



Board of Directors'

ANNUAL REPORT

for the financial year ended on 31.12.2024

*in accordance with the provisions of ASF Regulation no. 5/2018, as subsequently amended and
supplemented,
on issuers of financial instruments and market operations*

1. Analysis of the Company's Activity

1.1. Description of the Company's Core Activity

TRANSILVANIA BROKER de ASIGURARE S.A. is a distribution company operating in the insurance sector, established and registered in 2006. The Company operates in accordance with the provisions of Company Law no. 31/1990 and the Insurance Distribution Law no. 236/2018. The Company is subject to regulations issued by the Financial Supervisory Authority (ASF) regarding insurance distribution. It has been listed on the Bucharest Stock Exchange since November 2, 2017.

1.1.1. Description of any significant merger or reorganization of the Company, its subsidiaries, or controlled entities during the financial year

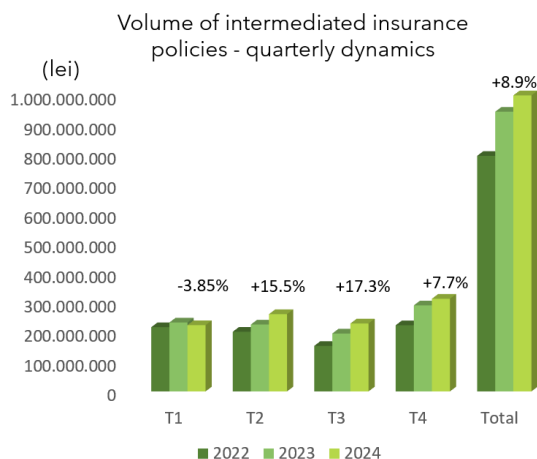
During the reporting period, no mergers, spin-offs, acquisitions, or other patrimonial changes involving the Company took place.

1.1.2. Description of asset acquisitions and/or disposals

The value of fixed assets decreased by 7.5% during the reporting period, primarily due to depreciation of tangible fixed assets. The value of acquisitions of tangible assets in the form of equipment necessary for operations during the reporting period amounted to RON 9.8 thousand. The share of fixed assets in total assets increased to 16.2%, as current assets moved in the opposite direction to fixed assets. As of 31.12.2024, the depreciation rate of the Company's fixed assets was 46.6%.

In 2024, there were no disposals or write-offs of tangible fixed assets. As of December 31, 2024, the Company did not record any impairment adjustments for tangible fixed assets.

1.1.1. Presentation of the Company's main activity results



As of 31.12.2024, the volume of premiums brokered by the company exceeded, for the first time, the significant threshold of 1,000,000 thousand lei, as a result of a 9% percentage increase in 2024 compared to 2023.

This dynamic was generated by increases registered for all insurance classes with a significant share in the total intermediated premium portfolio.

The main class of insurance, MTPL, increased at a controlled pace (+7.7%), its share in total written premiums continuing its noticeable downward trend compared to previous periods, in favor of non-mandatory classes.



The class of insurance for guarantees (A15) increased by 45%, while the value of intermediated insurance policies for hail, frost and other risks (A9), fire and natural hazards (A8) and land vehicles excluding railway rolling stock (A3) increased by 41%, 17% and 8.6% respectively in the reporting period 2024 compared to the reference period 2023.

At the same time, given the apparent paradox explained above, brokerage income decreased by 4.5%, i.e. by 5,000 thousand lei in the reporting period (2024) compared to the reference period (2023). This dynamic was partially offset by the 93% increase (+519.4 thousand lei) in income from related activities (assistance in case of damage and other assistance activities along the execution of insurance contracts).

As revenues eroded, the Company faced cost constraints. With particular agility, Transilvania Broker's management pursued the **optimization of operating expenses**, on one hand, and the **consolidation of the network of assistant collaborators** - a key element for the diversification strategy of the business model - on the other hand.

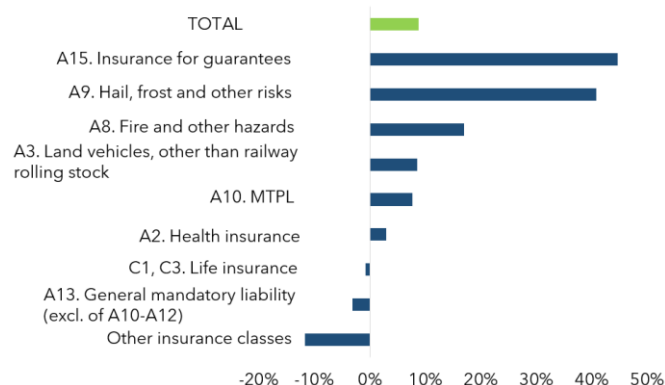
Efforts to optimize costs - other than those related to human resources and brokerage assistants - have resulted in lower costs without, however, undermining the drivers of the main activity, i.e. insurance intermediation. Personnel expenses have increased in line with inflation, as well as to optimize the structure and composition of human capital, while other significant expenses, such as marketing and promotion, 24Broker software development and staff training have been reduced to minimal levels below which the reductions could have affected the Company's ability to maintain traction in its traditional line of business.

In turn, the endeavour to strengthen the network of collaborators translated, in terms of figures, into a 1.4% increase in expenses on commissions due to brokerage assistants, at December 31, 2024 compared to the previous year, 2023. The level of commissions paid, although increasing at a significantly lower rate than the volume of premiums brokered, reached 87.6% of the value of the received commissions from insurers. This level is slightly above the budgeted one (86.7%), and exceeds the 2023 level as well (82.3%). This dynamic aimed at building on the loyalty and support of the collaborators, all the more relevant as the recent tax changes entail a major negative impact on their income.

