



BOARD OF DIRECTORS

JUSTIFICATION NOTE

on the establishment of the Revenue and Expenditure Budget (RBE) for the year 2024 and the proposal of the Board of Directors on the distribution of the net profit for the financial year 2023

1. Income

The revenue estimate for 2024 was made taking into account both the previous year's achievements, the company's potential and the current situation of the insurance market in our country.

During 2023, Transilvania Broker de Asigurare brokered premiums worth 944.8 million lei, with an average commission of 11.8%, resulting in a turnover of about 111 million lei.

For 2024, we forecast an increase in the volume of premiums collected by about 15%, up to 1.1 billion lei, as well as a decrease in the average commission to 11%, so that the turnover will be around 121 million lei.

2. Expenditure

The total expenditure will be around 116 million lei, the most important share being represented by the expenses with brokerage assistants, about 105 million lei.

3. Profit

This will result in an estimated net profit for the financial year 2024 of about 5 million lei .

4. Proposed distribution of net profit

In the short period between the message previously sent to investors in the Preliminary Financial Report for 2023 and the Board meeting convening the annual AGM, the decision-making parameters have changed significantly, leading to a change in the proposal it will make to the AGM regarding the dividend.

First, signals have been received indicating a high likelihood of maintaining the cap on insurance intermediaries. This has not only led us to be more cautious in our expectations for the next period, but has also encouraged us to take decisions to seize new business development opportunities that will create the conditions for maintaining and increasing the profitability that we have accustomed our shareholders to, regardless of market or regulatory developments.

In this respect, an action plan has been drawn up for the new development direction which, for the first time since Transilvania Broker has been listed on the stock exchange, involves important



investments, which are necessary in the evolution of any business for which long-term prospects are desired. For understandable reasons, we will come back with information at the appropriate time.

We are confident, however, that the investment decision - for which we need availability in 2024 - will bring a turning point for TBK which, together with the executive management, we will carefully and successfully implement for the immediate and lasting benefit of our investors.

The Board has discussed and is considering returning to the AGM with a new proposal to grant a dividend in the second half of the year, as the market environment relaxes and we identify external sources of funding for the investment plan, but without incurring financing costs that impact financial performance. However, we are holding back on making promises in this regard.

PRESIDENT OF THE BOARD OF DIRECTORS

NICULAE DAN