



Transilvania Broker[®]
BROKER DE ASIGURARE

2023 Q1 REPORT

Issue Date	May 10th, 2023
Issuer	TRANSILVANIA BROKER DE ASIGURARE S.A.
Registered Office	13, Calea Moldovei Street, Bistrița, Bistrița-Năsăud County
Phone Number	+40263-235900, Fax No: +40263-235910
Taxpayer Identification Number	19044296
Trade Register Identification Number	J06/674/2006
Share Subscribed and Paid Capital	500,000 lei
Market Where The Issued Securities Are Traded	Regulated Spot Market, Main Segment
Trading Symbol	TBK



CONTENTS

1. SIGNIFICANT DEVELOPMENTS WITHIN THE REPORTING PERIOD	1
2. FINANCIAL POSITION AND RESULTS OF THE ISSUER WITHIN THE REPORTED PERIOD	2
2.1. Analysis of economic-financial performance	2
2.2. Analysis of financial position	4
3. ANALYSIS OF THE ECONOMIC AND FINANCIAL INDICATORS	7
4. Annex 1 – Financial Statements as of March 31, 2022, non-audited	8
4.1. FINANCIAL POSITION	8
4.2. PROFIT AND LOSS ACCOUNT	9
5. CASH-FLOW STATEMENT	10
6. CHANGES IN COMPANY’S EQUITY	11
7. EXPLANATORY NOTES TO THE QUARTERLY ACCOUNTING REPORTS DRAFTED ON MARCH 31, 2023	12

1. SIGNIFICANT DEVELOPMENTS WITHIN THE REPORTING PERIOD

The **volume of the distributed insurances** in the first quarter of 2023 (Reporting period) by Transilvania Broker de Asigurare S.A. was of almost 233 m. lei, **by 7.3% more** than in the reference period ended on 31.03.2022. This generated **revenues of 33,495 thous. lei** and a positive **net result of 4,334.3 thous lei**.

As the first half of 2022 was characterised by an unprecedented overall increase in insurance intermediation activity, against the background of the redistribution of City Insurance policies, the reference period (Q1 2022) is a less relevant comparison period for the reporting period. Moreover, in the context of insurance and insurance distribution markets undergoing a prolonged process of repositioning under the legislative uncertainties in the MTPL, and the restructuring of forces in the competitive spectrum for all classes of insurance, **the 19.1% increase in the volume of premiums distributed in facultative insurance classes, together with the 4.4% increase in the volume of MTPL policies intermediated by Transilvania Broker represent favourable results for the first quarter of this year.**

This assessment gets even more consistent since, for Transilvania Broker's management, the facultative insurance distribution activity represents the strategic growth vector for the business, due to the very high growth potential in Romania and to the major positive impact on profits, while the intermediation of MTPL policies remains, in full correspondence to the specifics of the Romanian insurance market, the critical component of support and consistency for growth. We also note that the level of the average gross commission on the class of MTPL insurance is on a sustained downward trend in recent years, with an impact on the insurance distributor's revenues, because of its high share in the total portfolio of intermediated premiums.

In this context, the decreasing dynamics of distribution revenues (-8.26%) and profits (-17%), respectively, compared to the first quarter of the previous year, do not reflect a business deceleration, but the maintenance of Transilvania Broker on the upward trend, against the current challenging market conditions.

As of 31.03.2023, **the most significant insurance classes by their contribution in absolute value to the volume of premiums intermediated by Transilvania Broker assistants recorded significant increases** compared to the reference period. While the MTPL class continued to make the most important contribution in absolute value (+7,644.1 million lei) to the increase of 15,867 thousand lei in the volume of insurance distributed in the first quarter of 2023 compared to the same period of 2022, the most significant percentage increases were recorded for classes A3 (+20%), A8 (+28%), A9 (+30%)¹. At the same time, insurance premium volume for health insurance (A2) increased by 37% and for life insurance, annuities and supplementary life insurance (C1) by 36%.