Moreover, the cost control initiatives **did not affect the investments needed to implement the management strategy to diversify the revenue-generating activities in the long term.** During the reporting period, the Company continued to invest in the development of the necessary tools to launch new activities as well as to develop current ones. Thus, in 2024, the development of a proprietary software component for lending activity (credit comparator) was completed and the program of general financial education and specific training of brokerage assistants was launched. This was designed with the aim to complement their skills with qualifications in the area of credit intermediation and investment products. The direct objective of this sustained and lengthy training effort is to establish synergies between the business of brokering non-mandatory insurance - predominantly life and property insurance - and that of credit intermediation. For the brokerage assistant, as for Transilvania Broker, the income from the commission generated once a credit contract has been concluded, will be supplemented by the recurring income generated by the annual life and property insurance contracts guaranteeing the intermediated credit.

In conclusion, at the end of 2024, marked by challenges and limitations in the insurance brokerage market, Transilvania Broker, through a skillful and diligent management, **reports, together with the launch of new business lines, a profit for the year 2024 amounting to 2,515.6 thousand lei.**

% change in the insurance policy volume by insurance classes, 2024 vs 2023



1.2. Economic and Financial Analysis.

1.2.1. Elemente de analiză generală economico-financiară

The annual individual financial statements were prepared by the Company in compliance with the provisions of the Accounting Law no. 82/199, republished with further amendments and with the FSA Norm 36/2015 for the approval of the Accounting Regulations regarding the individual annual financial statements and the consolidated annual financial statements applicable to the insurance and/or reinsurance brokers in force on the reporting date 31.12.2018 ("FSA Norm 36/2015").

The management of the Company expressly and unconditionally declares the compliance of the annual financial statements with all the applicable provisions under FSA Norm 36/2015. In terms of taxes, the Company's approach is in compliance with the provisions of the Fiscal Code Law no. 227/2015.

The financial effects of transactions engaged in by the Company have been accounted for in accordance with the principles and accounting rules regarding the *recognition and valuation of assets*. The methods and rules for accounting and presenting assets, liabilities, and equity, as well as the results obtained, have been consistently applied to ensure the *comparability of accounting information over time*. There have been no instances of offsetting assets against liabilities, or between recognized revenues and expenses. No causes have been identified that could jeopardize the normal course of business operations over a foreseeable period, thus confirming the *assumption of the Company's continuity*.

The economic and financial transactions carried out by the Company have been recorded based on supporting documents and highlighted in accounting registers, in accordance with applicable legal provisions.

1.2.2. Analysis on the main financial and economic indicators

1.2.2.1. Net Profit: 2,515.6 thous lei

1.2.2.2. Net turnover: 106,530.4 thous lei

1.2.2.3. Liquidity and solvency indicators:

Indicators	Calculation Formula	31.12.2023	31.12.2024	Benchmark
Current ratio / Quick ratio	Current assets/Current debts	1.554	1.374	>2
Cash ratio	Cash/Current debts	0.414	0.549	>0.8
Leverage ratio	Total Assets /Total debts	1.706	1.589	>1
Equity to capitalization ratio	Equity /(Long term debt + Equity) *100	0.916	0.953	>30%

The liquidity indicators levels highlight the positioning of their values in the comfort range, with the specification that these indicators give a snapshot, at a given point in time, of short-term liabilities and current assets derived from the distribution activity. As they capture a point in time of the cash flow dynamics related to the last settlement cycles between Transilvania Broker and insurers, on the one hand, and assistants, on the other hand, their relevance to the specificities of Transilvania Broker de Asigurare S.A.'s activity remains limited, as the value of these indicators may vary significantly from one settlement cycle to another.

During the reporting period, the decrease in the value of total assets (-4,820.2 thousand lei) was higher than the decrease in the total liabilities of the Company (-1,745 thousand lei), resulting in a slightly negative change in the overall solvency

ratio compared to the previous year. However, it remains significantly and comfortably above the minimum reference threshold.

Also, the share of equity in total permanent capital increased from 91.6% in the reference period to 95.3% in the reporting period, confirming once again the high self-financing capacity of the Issuer and its ability to meet its payment obligations.

1.2.2.4. Debt Ratio Indicators

Indicators of Risk	Calculation Formula	31.12.2023	31.12.2024	Intervale de referință
Debt indicator	Borrowed capital / Permanent capital*100	8.44%	4.73%	<50%
Debt ratio	Total liabilities / Total assets*100	58.62%	62.94%	<80%

The indicators calculated for the company's leverage level also show values significantly below the maximum comfort threshold, indicating that the company is positioned in a relatively low-risk zone.

The leverage ratio indicator - which eliminates the distortion generated by the short-term debts associated with the distribution activity - is at a low level and decreasing against the background of the reduction in long-term debts. This displays, in addition to the relatively low business risk, the easy access to external financing, should it be necessary for development.

1.2.2.5. Margin and Profitability Indicators

Indicators	Calculation Formula	31.12.2023	31.12.2024
Operational result margin	Operational result / Turnover *100	7.62%	2.56%
Net profit margin	Net Profit/Turnover *100	6.81%	2.36%
Financial profitability margin (Return on equity)	Net Profit/ Equity*100	64.4%	27.1%
Return On Invested Capital	Net Profit /(Equity + Long-term Debt) *100	59%	25.9%

Given the market conditions described in this report, the backdrop of the negative developments in performance indicators determined an unfavourable trend on profitability indicators.

