other receivables	402.017	79.158

Adjustments for impairment of receivables	-2.066.751	-1.953.455
	4.988.256	14.356.070

Trade receivables contain as of 31.12.2023 amounts to be collected on the activity of GOCAB SOFTWARE SA in the amount of 1.006.699 lei, mainly related to the Corporate segment.

Of the total value adjustment of 2,066,751 lei, the amount of 1,773,455 lei relates to the activity of the parent company and is set up for miscellaneous outstanding debtors, a balance which is also recorded as at 31.12.2022. The gross balances and debtors' impairments are as follows:

<i>In lei</i>	December-23	December-22
Debtors former employees and third parties ,Stage 3	1.809.521	1.809.521
Depreciation debtors former employees and third parties	(1.773.455)	(1.773.455)
Debtors former employees and third parties - net value	36.066	36.066

The movement in value adjustments for impairment of receivables from debtors (employee debtors and third-party debtors) during the year was as follows:

<i>In lei</i>	Year 2023	Year 2022
Balance at 1st of period	1.773.455	1.773.455
Additional provisions	-	-
Cancellation of provisions	-	-
Balance at end of period	1.773.455	1.773.455

14. OTHER FINANCIAL ASSETS

The item Other financial assets contains balances representing debtors from trading financial instruments:

<i>In lei</i>	December-23	December-22
Debtors from trading in the Company's financial instruments	6.875.447	6.821.348
Debtors from financial instruments traded by clients	58.800.383	51.661.915
Total Debtors from trading financial instruments	65.675.830	58.483.263

Debtors from trading in the company's financial instruments arise from transactions concluded in December 2023 which have as settlement date the first two days of January 2024, Similarly, *debtors from financial instruments* settled by customers arise from transactions concluded in December 2023 which have as settlement date the first two days of January 2024.

15. STOCKS

<i>In lei</i>	December-23	December-22
Raw materials	3.398.082	3.398.082
Spare parts	771.924	783.854
Materials in the nature of inventory items	26.517	10.717
Finished products	2.778.352	2.832.687
Goods	2.207.921	2.220.578
Adjustments for depreciation of materials	(405.152)	(405.152)
Adjustments for depreciation of finished goods	(54.146)	(50.000)
TOTAL	8.723.498	8.794.331

The positions of raw materials, finished products and goods represent machines intended for taxi activity, part of which (goods) are intended for domestic activity and raw materials and finished products for the foreign market (activity of ROMLOGIC TECHNOLOGY SA).

16. CASH AND CASH EQUIVALENTS

<i>In lei</i>	December -23	December-22
Cash account related to clients	107.453.100	50.505.061
Cash and cash equivalents	9.786.138	2.750.760
Balance at 31 December	117.239.238	53.255.821

The cash and cash equivalents position also includes short-term deposits.

Customer balances held in accounts with banks are accounted for and managed separately from those of the company and may be used on the basis of trade orders given by customers.

For the purpose of preparing the financial statements for 31.12.2023, the Company has performed an analysis of the impairment calculation of cash and cash equivalents under IFRS 9 and considers the resulting impact to be immaterial to the financial statements taken as a whole.

17. CAPITAL AND ASIMILATED ACCOUNTS

The share capital and the number of issued shares are as follows:

<i>In lei</i>	Share capital value	No of ordinary shares	Nominal value/ share
On 1 January 2023	50.614.493	337.429.952	0,15
On 31 December 2023	50.614.493	337.429.952	0,15

The composition of the capital accounts and other accounts associated with them is as follows as at 31.12.2023:

<i>In lei</i>	Dec-23	Dec-22
Share capital	50.614.493	50.614.493
Share capital adjustment	4.071.591	4.071.591
Treasury shares	-	(1.391.444)
Premiums	5.256.506	5.355
Total	59.942.589	53.299.995

18. RESERVES AND REVALUATION RESERVES

The composition of reserves and revaluation differences as at 31.12.2023 is shown below. The items comprise only parent company accounts.