On 22.03.2023, the Ordinary Shareholders' Meeting of Transilvania Broker de Asigurare S.A. was convened and, in a statutory and legal meeting held on the first call on 26 April 2023, the shareholders discussed and approved the **distribution of 10,000,000 lei as dividends**, which is

¹ A3 - Land vehicles, excluding railway rolling stock; A8 - Fire and natural disasters, (for property other than that insurable in classes A3 to A7); A9 - Hail, frost and other risks than those in class A8



33.3% higher than the dividend for the previous financial year, representing a gross dividend/share of 2.0 lei.

During the reporting period, Transilvania Broker's management **accelerated the implementation of digitization program for the sales activity, as well as of the online promotion projects**, reflected in a 37% increase in IT expenses which almost reached 500 thousand lei, and in a 78.5% increase in advertising and publicity expenses, which exceeded 300 thousand lei. Given that the development of the online issuing platform will absorb the necessary resources, **by the end of 2023, the online issuing platform will accommodate, fully functional, a new class of insurance in the platform (home insurance)**, along with insurance-related services (roadside assistance and home technical assistance).

2. FINANCIAL POSITION AND RESULTS OF THE ISSUER WITHIN THE REPORTED PERIOD

2.1. Analysis of economic-financial performance

The first quarter of 2023 ended, for Transilvania Broker de Asigurare S.A., with total revenues amounting to 33,508 thousand lei and a positive net result of 4,334.3 thousand lei, generated by a volume of insurance premiums distributed amounting to 232,829.7 thousand lei, by 7.3% higher than in the same period of the previous year, 2022 (reference period). Compared to the first quarter of 2022, these result indicators recorded by 8.26%, and 17% respectively, lower levels. However, as the first half of the previous year generated, in the context of the bankruptcy of City Insurance, record levels of growth for revenue and profit, and referring to the positive evolution of the volume of premiums - especially of premiums on facultative class insurance (+19%) - distributed in a mixed market context as described in the previous section, in the opinion of Transilvania Broker's management, the results for the reporting period are excellent and in line with budgeted levels.

Compared to the same period of 2021 - because 2022 is not relevant due to the exceptional distribution of income and profit over the 4 quarters - the income achieved in the reporting period contributes to the budgeted income for 2023 by a slightly higher percentage than the contribution of the first quarter of 2021 to the entire volume of premiums brokered in 2021. At the same time, the profit reported as of 31.03.2023 accounts for 36% of the budgeted full-year profit, 7 p.p. more than the contribution of the profit of the first quarter of 2021 to the full-year 2021 profit.

The net profit rate as of 31.03.2023 was 12.9%, given that the operating expenses decreased at a lower rate than the revenues from the distribution activity. This was due, on the one hand, to the slower decrease of commission expenses granted to Transilvania Broker's brokerage assistants and, on the other hand, to the management's decision to sustain the pace and intensity of the business digitization and promotion process.