1.2.2.6. Cash - flow: changes that occurred in terms of cash flows pertaining to the main activity, financial investment and operations, cash equivalents at the beginning and end of reporting period

INDICATORS	Results pertaining to the reporting period	
	31.12.2023	31.12.2024
NET CASH FROM OPERATING ACTIVITIES	-3,038,836	-2,949,766
NET CASH FROM INVESTMENT ACTIVITIES	1,539,665	5,091,595
NET CASH FROM FINANCING ACTIVITIES	-537,438	-542,019
CASH AND CASH EQUIVALENTS ON JANUARY 1ST	8,819,527	6,782,917
NET INCREASE/ DECREASE OF CASH AND CASH EQUIVALENTS	-2,036,609	1,599,810
IMPACT OF THE EXCHANGE RATE VARIATION ON CASH AND CASH EQUIVALENTS	0	-747
CASH AND CASH EQUIVALENTS ON DECEMBER 31ST	6,782,917	8,381,980

The available cash flow supports the economic development and the financial capacity to support the equity and borrowed capital as well.

Company's own cash availabilities, amounting to 4,403.6 thous lei and representing 47.5% of the total cash and cash equivalents in the company's accounts report a significant growth as compared to the beginning of the reporting period (+84.3%).

Out of *operating activities*, the company registered a negative cash flow of -2,949,766 RON. The cash outflows for dividend payments were generated from operating activity.

The cash flow from *investing activities* shows a positive result during the analyzed period, amounting to 5,091,595 RON. This is the result of the termination of the bank deposit existing at the end of 2023, recorded as a short-term investment, in the amount of 4,880,000 RON, combined with payments made for the acquisition of tangible assets, totaling 9,750 RON. During the analyzed period, the company collected bank interest in the amount of 220,498 RON.

The company's *financing activity* generated a negative cash flow of -542,019 RON, driven by payments made for the repayment of borrowed funds, totaling 433,419 RON, as well as payments related to financial leasing contracts, amounting to 108,600 RON.

1.3. Assessment of the technical operations of the Company

1.3.1. Main products, services and distribution channels

TRANSILVANIA BROKER de ASIGURARE S.A.. carries out its activities and provides professional services on the commercial insurance market in Romania.

The main insurance products that are intermediated by the Company are:

- ✓ Life insurance;



- ✓ Health Insurance;
- ✓ Accident insurance;
- ✓ Insurance of land transport means;
- ✓ Insurance of railway means of transport;
- ✓ Insurance of air transportation;
- ✓ Insurance of sea, lake and river transport means;
- ✓ Insurance of goods in transit;
- ✓ Home insurance;
- ✓ Insurance of buildings and property belonging to legal entities;
- ✓ Third liability insurance for motor vehicles.

The Company provides professional services to clients or prospects with regards to:

- Distribution of insurance through maintaining a fair treatment of all clients, in compliance with the legal provisions in force pertaining to insurance and reinsurance distribution and avoidance of unfair, fraudulent or abusive practices;
- Identification of risks that may be the subject of insurance policies, their analysis, assessment and management;
- Recommending solutions to minimise or transfer the risks that may be insured;
- In terms of products and services' offer, the sales staff of the Company's agent provide clients with comprehensive, coherent, accurate, objective and realistic insight on the insurance recommended, so that the latter may take an informed decision;
- Consultancy to clients and prospects on the basis of thorough assessment of their needs and requirements, so that insurance contracts meet their expectations;
- Analysis of current insurance policies;
- Setting up of adequate insurance programme;
- Negotiation of insurance terms and conditions, analysis of opportunities of the market related to quality:price ratio and choosing of the most adequate insurance solution, in compliance with the clients' interests;
- Sound management of insurance contracts within their validity period and tailor making to the dynamics of clients' businesses;
- Support in the process of damages' settlement and receipt of insurance compensation;
- Provision of insight on the insurance market in Romania.

The potential clients receive the following information regarding rights and insight before signing their insurance contracts:

- Definition of each event that can be covered by the insurance, the compensation in case of occurrence of the insured event, each additional/ optional benefit or provision;
- Events that are not covered by the insurance;
- Commencement and termination of the insurance contract;
- Provisions for performance, suspension or termination of the insurance contract;
- Insight on any rights that the parties may have to early termination or by unilateral decision, as well as penalties provided for by the contract for such cases;
- Payment of insurance premiums- means and payment terms;
- Payment of insurance compensation, redemption or insured amounts- means and payment terms;
- Insight on the premiums afferent to each type of benefit, main or additional, as the case;



- Insight on the grace period offered;
- Bonuses- calculation and distribution;
- Total redemption amount, discounted insured amounts, as well as the threshold up to which these are guaranteed for each year of insurance contract;
- Highlighting on the cases when redemption value of the insurance policy is null;
- Legal proceedings for sorting out potential litigations arising from execution of the contract, as well as insight on the means for amiable settlement of claims submitted by clients or by the contracts' beneficiaries, as the case, while the latter do not represent a constraint to waive to the legal proceedings in force.
- General information on deductions under the tax legislation applicable to insurance contracts;
- The law applicable to the insurance contract;
- the Policyholders' Guarantee Fund

1.3.2. Assessment of distribution activity

1.3.2.1. Presentation of sales dynamics on the domestic / external market and of the medium and long term sales outlook

TRANSILVANIA BROKER de ASIGURARE S.A. conducts its business and provides professional services solely on the Romanian market of commercial insurance. The dynamics of the sales in 2024 is presented below:

Indicator	31.12.2023	31.12.2024	Dynamics	Dynamics (%)
Turnover (Sales)	111,013,199	106,530,434	(4,482,765)	-4.04%

1.3.2.2. Assessment of the competitive position of the Company, market share of its products and services and main competitors

The marketshare of the Transilvania Broker is above 5%, being the fourth most important brokerage company on the Romanian insurance market. Moreover, the Company manages a over 1000 collaborator network, coverage 39 counties and 1 mil. clients.