<i>In lei</i>	Dec-23	Dec-22
Differences on revaluation of tangible fixed assets	7,108,510	5.608.237
Reserves from revaluation of financial assets at fair value through other comprehensive income	-4,366,105	2.084.760
Deferred tax relating to revaluation differences on property, plant and equipment	-558,190	-558.190
Deferred tax relating to revaluation reserves	0	-420.501
Legal and statutory reserves	6,095,560	6.095.560
Other reserves	2,775,909	2.775.908
Reserves related to own shares	-	697.762
Total reserves and revaluation differences	11.055.684	16.283.535

The item "Reserves from revaluation of financial assets at fair value through other comprehensive income" contains the differences in the value of securities in relation to companies outside the group. Balances of this nature established for companies within the group have been eliminated through consolidation as follows:

	Dec-23	Dec-22
Balances in individual financial statements	(15.754.841)	-6.820.240
Elimination of balances relating to securities in consolidated companies		
SAI Broker	(3.518.664)	-2.867.553
Firebyte Games SA	(3.153.896)	-3.903.738
GOcab Software SA	5.109.326	4.488.250
Romlogic Technology SA	12.888.220	11.188.041
Power Energy	63.750	0
Balances in the consolidated financial statements	(4.366.105)	2.084.760

Reserves from the valuation of financial assets at fair value through other comprehensive income reflect differences in the value of financial instruments valued through equity accounts. During the period, the movement in these reserves is as follows :

Explanations	Value
Initial balance 01.01.2022	(2.156.242)
Value increases	9.624.903
Value decreases	(5.383.901)
Balance at 31.12.2022	2.084.760
Balance at 01.01.2023	2.084.760
Value increases	651.111
Value decreases	(7.101.976)
Balance at 31.12.2023	(4.366.105)

The increase in value of 9,624,903 lei contains an increase in value of 9,528,881 lei recorded in the AXIONET title. In H1 2023 the decrease in value is located in two securities.

Some details on the nature of the reserve accounts are given below.

Differences from revaluation

The change in the value of the revaluation difference represents a charge to the revaluation difference reserve account as the expense relating to the underlying asset becomes deductible through depreciation.

Legal reserves

The legal reserves represent the amounts set aside annually from the gross profit at the rate of 5%, up to the level of 20% of the share capital and are recognized as a deduction in the calculation of corporate income tax.

Fair value reserve

(Reserves from revaluation of financial assets at fair value through other comprehensive income)

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

Other reserves

Included in "Other reserves" are adjustments to the historical cost of equity capital in accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies".

19. REPORTED RESULT

In lei

	December-23	December-22
Retained earnings arising from the transition to IFRS	2.713.367	2,713,367
IAS 29 retained earnings	(6.880.234)	96.880.234)
Retained earnings from application of IFRS 9	3.392.306	3.392.306
Retained earnings representing realised surplus on revaluation reserves	1.557.412	1.422.955
Retained earnings	292.015	14.473.862
Reserves from consolidation relating to parent company	(5.137.254)	(7.528.709)
Total retained earnings	(4.062.390)	7.593.547

Reported result on transition to IFRS

The retained earnings relating to the transition to IFRS originate from 2008.

The retained earnings from the application of IFRS9 originate from 2018.

IAS 29 retained earnings

The financial statements and corresponding amounts for prior periods have been restated to reflect the change in the general purchasing power of the functional currency and accordingly are expressed in terms of the unit of measure existing at the end of the reporting period. This capital position incorporates the influence of the inflation adjustment to equity for the period 1994 to 2002.

The applied inflation index recorded the following values in the restated period:

Year	2003	2002	2001	2000	1999	1998	1997	1996	1995
Capital discount rate	1.00	1.15	1.41	1.90	2.77	4.04	6.42	16.36	22.71

Following the application of these updates the following values were recorded:

Account	Debit	Credit
Adjustments to share capital	-	4.071.591
Revaluation differences*	-	59.884
Other reserves**	-	2.748.760
Retained earnings from first-time adoption of IAS 29	6.880.234	-
Total	6.880.234	6.880.234

* Incorporation of revaluation reserves in 2011.