PROFIT AND LOSS ACCOUNT

Financial performance indicators (lei)	2022 31 March	2023 31 March	Evolution (%) Q1 2023 / Q1 2022	Share in the corresponding revenues/ expenditure category (%) 2023
Operating revenues, wherefrom:	36,516,593	33,508,034	-8.24%	100%
Net Turnover, wherefrom:	36,511,027	33,495,061	-8.26%	100%
Revenues out of distribution activity	36,511,027	33,495,061		
Other operational revenues	5,566	12,973	+133.1%	-
Operating expenditure, wherefrom:	30,462,843	28,403,356	-6.76%	100%
Expenses with fees for brokerage agents and auxiliary assistants	27,998,264	25,606,104	-8.54%	90.2%
Expenses with third party services' providers	942,729	1,342,208	+42.4%	4.73%
Expenses with personnel	1,116,129	1,223,052	+9.58%	4.31%
Expenses with disposable and inventory materials	51,835	34,144	-34.1%	0.12%
Expenses with other taxes, fees and similar payments	59,715	56,263	-5.8%	0.2%
Other operating expenses	206,602	54,069	-73.8%	0.19%
Adjustment of fixed assets value	87,569	87,516	-0.1%	0.31%
OPERATING RESULT	6,053,750	5,104,678	-15.7%	-
Financial revenues	5,636	31,866	+465.4%	-
Financial expenditure	23,814	47,643	+100.1%	-
FINANCIAL RESULT	(18,178)	(15,777)	-	-
TOTAL REVENUES	36,522,229	33,539,900	-8.17%	-
TOTAL EXPENDITURE	30,486,657	28,450,999	-6.68%	-
GROSS RESULT	6,035,572	5,088,901	-15.68%	-
Tax on profit	811,861	754,625	-7.05%	-
NET RESULT	5,223,711	4,334,276	-17.03%	-

The most important category of **operating expenses**, represented by expenses with commissions due to assistants, decreased by 8.54%, i.e. by 2,392.2 thousand lei, in the same line and almost in the same intensity with the income from distribution activity, against the background of the particular evolution on the insurance distribution market reflected both in the volume of intermediated premiums, and in the level of the average gross commission. During the reporting period, the latter was of 14.4%, 2.44 p.p. below the level for the reference period.

Except for the category of expenses with commissions due to assistants - a category directly correlated to the dynamics of insurance distribution income - the evolution of the other significant cost categories reflects management's determination and consistency in sustaining investment in the key strengths and assets of the business over the long term.

Thus, in the first quarter, **human resource expenses** report increases by almost 10% compared to the reference period. Likewise, expenses on services provided by third parties, the third most significant category of operating expenses with a share of 4.7% in total operating expenses, which

incorporates expenses on IT services and online promotion, also increased by almost 400 thousand lei, i.e. by 42.4% compared to the first quarter of 2022. Investments required by the **operationalization of the digitalization plan have not been decelerated**, their value increasing by 37.3% in the same period, to almost 500 thousand lei. In the same sense, the **online promotion campaigns** of Transilvania Broker's services generated a 78.5% increase in advertising and publicity expenses, contributing 23.3% to the book value of expenses with services provided by third parties, i.e. 312.3 thousand lei as at 31.03.2023. We also note that in the category of other expenses with services provided by third parties, a percentage of 23.8% equivalent to an amount of almost 320 thousand lei, also represents expenses with assistants, which increased by 76.7% in the reporting period compared to the reference period.

In the context of a temporary correction of the profit margin, also as an exception, Transilvania Broker's management decided to allocate strictly necessary resources to its social-educational projects, the value of sponsorships granted until 31.03.2023 being 54.1 thousand lei, by 73.8% less than in the first quarter of 2022.

Under these circumstances, **the gross operating result** as at 31.03.2023 was 5,104.7 thousand lei, the gross margin being 15.2%.

Financial income and expenditure, 93% and 92.5% respectively of which is interest income and expenditure, remain at a relatively low level, although their growth dynamic has been significant. Income from interest increased by 24.3 thousand lei (+88.8%), mainly due to the policy of managing cash available through the establishment of a term deposit of 6,000 thousand lei recorded in the accounts as a short-term investment. This increase offset the increase in interest expenses in the amount of 20.7 thousand lei calculated as related to the amount payable to Asirom Vienna Insurance Group, which was paid during the reporting period..

Accordingly, the first quarter of 2023 reports a **gross profit of 5,088.9 thousand lei** and a **positive net result of 4,334.3 thousand lei**, respectively.