The Company's main competitors:

- SAFETY BROKER de ASIGURARE S.R.L.
- MARSH-BROKER de ASIGURARE-REASIGURARE S.R.L.

1.3.2.3. Presentation of any significant dependence of the Company on a single client or on a group of clients, whose loss might have a negative impact on the Company's revenues

Taking into consideration that the Company manages a quite diverse client portfolio, there is no significant dependence on one client / group of clients, which ensures greater stability in the continuity of operations and reduces commercial risks.



1.4. Assessment of aspects related to the Company's employees/personnel

1.4.1. Specification of the number and qualification level of the Company's employees

Relevant information regarding the evolution of the Company's personnel during the period 2022–2023 is presented below:

Number of employees (end of year)	2023	2024
Economists	24	23
IT	1	1
Legal professionals	5	5
Other professions – following long-term tertiary education	10	8
Other professions – following short-term tertiary education	2	2
Undergraduate education (technic/vocational training)	1	1
TOTAL	43	40

Along 2024, the Company organised events for informing and training of employees and agents with regards to the trends on the market and the news on legal and organisational issues.

1.4.1. Presentation of the relationship between management and employees, as well as any conflicting elements characterizing these relations

No conflicts have been reported between managers and employees in the Company.

1.5. Perspective Approach

1.5.1. Expected trends in the internal environment

Pivoting strategy: diversifying business lines

In the year 2024, Transilvania Broker de Asigurare announced a new strategy, which translates the principle of diversification, first and foremost, **into new business lines**. These new lines of development **capitalize, strategically and dynamically, on the key differentiating assets** of Transilvania Broker - eminently the strong and solid network of brokerage assistants and the strong and visible position in the financial services industry – as the management seized opportunities to enter new markets.

From this perspective, Transilvania Broker's management is once again displaying vision and resilience, with the ability to transform prolonged shock and crisis elements into the spring of a sustainable growth phase. Thus, in 2024, the Company set up a 100%-owned daughter company, licensed as **credit broker**. In the near future, it will also launch the activity of **distribution of financial investment products on the capital market**.

Nonetheless, the implementation of this strategy has been achieved **without decelerating the strategy of consolidating the non-mandatory insurance classes** (life and health insurance included) in its portfolio of intermediated insurance policies. The contribution of these insurance categories to the portfolio of intermediated insurance premiums continues to increase both in absolute value (+14% at 31.12.2024 compared to 31.12.2023) and in relative value, with their share exceeding 22% of the total value of the portfolio.



Moreover, the company's management has initiated strategic partnerships to boost **activities related to the brokerage services**, such as assistance in case of damage. Collaborative relationships with Autonom, a shareholder of Transilvania Broker de Asigurare, as well as with a third party financial institution have led to *a doubling of revenues from "assistance in the management and handling of contracts including in the event of a claim"*. In the light of these partnerships, the Company's management considers *this growth dynamic to be sustainable and replicable in the coming future*.

In terms of **expectations for the period ahead**, the forecasts of the company's management indicate the last quarter of 2025 as a realistic timeframe for the recently initiated efforts to implement the diversification strategy to be positively reflected at the financial results indicators level. Of course, the lifting of the caps imposed on the insurance sector would also re-launch the growth in revenues generated by the intermediation of insurance policies, supported by the class of compulsory insurance, namely the MTPL.

1.5.2. Trends and factors in the sector

Main trends on the global market of insurance policies distribution

The digitalization of the sector, integrating artificial intelligence into operational processes and strategic sales tools, has necessitated the adoption of paradigms focused on seizing opportunities from technological progress at the level of business models, growth, and product portfolio, not just operational processes. Thus, for intermediaries, digitalization, technologization, and elements of artificial intelligence have opened the way to new markets and opportunities—a trend that the management of Transylvania Broker has understood, anticipated, and promptly aligned its strategic and managerial vision with.

The accelerated diversification of (secondary) insurance products as a direct effect of an innovative approach in the insurance product area, catering to increasingly diverse needs, is another direct effect of digitalization that supports and facilitates this trend. Digital marketing tools identify unexplored insurance needs, customize products, and distribute them with minimal time and resource costs, in large volumes. In turn, the market readily absorbs products such as insurance for rented spaces or properties, pet insurance, or cyberattack insurance—products tailored to current behavioural and consumption trends, in continuous dynamics. Moreover, this array of new secondary insurance products becomes a lever for customer loyalty and the longevity of the relationship with them.

The intensification of competition in the intermediaries market is driven by the decreasing significance and number of entry barriers, primarily due to virtually unlimited online opportunities and ongoing digitalization: geographical boundaries are becoming blurred, the agent–insurer collaboration is becoming more fluid and dynamic, and attracting new clients through digital marketing is now accessible to anyone.

The model of an independent intermediary from a certain insurer is becoming more and more established in the brokerage market, taking into account the new business and partnership opportunities. The consumer profile encourages this trend, as they seek for consultancy, guidance and alternatives - elements specific to an independent broker, and implicitly, to Transilvania Broker.

1.6. Assessment of the impact of Issuer's activity on the environment

The company is not aware of any potential adverse effects on the environment as a result of its operations, which should be quantified. The result of such potential effects is uncertain and the management of the Company does not consider it necessary to make provisions concerning such debts regarding the environment.