**Incorporation of reserves from 2007 when SC Investco was absorbed.

20. BOND LOANS

The shareholders of the parent company BRK Financial Group approved by the resolution of the Extraordinary General Meeting of Shareholders of 26.04.2021, the carrying out of a corporate bond issue with a maturity of 5 years and empowered the Board of Directors to issue any resolution and to perform all legal acts and deeds necessary, useful and/or appropriate for the implementation of the resolutions to be adopted by the AGM of the company in connection with the issuance of non-convertible bonds by the company, the management of BRK Financial Group decided, by Resolution of the Board of Directors No. 1 /23.07.2021, to conduct in the period 02.08.2021 - 13.08.2021 the Private Placement regarding the issuance of bonds for a number of 250,000 bonds, in the amount of 25,000,000 lei.

By the same decision, the management of BRK Financial Group was appointed to carry out the necessary steps for the Private Placement and the admission to trading of the Bonds issued on the regulated market of the BVB.

During the period 02.08.2021 - 05.08.2021, the Private Placement was effectively carried out through which subscriptions were collected from a number of 59 individuals and legal entities, and was closed early by decision of the Issuer, in accordance with the decisions of the Board of Directors of 23.07.2021 regarding oversubscription, recording an oversubscription rate of 106.283%. The sale price of the bonds was 100% of the principal, and for subscriptions made between 02.08.2021 and 06.08.2021, 97% of the principal, as per the decisions of the Board of Directors dated 23.07.2021, thus settling all transactions at a price of 97% of the principal.

On 05.08.2021 the private placement of BRK Financial Group SA bonds was closed, the amount of the bond issue being in the amount of RON 25,000,000.

The transaction date of the issued bonds was 06.08.2021 and the Settlement Date through the Central Depository was 10.08.2021. Under the placement, orders were collected reflecting a subscription of 106.283%, the allocation rate will be 94.08%. The purpose of the funds raised is to provide working capital for the expansion of market-making activities and diversification of the structured product portfolio, other investment activities.

Characteristics of bonds admitted to trading:

- Type of bonds: corporate, unsecured, non-convertible
- Currency in which the bonds are issued: RON
- Value of the bond issue: RON 25,000,000
- Number of bonds issued: max 250.000
- Nominal value of a bond: RON 100
- Issue Date: 10.08.2021
- Maturity: 5 years
- Coupon: 7.6% per year
- Coupon payment: quarterly
- Principal payment: at maturity
- Purpose of funds raised: to provide working capital for the expansion of market-making activity and diversification of the structured product portfolio, other investment activities.
- ISIN code: ROSYZVBBKKI6
- CFI: DBFUFR
- FISN: BRK FG/7.6 BD 20260813 UNSEC

21. OTHER LOANS

The situation of the loans contracted by the company is as follows:

In lei

Long-term debt

Finance lease liabilities

	December-23	December-22
	394.533	84.843
	394.533	84.843

Short-term debt

Secured credit lines

Current portion of finance lease liabilities

Total short-term liabilities

	December-23	December-22
	20.837.001	20.329.411
	246.624	746.742
	21.083.625	21.076.153

In the first semester of 2022, a credit facility was contracted for the financing of current activities - credit line - with a maximum ceiling of 22.000.000 lei. The credit facility will be used to refinance existing facilities (Techventures Bank and Libra Bank, approx 5.2M RON) and to increase working capital (16.8M) RON.

Real estate guarantees (head office and agency offices), movable mortgage on some shares held on own account, assignment of income from market making contracts. The credit line was secured with the following real estate assets:

No.	Pledged property	Category	Value euro	Value lei
1	Apartment Suceava Building Bucharest	fixed assets in operation	38.400	176.517
2	Bocsa	fixed assets in operation	157.000	721.698
3	Building Cluj- Motilor	fixed assets in operation	1.032.700	4.747.115
4	Apartment Iasi	fixed assets in operation	41.000	188.469
Total			1.269.100	5.833.799

22. AMOUNTS DUE TO CUSTOMERS

Amounts owed to clients represent amounts advanced by clients to bank accounts in the domestic market or to accounts held with external brokers that are available for either trading or withdrawal depending on the future options of the clients. Their provenance is as follows:

<i>In lei</i>	December-23	December-22
Amounts due to clients		
Customers creditors from domestic market transactions	110.125.708	56.807.288
Clients creditors from transactions on foreign markets	52.384.905	47.962.927
Clients creditors from corporate services	-	-
	162.510.613	104.770.215

23. TRADE AND OTHER PAYABLES

<i>In lei</i>	December-23	December-22
Trade debts	2.020.455	1.553.005
Suppliers of fixed assets	228.313	326.716
Personal debts	924.424	449.149
Debts to the state budget	1.479.064	726.717
Dividends payable	365.271	365.271
Debts to associates	11.683	-
Sundry creditors resulting from house transactions	379.887	1.177.200
Sundry creditors resulting from customer transactions	3.909.978	6.860.703
Sundry creditors arising from structured products	4.240.147	4.890.349
Other sundry creditors	734.410	-
Total trade and other payables	14.293.633	16.349.110

Sundry creditors represent settlements with the Bucharest Stock Exchange in the course of settlement, in the time interval since the transactions were carried out on behalf of the entity and/or clients. Sundry creditors also comprise sundry creditors from trading and refer to debt for capital protected products and Turbo certificates issued by the company and listed on the Bucharest Stock Exchange. As of 2016 for clients who have opened accounts with external intermediaries, only their cash funds held with the above mentioned intermediary are reflected in the accounts. The accounts held by these clients are of type Margin and RegTMargin meaning that they can enter into margin calls, and in this case the external intermediary offers the possibility to the clients to resort to margin loans. The clients constitute as collateral the financial instruments in their own trading book.

24. PROVISIONS FOR RISKS AND CHARGES

In lei

Provisions	December-23	December-22
Balance on January 1	827.930	822.755
Cancelled during the period	(574.440)	(931.521)
Established during the period	647.654	936.696
Balance at December 31	901.144	827.930

During 2023, revenues from provisions amounting to RON 574,440 representing provisions for benefits granted to employees (at the parent company and SAI BROKER S.A.) were resumed.

25. CONTINGENT ASSETS AND LIABILITIES

There are ongoing criminal litigations brought by BRK GROUP against former employees, as well as litigations in which BRK GROUP is an active procedural party regarding the amounts it claims. Not in all cases the amounts claimed can be determined precisely. There are some lawsuits, in which BRK GROUP had the status of active procedural party, which were won but where the possibilities of effective recovery are reduced.

26. INCOME FROM INTERMEDIATION ACTIVITY

<i>In lei</i>	Continuous activities December 2023	Continuous activities December 2022	Disrupted activities December 2023	Disrupted activities December 2022	Total December 2023	Total December 2022
Commission income in the internal market	7.118.951	5.472.005	-	-	7.118.951	5.472.005
Commission income on the foreign market	730.728	955.393	-	-	730.728	955.393
Income from related activities	501.206	799.968	-	-	501.206	799.968
Revenue for fund administration	2.348.226	2.925.545	-	-	2.348.226	2.925.545
Subtotal revenue from commissions, intermediation and related activities	10.699.111	10.152.911	-	-	10.699.111	10.152.911
Income from corporate operations	765.320	475.849	-	-	765.320	475.849
Other intermediated income	6.107.406	3.306.174	-	-	6.107.406	3.306.174
Total revenue	17.571.837	13.934.934	-	-	17.571.837	13.934.934

The company's revenue recognition policy is to reflect these revenues on a gross basis. Gross revenues also include market costs, commissions charged by the Stock Exchange and the ASF respectively.

In order to diversify the commission income, we have constantly sought to broaden the range of products and markets on which transactions are carried out. The level of commissions received for operations carried out by the company also included commissions related to operations on foreign markets, as described above.

Clients are generally allocated to one broker each, and there is the possibility to carry out transactions both traditionally and online.

Commission income also includes transactions carried out for other non-bank financial institutions, referred to as custodian contracts, for which the BRK GROUP collects commissions on transactions, but the funds from sales and purchases do not transit the company's accounts, but are settled through the custodian's accounts.