On December 31st, 2024 the Company complies with all conditions necessary for operating its activities as provided for by the legislation in force pertaining to environment protection. It has been granted the authorisation to function by the Environment Agency in Romania

1.7. Assessment of research and development activity

1.7.1. Stating the expenditures – forthcoming and incurred in the reporting period – for the research and development activity:

During the reported period, according to the data taken from the Company's balance sheet, there were no fixed intangible assets representing expenses incurred from the research - development activity of the Company.

1.8. Assessment of the Company's risk management

1.8.1. The Issuer's internal controlling system

The Company's internal controlling system consists of policies and procedures to confer the management a reasonable assurance that the Company accomplishes its targets:

The Code of Ethical Conduct with insights on the business scope of the Company as well as with provisions for compliance with legislation in force and specific methodologies; it also reflects the mechanisms created for personnel to be able to alert the Executive Management or the Board of Directors in case of violation of the business conduct or other defaults, with no reservations due to potential consequences;

Operational policies and work procedures that ensure the functionality of all compartments, formalized in a Manual of Operational Procedures;

A risk management system covering also the necessary and sufficient resources for permanent identification, assessment, checking and supervision of risks;

Internal control procedures, formalized in a Manual of internal control policies and procedures, which ensures the implementation of an internal control system which controls significant risks and offers a reasonable assurance to the Management, on the following aspects: compliance with the legal and regulatory framework; ensuring that all operations are registered in a correct manner and that the financial statements and reports are accurate; protection of goods and information; prevention and detection of frauds and errors; quality of bookkeeping and provision in due time of trustful and reliable data with regards to financial and management departments.

1.8.2. The Company's exposure to the market, credit and liquidity risks

The activity of financial risk management is an integral part of the process of financial planning and controlling, it is subject to strategic and tactical decisions of continuous adaptation to the inside and outside conditions and environment, which are constantly changing. Financial decisions are made based on the cash flows provided for in future contracts, which are par excellence uncertain. Risk is therefore an inherent component of financial decisions.

Financial risk includes market risk, liquidity risk and credit risk.

a) Market risk (exchange rate risk, interest risk, price risk)

Unpredictable changes in the evolution of interest rate, currency exchange rates or prices do have an impact on the financial results of the Company:

➤ Exchange rate risk

The Company is not exposed to this risk, as the Company's activities are carried out almost entirely on the domestic market. The concluded economic relations, liable to record losses due to the variation in the exchange rate of the currency during the period between the conclusion of the contract and its maturity, represent an insignificant weight.

At the date of the financial statements, it records insignificant balances related to debts denominated in foreign currency (the debt regarding the financial leasing contract underway).

➤ **Interest rate risk**

The Company is exposed to the risk of fluctuating interest rates upon contracting of investment loans with a variable interest rate, at the end of 2018 and 2020, respectively. The exposure of the Company to risks pertaining to change in interest rates on the cashflows is partially covered by the cash flows kept as ‘over night’ deposits, which also incur into fluctuating interest rates.

The level of interest rate coverage out of the gross profits indicator, as per 2023, shows that the Company is not at risk generated by the interest rates.

➤ **Price risk**

The price risk refers to price of resources, the currency exchange rates and the inter-est rates. It may appear especially when long-term contracts are concluded. The Company operates with contracts concluded for relatively short-term, so that it is not exposed to this risk.

b) Liquidity risk

The current liquidity is the Company’s capacity to cover current liabilities out of the current assets. The minimum threshold recommended for this indicator is 2.

The Management of the Company assess the exposure to the liquidity risk. The Company’s policy with respect to liquidity risk is to always keep enough resources to cover liabilities when they are due, as well as to ensure a balance between payables and receivables.

The liquidity indicators, with values close to the secure zone, reflect the peculiarities of the insurance brokerage activity, in which the terms of settlement of claims and debts in relation to insurers and, respectively, assistants are regulated legally and procedurally.

c) Credit risk

The Company is paid for the services provided in a relatively short term from the moment services are performed and conducts business relations only with recognized third parties.

According to the contracts concluded, receivables are permanently monitored, prudential thresholds are settled and so there is no significant exposure of the Company to the credit risk. Guarantees offered ensure maximum security and the credit risk is minimal.

The Management analyses all debtors when setting the credit thresholds, monitors their conduct along the contractual period and ensures that due dates are observed. In case of default of payment receipt, action is taken in order to secure payment.

2. Compay's Tangible Assets

2.1. Description and analysis of the degree of wear and tear of the Company's tangible fixed assets

The degree of wear and tear of the tangible fixed assets owned by the Company does not raise any significant concerns regarding the continuity of operations.

2.2. Specification of any potential issues related to the ownership rights over the Company's tangible assets

There are no issues regarding the ownership rights of the tangible fixed assets held by the Company.

3. The market for the securities issued by the Company

3.1. Specification of the markets in Romania and abroad where the securities issued by the Company are traded

The shares of Transilvania Broker de Asigurare S.A. have been listed for trading on the Regulated Market of the Bucharest Stock Exchange, Main Segment, "Standard" Category, since November 2, 2017, under the symbol TBK.

The quality of the Company management's communication with investors and the capital market as a whole, along with the profile of Transilvania Broker's shareholder — an informed and predominantly strategic investor — have translated the Company's performance and prospects into the evolution of its stock price.