27. INCOME FROM MARKET MAKING ACTIVITY

<i>In lei</i>	December-23	December-22
Net gains/losses domestic market	5.866.711	15.103.685
Net gains/losses external market	(3.487.472)	(11.729.962)
Income from market making services provided to issuers	5.991.409	4.801.010
Market Making result	8.370.649	8.174.733

28. STAFF EXPENDITURE

<i>In lei</i>	December-23	December-22
Expenditure on staff and collaborators	(12.866.276)	(10.330.186)
Expenditure on compulsory social security contributions and insurance	(173.296)	(535.330)
Staff profit-sharing	(140.554)	(1.441.892)
Expenditure on allowances for members of the Board of Directors	(414.019)	(425.100)
Profit-sharing for members of the Board of Directors	(446.761)	(153.239)
Total salary costs in the comprehensive income account	(14.040.906)	(12.885.747)

The average number of Group employees for the period ended 31 December 2022 was 68 (31 December 2021: 67).

29. COMMISSION AND INTERMEDIARY EXPENSES

Commissions and fees expenses mainly comprise the commission due to the ASF, commissions for securities transactions on the regulated market, fees for registry services due to the Central Depository:

<i>In lei</i>	December-23	December-22
Expenses commissions Internal Market	(3.320.565)	(2.756.122)
Commission expenses External Market	(548.802)	(570.184)
Total	(3.869.367)	(3.326.306)

30. EXPENDITURE ON SERVICES

<i>In lei</i>	December-23	December-22
Expenditure on audit fees, lawyers' fees	(547.593)	(377.735)
Expenditure on computer services and software maintenance	(3.890.307)	(4.409.555)
Expenditure on consultancy and training services	(527.629)	(133.758)
Other expenditure on services provided by third parties	(1.122.724)	(3.402.207)
Total	(6.088.253)	(8.323.255)

31. OTHER CORE BUSINESS EXPENDITURE

Expenditure on collaborators contains expenditure on delegated agents.

Expenditure on external services is mainly represented by the cost of insurance services, asset valuation services, IT support services.

<i>In lei</i>	December-23	December-22
Expenditure on other taxes and duties	(253.122)	(403.517)
Expenditure on utilities	(154.287)	(245.957)
Expenditure on banking services	(237.115)	(377.999)
Advertising and publicity expenses	(270.733)	(431.592)
Telecommunications expenses	(1.251.149)	(1.994.530)
Insurance expenses	(594.254)	(947.335)
Maintenance and repair expenses	(145.431)	(231.841)
Transport expenses	(83.122)	(132.509)
Rental expenses (premises, servers)	(77.350)	(123.309)
Other operating expenses related to turnover*	(172.805)	(275.478)
Other expenses	((458.703)	(731.245)
Total	(3.697.661)	(5.895.311)

* The position represents vouchers for taxi activity in the corporate segment related to turnover.

Advertising and publicity expenditure in 2023 includes the following:

Advertising and publicity expenses, of which:	<u>-1.011.378</u>
brokerage activity	
- voice rights mother tongue	-51.746
- HE listing campaign on the BVB	-37.188
- other advertising expenses at the parent company	-60.071
taxi activity:	
- bonus expenses, turnover-related campaigns	-862.357
- Promotion expenses	-49.956
- Google expenses	-41.867
- other advertising expenses	-50.870
in the games software activity	
- promotional expenses	-50.630
other advertising expenditure	-46.464

32. GAINS/(LOSSES) ON TRADING ACTIVITIES

Gains/losses related to trading activity are shown in the table below:

<i>In lei</i>	December-23	December-22
Net realised gains/(losses) on financial instruments	<u>1.223.367</u>	<u>(628.156)</u>
Dividend income	605.066	1.732.562
Realised income from equity and bond transactions	3.445.298	3.477.661
Realised losses on transactions in shares and bonds	(2.826.997)	(5.838.379)
Net gains/(losses) on valuation of financial assets at fair value through profit and loss	<u>(914.477)</u>	<u>(10.632.729)</u>
Income from the valuation of financial assets valued at fair value through profit and loss	12.235.727	8.687.676
Losses on valuation of financial assets at fair value at fair value through profit and loss	(13.150.204)	(19.320.405)
Other net interest and exchange rate income/(expenses)	<u>(4.261.286)</u>	<u>(3.715.025)</u>