3.2. Description of the issuer's dividend policy

Given the positive performance recorded by Transilvania Broker, the solid foundations for implementing its growth strategy, and the economic and financial stability reflected in the favorable stock price evolution despite a challenging year, we confidently reaffirm that Transilvania Broker de Asigurare S.A. **will continue to be a strong and reliable company, both on the stock exchange and within its industry, maintaining a stable and shareholder-friendly dividend policy.**

From a **corporate events perspective**, the year 2024 brought Transilvania Broker de Asigurare S.A. shareholders gross dividends amounting to RON 5,000,000, as approved by the Annual General Meeting of Shareholders convened on April 23, 2024.

The dividends distributed based on the AGOA resolutions from the results of the last financial years are as follows:

The value of dividends granted in the last three years (to be completed with a table or values).

Dividends paid along the last three years

Financial year	2022	2023	2024 (to be voted)
Total Dividend value	10,000,000	5,000,000	3,000,000

The Company commits to unconditional compliance with the Corporate Governance principles applicable to the Issuers whose securities are traded on a regulated market. The Company adopted a dividends' policy consisting in a set of directions to be met related to the distribution of net profits. The Company states that it shall comply with this policy, highlighting on relevant principles pertaining to the dividends' policy:



- (1) The Company acknowledges the shareholders' rights to be paid dividends, as a way of involvement to the net profits registered by the Company as well as a return on the capital invested in the Company;
- (2) While grounding for distribution of net profits obtained within a financial year, the Board of Directors of the Company shall aim to a balanced distribution of the net profits between dividends granted to the shareholders and the part to stay with the Company for investments, all in compliance with a prudent approach of management, for the sake of a sustainable development of the company on medium and long term;
- (3) The dividends the shareholders are entitled to shall be distributed exclusively out of the net profits of the Company pertaining to a certain financial year, as per applicable accounting regulations and audited book keeping, according to the law and with the observance of other legal provisions that are relevant in the industry;
- (4) The dividends are granted to shareholders either in the form of cash or by issuing free shares as a result of capitalisation of net profits accrued by the Company. Irrespective of the way chosen, the proposal for dividends' distribution is made by the Board of Directors under the form of financial statements to the investors. The final decision on dividends' distribution is taken by the General Assembly, according to the law in force.

The dividend policy may be accessed on the official website of the Company.

3.3. Own share redemption activity

As of the date of this report, there is no ongoing activity regarding the repurchase of the Company's own shares.

3.4. Subsidiaries and ownership

The Company does not hold any equity interests in other entities as reflected in its trial balance as of December 31, 2024. However, on December 2, 2024, the company Transilvania Financial Services S.R.L. was established, with Transilvania Broker de Asigurare S.A. as its sole shareholder. The share capital in the amount of RON 1,000,000 was subscribed but had not been paid up as of December 31, 2024.

As of December 31, 2024, the Company operates the following business locations:

- Sibiu Municipality, Sibiu County, 10 Justiției Street;
- Bucharest, District 1, 21D Elena Caragiani Street, Apt. 1;
- Pitești Municipality, Argeș County, 3 Intrarea Rozelor Street.
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3.5. Bond issuances

In the reporting period, the Company did not issue bonds or other debt securities.

4. Corporate Governance Structures

4.1. Transilvania Broker de Asigurare S.A. Board Members

The members of the Board of Directors of Transilvania Broker de Asigurare S.A. between 01.01.2024 – 31.12.2024 were:

- NICULAE Dan – President of the Board
- DENEȘ Daniela Tasia – independent member;
- ȚUICĂ Gabriel Alexandru – member;
- LOGIN Gabriel – member;
- BOBU Carmen Loredana – member;

4.2. Upper executive management

As of December 31, 2024, the Company's management team was composed of the following individuals:

- Sorin Ștefan Baltasiu – General Manager
- Ioan Cotian – Executive Director

By resolution of the Board of Directors dated December 30/21, 2023, the Company's directors took note of Mr. Gabriel Login's resignation from the position of Executive Director, effective as of February 1, 2024, and decided on his dismissal from this position, also effective February 1, 2024.

The executive management members have responsibilities and authority in accordance with their job descriptions. All individuals in the executive management team are employed under open-ended (permanent) contracts.

None of the individuals who are part of the executive management or the Board of Directors have been involved in any litigation or administrative proceedings related to their activity within the issuer.

5. Economic-financial analysis

The analysis of the Company's economic and financial situation, in comparison with the previous reporting period and with the situation at the beginning of the financial year, covers the following aspects:

5.1. FINANCIAL POSITION ANALYSIS

ASSETS

Financial position indicators (values are expressed in lei)	2023 December 31	2024 December 31	Change (%) 2024/2023	Share in Total Activ at 31.12.2024
Fixed assets	4,290,301	3,967,892	-7.51%	16.1%
Intangible fixed assets	8,803	2,302	-73.9%	0.01%
Tangible fixed assets	4,269,762	3,954,700	-7.4%	16.1%
Financial fixed assets	11,736	10,890	-7.21%	0.04%
Current assets	25,479,649	20,995,978	-19.6%	85.41%
Stocks	181	182	+0.55%	0%
Receivables, of which:	13,816,551	12,613,816	-8.7%	49.5%
<i>receivables from distribution assets</i>	2,708,678	648,124	-76.1%	0.7%
<i>other claims</i>	11,107,873	11,965,692	+7.72%	48.8%
Short-term investments	4,880,000	0	-100%	0%
Cash holdings	6,782,917	8,381,980	+23.6%	34.2%
Prepaid expenses	56,622	42,529	-24.9 %	0.17%
TOTAL ASSETS	29.826.572	25.006.399	-16.2%	100%

In the reporting period, the value of the Company's total assets decreased by 16.2% compared to the previous year, mainly due to the dynamics of **current assets**, the most important category of assets for Transilvania Broker de Asigurare S.A. Their value, representing 83.6% of total assets, decreased by 17.6% (-4,483.7 thousand lei) in the same period, mainly generated by the use of short-term investments amounting to 4,880 thousand lei at the beginning of 2024 for the payment of dividends for the year 2023.

Within the current assets category, the decrease in the value of receivables (by –8.7%, or –1,202.7 thousand lei) was partially offset by the increase in cash balances (+23.6%, or +1,599 thousand lei) as of 31 December 2024 compared to 31 December 2023.

At the level of current assets, the decrease in the value of receivables (-12.3%, i.e. -1,702.7 thousand lei) was partially offset by the increase in cash (+23.6%, i.e. +1,599 thousand lei) at 31.12.2024, as compared to 31.12.2023.

Receivables, which account for 61% of total current assets, are made up of 93,4% of receivables derived - directly or indirectly - from the distribution activity, whose collection term is regulated and monitored by internal procedures and legal provisions.

Similar to the variations in the value of the **cash and cash equivalents** and of short-term debt derived from the distribution activity, the dynamics of receivables also reflect, for the most part, the variation in the intensity of the activity in the last settlement cycles of the reporting period. The value of adjustments for impairment of receivables as of December 31, 2024 is 165.4 thousand lei.

Cash and cash equivalents, with a value of 8,382 thousand lei and contributing by 40% to the total current assets, showed an increase in value of 1,599.1 thousand lei, i.e. 23.6% in the reporting period compared to the beginning of the year.

Cash and cash equivalents belonging to the Company, amounting to 4,403.6 thousand lei and accounting for 47.5% of total cash and cash equivalents, show a significant positive increase compared to the beginning of the reporting period, i.e. 84.3%. As at 31.12.2024, the Company had closed the bank deposit recorded as a short-term investment at the beginning of the year.

The amounts available on the collection accounts that mediate settlements with insurers decreased by 9.4% compared to the beginning of the year, from 4,393.2 thousand lei to 3,978.4 thousand lei. As for cash and equivalents and receivables, this change is also directly correlated with the change in the intensity of activity during the last settlement cycles of the various reporting periods

The value of **fixed assets** decreased by 7.5% during the reporting period mainly due to depreciation of tangible fixed assets. The value of purchases of tangible assets in the form of equipment necessary for the activity in the reporting period amounted to 9.8 thousand lei. The share of non-current assets in total assets increases to 16.2% as current assets vary in the opposite direction to non-current assets. As at December 31, 2024, the depreciation rate of fixed assets of the Company was 46.6%.

EQUITY and DEBT

Financial position indicators (values are expressed in lei)	2023 December 31	2024 December 31	Change (%) 2024/2023	Share in Total Liabilities at 31.12.2024
Current Debt	16,400,351	15,278,402	-6.8%	61.1%
Short term bank loans	433,419	430,619	-0.65%	1.73%
Debt related to distribution activity	13,679,369	13,671,238	-0.06%	54.7%
Other short term debt	2,287,563	1,176,545	-48.6%	4.7%
Provisions	590,823	0	-100%	0%
Long-term Debt	1,082,899	459,926	-57.5%	1.84%
Long-term loans	838,402	407,783	-51.2%	1.62%
Other debt	244,497	52,143	-78.70%	0.21%
Total debt	17,483,250	15,738,328	-10%	62.9%

Share capital	500,000	500,000	-	-
Legal reserves	100,000	100,000	-	-
Retained earnings	3,586,175	6,152,499	+71.6%	24.6%
Reporting period profit	7,566,324	2,515,572	-66.8%	10.6%
Total Equity	11,752,499	9,268,071	-21.14%	37.1%
TOTAL EQUITY AND DEBT	29,826,572	25,006,399	-16.2%	100%

The specifics of the insurance distribution business, in which settlements between the Company and insurers, on the one hand, and between the Company and distribution assistants, on the other hand, are accounted for in the form of short-term receivables and payables, allocate to short-term payables the largest share of total sources of asset financing (61%, almost 6 p.p. more than in 2023) and, of course, the largest share among external sources of financing, where it accounts for 97%, by 3.2 p.p. more than in the reference period.

Payables due within one year decreased by 6.8% in the reporting period compared to the beginning of the year, following the dynamic of payables related - directly or indirectly - to the distribution activity. Of the total amount of short-term liabilities, distribution-related liabilities account for 89.8%, the remainder consisting of state budget liabilities and debt related to staff (3.8%), the outstanding portion of the long-term bank loan (2.93%) and other short-term liabilities to third parties.

Similar to the evolution of receivables derived from brokerage activity and, respectively, to the dynamic of the balance of bank accounts (for amounts transiting the Company for settlement with insurers), the dynamics of this short-term debt category reflect differences in the intensity of activity in the last settlement cycles of the reporting period.

Debt falling due after more than one year decrease by 57.5%, i.e. by 623 thousand lei as at 31.12.2024 compared to 01.01.2024, due to the reduction in the amount of long-term bank loans and obligations related to leasing contracts on the basis of repayments of due installments. Thus, at the end of the reporting period, bank loans contribute 88.6% to the amount of long-term liabilities, while the fractions with due date of the balance of leasing contracts of more than one year represent 11.3% of total long-term liabilities.