<i>In lei</i>	December-23	December-22
Interest income on loans and bonds	138.547	381.309
Interest income on margin loans	148.137	241.238
Other interest income	121.287	(114.021)
Interest expense	(4.663.952)	(3.919.888)
(Expense)/income from exchange rate differences	(5.305)	(303.663)
Net income/(expense) from provisions for risks and charges	164.510	598.696
Expenditure on provisions for risks and charges	(121.950)	(551.937)
Income from cancellation of provisions for risks and charges	753.541	1.682.888
Other net provisions	(467.081)	(532.255)

The net unrealized gains/(losses) on the valuation of investments at fair value through profit or loss for the first half of 2023 were mainly due to the net change in fair value of financial instruments that are part of the trading portfolio for which the Company has analyzed sales opportunities.

Net gains/(losses) on trading financial assets carried at fair value through profit or loss represent the proceeds from the disposal of securities reduced by the amount of costs for those securities, for transactions where this difference is positive,

Dividend income is recorded in the profit or loss account at net value, the dividend tax rates for the period ended 30 December 2023 were 8% and (2022: 5%)

33. EARNINGS PER SHARE

Result per basic share

The calculation of the basic earnings per share as at 31 December 2023 is based on the profit attributable to shareholders (all ordinary shareholders) and the average number of ordinary shares outstanding of 337,429,952 shares.

The result shown is after calculation of income tax.

<i>In lei</i>	December-23	December-22
Attributable profit:		
Shareholders of the Company	(7.212.644)	(20.888.003)
Interests without control	(2.373.918)	(2.407.656)
Profit for the period	(9.586.562)	(23.295.659)
Total attributable comprehensive income:		
Shareholders of the Company	(12.273.227)	(12.913.952)
Interests without control	(2.373.918)	(2.407.656)
Total comprehensive income for the period	(14.647.145)	(15.321.608)
Earnings per share		
Result per basic share (lei)	-0.021	-0.0620
Diluted earnings per share (lei)	-0,021	-0.0620
Ongoing activities		
Result per basic share (lei)	-0.021	-0.0620
Diluted earnings per share (lei)	-0,021	-0.0620

Weighted average number of ordinary shares

During 2022, 319,967 shares with a nominal value of 0.16 lei were cancelled and since then there has been no change in the number of shares issued.

Year	2022	2021	2020	2019	2018
Number of shares	337.429.952	337.749.919	337.749.919	337.749.919	337.749.919

34. FAIR VALUE HIERARCHY

The table below analyses financial instruments recorded at fair value according to the valuation method. The different levels have been defined as follows:

- **Level 1:** Quoted (unadjusted) prices in active markets. For securities at fair value through profit and loss, the price is the end-of-period price on the last trading day.
- **Level 2:** Input data other than quoted prices included in Level 1, This includes quoted securities for which valuation methods containing observable values for assets or liabilities have been applied. If the asset or debt has a specific contractual term the Level 2 input data must contain observable values over the entire term of the asset or debt, e.g. quoted prices for similar assets or debt in active markets, quoted prices for identical or similar products in non-active markets, observable values other than quoted prices such as interest rates, volatilities, other corroborated market inputs.
- **Level 3:** Inputs other than quoted prices included in Level 1 and Level 2. This includes unquoted securities for which valuation methods have been applied that contain observable values for assets or liabilities, either directly (e.g. prices) or indirectly (e.g. price derivatives). The fair value for these securities has been determined either by applying the DDM (Discounted Dividend Model), by applying the DCF (Discounted Cash Flow) method, or by the asset-based method, as set out in the company's accounting policies.

<i>in lei</i>	Level 1	Level 2	Level 3	Total
31 December 2023				
Financial assets at fair value through profit or loss of which:				
	30.842.955	13.141.896	865.424	44.850.276
Listed shares	29.184.299	-	-	29.184.299
Listed fund units	0	-	-	0
Unlisted fund units	0	12.802.762	865.324	13.668.086
Listed bonds	448.217	-	-	448.217
Unlisted bonds	0	-	-	0
Unlisted shares	0	339.135	100	339.235
Government securities	1.197.587	-	-	1.197.587
Loans and advances granted	0	-	3.055.316	3.055.316
Other financial instruments	12.852	-	-	12.852
Financial assets designated at fair value through other comprehensive income of which:				
Unlisted shares	15.534.060	3.365.020	1.922.925	20.822.006
Total	46.377.016	16.506.916	5.843.665	68.727.598

	Level 1	Level 2	Level 3	Total
31 December 2022				
A. Financial assets at fair value through profit or loss of which:				
	37.903.202	14.651.454	226.499	52.781.155
Listed shares	37.878.400	1.368.603	-	39.247.003
Listed fund units	-	-	-	0
Unlisted fund units	-	10.999.775	-	10.999.775
Listed bonds	24.802	-	-	24.802
Unlisted bonds	-	135.933	-	135.933
Unlisted shares	-	2.147.143	226.499	2.373.642
Loans and advances	0	0	1.787.182	1.787.182
Loans and advances granted	-	-	1.398.365	1.398.365
Loans and advances granted (net)	-	-	-1.233.375	-1.233.375
Margin loans granted	-	-	1.622.192	1.622.192
B. Financial assets designated at fair value through other comprehensive income of which:				
	4.206.450	0	13.264.089	17.470.539
Listed shares	4.206.450	-	-	4.206.450
Unlisted shares	-	-	13.264.089	13.264.089
Total (A+B)	42.109.652	14.651.454	15.277.770	72.038.876

35. AFFILIATED PARTIES

Benefits of key management personnel

Transactions with related parties in the form of key management personnel are limited to benefits granted to members of the Board of Directors and members of executive management, which have been disclosed in the note Personnel expenses.

Investments in associates

Throughout these financial statements, all associated entities are disclosed, together with the transactions that took place with them during the period.

36. EVENTS AFTER THE BALANCE SHEET DATE

Events after the balance sheet date have been taken into account in assessing the conditions that existed at 31.12.2023 in respect of the receivables positions and the significant estimates that have been made, including those relating to the establishment of provisions for litigation,

Events after the balance sheet date have been taken into account in assessing the conditions that existed at 31.12.2023 in respect of the claims positions and significant estimates that have been made, including those relating to the establishment of provisions for litigation.

These financial statements were approved on 05.04.2023



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S.S.I.F. BRK Financial Group S.A.

Calea Motilor, nr. 119

Cluj Napoca

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of S.S.I.F. BRK Financial Group S.A.

Report on the Audit of the Consolidated Financial Statements

Opinion on the Consolidated Financial Statements

1. We have audited the consolidated financial statements of the S.S.I.F. BRK Financial Group S.A. (BRK Financial Group or the „Group”), which comprise the statement of financial position as at December 31, 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.
2. Those consolidated financial statements are identified as follow:
 - Net assets/Shareholders' Equity 61.011.039 lei
 - Loss (9.586.562) lei
3. In our opinion, except for the effect of the matters described in the *Basis for the Qualified Opinion* section of the report, the accompanying consolidated financial statements present fairly, in all material respects the financial position of the Group as at December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with the F.S.A. Rule No. 39/2015 approving the Accounting Regulations compliant with International Financial Reporting Standards (IFRS), applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector.
4. We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company within the meaning of the Ethics Code for Professional Accountants (IESBA Code) issued by the International Ethics Standards Board for Accountants and have fulfilled our other responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.
5. The group's subsidiaries were audited by another auditor, with the exception of SAI Broker SA, and the audit report was provided to us and used for that purpose; our opinion is based on this report, the auditor's audit procedures, and additional audit procedures in accordance with the applicable International Standards on Auditing.

Basis for the the Qualified Opinion

6. The consolidated financial statements disclose in Note 5 to the financial statements capitalizations of software development expenses and other intangible assets related to the same software development activity of the subsidiaries, with a net value of 11,509,649 lei. These assets have not been tested for impairment in accordance with IFRS; consequently, we were not able to evaluate the effects this might have on the consolidated financial statements.
7. Note 14 to the consolidated financial statements highlights inventories valued at 8,723,498 lei, of which 6,689,535 lei are inventories related to the taxi business that are more than 3 years old, creating uncertainty regarding the realization of these stocks. We were not been able to assess a potential impairment of these stocks on the consolidated financial statements.