At the end of the reporting period, the **total debt** of the Company amounted to 15,738.3 thousand lei and by 10% decreased compared to the beginning of the year, due to the decrease in both the value of long-term debt (-625.8 thousand lei, or - 57.5%) and of the current debt (-1,121.9 thous lei, or -6.8%).

In 2024, the amount of provisions has been reduced to 0 and no further provisions have been made.

Although the assets – primarily receivables and cash equivalents involved in settlement relationships in the insurance ecosystem – are mainly financed by short-term debts, the Transilvania Broker's operations are also supported by own **equity**, which accounts for 37.1% of its overall funding. Consequently, Transilvania Broker equity reached 9,268.1 thousand lei, a decline of 21.1% compared to the beginning of the year.

As a result of the payment of dividends during the year, by resolution of the OGSM of April 23, 2024, in the amount of 1 leu/share, i.e. 5 million lei, the retained earnings at the end of the year are only by 2,566.3 thousand lei higher than at the beginning of the year. Compared to 2023, the profit for the reporting period in the amount of 2,515.6 thousand lei is 66.8% lower than the profit for the reference period

5.2. FINANCIAL PERFORMANCE ANALYSIS

Financial performance indicators				
(values are expressed in lei)	2023 December 31	2024 December 31	Change (%) 2024/2023	Share in revenue category / related expenditure (%) 2024
Operating Revenues, of which	111,034,347	106,557,166	-4.03%	100%
Revenues from distribution activity	111,013,199	106,530,434	-4.04%	100%
Other operating Revenues	21,148	26,732	+26.4%	-
Operating Expenditures, of which	102,572,395	103,828,299	+1.2%	100%
Expenses with fees for brokerage agents and auxiliary assistants	92,005,145	93,337,505	+1.4%	89.9%
Personnel expenses	5,175,982	5,789,745	+11.9%	5.6%
Expenditure on services provided by third parties	4,362,597	4,148,426	-4.9%	4.00%
Other operating expenditure	364,843	484,253	+32.7%	0.47%
Material expenses	136,205	156,825	+15.1%	0.15%
Expenditure on other taxes, fees and similar payments	117,626	176,906	+50.4%	0.17%
Amortization expenses	222,872	331,314	+48.7%	0.32%
Current assets depreciation expenditure	-12,875	-5,852	-	-
Adjustments on provisions	200,000	-590,823	-	-
OPERATING RESULT	8,461,952	2,728,867	-36%	-
Financial revenues	490.665	221.086	+260,9%	-
Financial expenditures	171.410	103.000	+20,5%	-
FINANCIAL RESULT	319.255	118.086	+518,8%	-
GROSS RESULT	8.781.207	2.846.953	-33,6%	-
Corporate income tax	1.214.883	331.381	-28,2%	-
NET RESULT	7.566.324	2.515.572	-34,3%	-

In the context of the implementation of the diversification strategy regarding business lines, supported by the nation-wide network of over 1600 collaborators (brokerage assistants), the transfer of the impact on the Company's revenue due to the decrease in collected commissions from insurers, to the assistants, by reducing the commissions granted was not considered as an option by the Company's management. **The amount of commission paid** increased in line with the effort made by the assistants to grow the distribution activity volume, yet at a slower pace, i.e. by 1.4%

In addition, optimizing, retaining, retaining and motivating its own human resources in order to engage them in the new strategic directions development justifies the increase in **personnel expenditure** by 11.9% in 2024 compared to 2023 - a marginal increase against the inflationary evolutions of the last years.

The increases in these two most important categories of operating expenses were moderately offset by **cost reductions realized for other significant categories**: software development expenses (24Broker) decreased by 16% (-328.4 thousand lei) in the reporting period compared to the baseline period, promotion and advertising expenses were reduced

by 61% (-237.6 thousand lei), and staff training expenses were kept at the minimum possible level, recording an 84% lower allocation of resources compared to 2023 (-194 thousand lei).

At the same time, a number of important costs directly related to the volume of business have increased in value with the intensification of activity as measured by the increase in the volume of premiums brokered. For example, the expenses with banking services associated with the payments of the concluded policies and other similar expenses - included in the category "expenses with services rendered by third parties" increased by 216 thousand lei in the reporting period, compared to the reference period. Also, the expenses with other services rendered by third parties and other operating expenses increased by 56% (+242 thousand lei) and 33% (119 thousand lei), respectively, this dynamic integrating predominantly the investments required by the launch of new business directions.

Consequently, as of 31.12.2024, **total operating expenses** increased by 1.2% compared to 31.12.2023, while the **gross operating result** decreased by 67.8% during the same period, remaining positive and amounting to 2,728.9 thousand lei

Financial income and expenses, more than 95% of which related to interest, generated a positive financial result of 118.1 thousand lei. **The net result for the year** is positive, amounting to 2,515.6 thousand lei.

6. Litigations

The Company's management reviews unresolved legal cases, monitoring developments in judicial proceedings and the situation at each reporting date, in order to assess provisions and disclosures in its financial statements. Among the factors considered in decisions related to provisions are the nature of the litigation or claims, the potential level of damages, and the progress of the case (including developments after the financial statements' reporting date but prior to their issuance).

In 2022, the Company recorded provisions for litigation in connection with claims filed by Omniasig Vienna Insurance Group S.A., consisting of compensation and legal expenses incurred in a damage file. The provision was estimated at RON 390,823, representing the value of the claims requested by the plaintiff, and was maintained as of December 31, 2023.

In the course of 2024, the Company lost the lawsuit filed by Omniasig Vienna Insurance Group S.A. and paid the amount of RON 405,253 as compensation. The previously recorded provision was reversed to income.

President of the Board of Directors

Niculae Dan