Other matters

8. According to the Current Report No. 1389 published by BRK Financial Group SA on March 13, 2024, on the BVB website, the company acquired (through the exercise of a warrant) 1,266,350 shares of Gabriel Resources at a price of 0.39 CAD per share and recorded the amount in process of settlement in the balance sheet assets totaling 1,680,415 lei. In the period following the balance sheet date, the transaction was confirmed, and market events caused the price of Gabriel Resources shares to significantly decrease from the acquisition value. According to the Current Report, the company still holds warrants, which, according to the management, have no effect on the company's position if not exercised at maturity. These events are not presented in the post-balance sheet events section of Note No. 36 to the financial statements. Our opinion is not altered because of these aspects.

Other information – Report on the compliance of the Director’s Report to the Consolidated Financial Statements

9. The directors are responsible for the preparation and presentation of other information. That information includes the Directors’ Report, but do not include the consolidated financial statements and the audit report.

The directors’ report is not part of the consolidated financial statements. Our opinion on the consolidated financial statements do not cover the director’s report.

In relation with the consolidated financial statements for the year ended December 31, 2023, our responsibility is to read that other information and to assess if this information differs significantly to the consolidated financial statements or if it is significantly misstated.

In relation with the Director’s Report, we have read, and we report that it was prepared, in all material respects, in accordance with the F.S.A. Rule no. 5/2018 and the Rule no. 39/2015 for entities supervised and regulated by the F.S.A.

In our opinion:

- a) Nothing was identified by us that makes us believe that the information presented in the director's report, in all material respects, is not in accordance with the consolidated financial statements.
- b) The director's report mentioned above includes, in all material respects, the information requested by the F.S.A. Rule no. 39/2015 for the approval of the accounting regulations in accordance with the International Accounting Reporting Standards, applicable for the entities authorized, regulated and supervised by the Financial Supervisory Authority ("F.S.A.") for the Financial Instruments and Investments Sector.

Based on our understanding and knowledge obtained during our audit on the S.S.I.F. BRK Financial Group S.A. consolidated financial statements prepared for the year ended December 31, 2023 and, on its environment, we are asked to report if we have identified significant misstatements in the directors' Report. We have nothing to report concerning this aspect. no information that is included in the directors' report came to our attention that would make us believe that it is misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

10. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.
11. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
12. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

13. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the

economic decisions of users taken on the basis of these consolidated financial statements.

14. We are independent towards the Group, in accordance with the Ethics Code for Professional Accountants (IESBA Code) issued by the International Ethics Standards Board for Accountants and we have fulfilled our ethical requirements in accordance with the IESBA Code.

Report on Other Legal and Regulatory Requirements

15. We were nominated by the general meeting of Shareholders to audit Group's consolidated financial statements at December 31, 2023. The total duration of our engagement is of 7 years, covering the years ended December 31, 2019 - 2025.
16. We confirm that our opinion on the financial statements is according to the supplementary report presented to the Audit Committee. Also, we have maintained our independence towards the Group throughout our engagement.
17. We confirm that we have not provided any other non-audit services as mentioned in the art. 5 par. (1) of the EU regulation no. 537/2014.

In the name of
JPA Audit și Consultanță S.R.L.
Bd. Mircea Vodă 35, etaj 3, sector 3 Bucuresti
Registered ASPAAS FA319

**Autoritatea pentru Supravegherea Publică a
Activității de Audit Statutar (ASPAAS)**
Firma de Audit:
JPA AUDIT & CONSULTANȚĂ S.R.L.
Registrul Public Electronic: **FA 319**

Florin Toma
ASPAAS AF1747

**Autoritatea pentru Supravegherea Publică a
Activității de Audit Statutar (ASPAAS)**
Auditor financiar: **FLORIN TOMA**
Registrul Public Electronic: **AF 1747**

Bucharest
April 5th, 2024

No. JPA#0732