2.2. Analysis of financial position

ASSETS				
Financial position indicators (lei)	2023 January 1st	2022 March 31st	2023 March 31st	Evolution (%) Q1 2023/ Q1 2022
Fixed assets	4.607.511	4.827.225	4.530.495	12%
Intangible assets	15.595	19.923	18.096	0,05%
Tangible assets	4.571.645	4.787.734	4.491.984	11,9%
Financial assets	20.271	19.568	20.415	0,05%
Current assets	27.418.774	27.522.928	33.174.774	87,9%
Inventories	0	0	0	0
Receivables, wherefrom:	12.599.247	9.405.633	8.142.993	21,6%
Brokerage activity receivables	2.139.774	2.005.956	168.696	0,45%
Other receivables	10.459.473	7.399.677	7.974.297	21.1%
Short-term investments	6.000.000	0	6.000.000	15,9%
Cash and cash equivalents	8.819.527	18.117.295	19.031.781	50,4%
Pre-payments	40.339	57.066	37.876	0,1%
TOTAL ASSETS	32.066.624	32.407.219	37.743.145	100%



Current assets maintain their dominant position in the total assets of Transilvania Broker, their weight increasing from 85% at 31.03.2022, to 87.9% at the end of the reporting period due to a growth of 21% as compared to 01.01.2023 and of 20.5% as compared to the first quarter of 2022.

This dynamic is primarily due to the evolution of cash and cash equivalents, the category with the largest share in total current assets, 57.4%, followed by receivables, with 24.5%. The value of cash and cash equivalents increased by 115.8% as compared to 01.01.2023 and by 5.1% compared to the same period of the previous year, due to an increase in both collector accounts balance - which mediate the transfer of funds between customers and insurers - by 2,570.5 thous. lei (+37.8%), and in the balance on the deposit accounts by 4,328.7 thous. lei (+38.2%).

It should be noted that in the reporting period, to the value of own cash and cash equivalents (9,663.6 thousand lei) one should add the value of short-term investments representing the bank term deposit in the amount of 6.000 thousand lei. While the change in the balance of the collecting accounts gives a snapshot on the amounts which, at the end of the reporting period, are in the process of being transferred to insurers, the dynamics of own liquid assets incorporate the cumulative and still undistributed result of previous reporting periods.

In terms of structure, own funds excluding term deposits represent 51% of total cash and cash equivalents as at 31.03.2023. Their dynamic is justified by the incorporation of the result of the financial year, the dividend set by the AGOA resolution of 26 April 2023 not having been paid in the reporting period.

As of 31.03.2023, the value of receivables decreased by 13.4% as compared to 31.03.2022, and by 35.4% compared to the beginning of the year. Of the total receivables recorded at the end of the reporting period, receivables derived from insurance intermediation activity include both the amount related to this balance sheet item (168.7 thousand lei) and 81% of the amount of the balance sheet item "Other receivables", i.e. 6,444 thousand lei, which represent amounts to be collected from the assistants in Transilvania Broker's sales structure. These receivables have strict collection terms, regulated by law, internal procedures and contractual terms.

Considering that the value of all receivables derived from the intermediation activity represents 81.2% of the total value of receivables, we can conclude that the dynamics of receivables, as a whole, essentially reflects the variation in intensity of the insurance distribution activity in the reporting period compared to the reference period.

The amount of provisions set up for the impairment of receivables as at 31.03.2023 is 182.5 thousand lei, of which 139 thousand lei stand for the impairment of receivables from customers and 43.5 thousand lei, for the impairment of receivables from suppliers.

During the reporting period, the balance sheet value of **fixed assets** decreased by 1.7% (-77 thousand lei) compared to the beginning of the year, due to the recording of depreciation of fixed assets for the period, partially offset by investments in equipment and means of transport in the amount of 4.2 thousand lei and, respectively, the recording of intangible assets of the nature of rights and obligations, in the amount of 4.2 thousand lei. The share of fixed assets in total assets thus decreased from 14.4% at the beginning of the year to 12% at 31.03.2023.

EQUITY and DEBT				
Financial position indicators (lei)	2023 January 1st	2022 March 31st	2023 March 31st	Evolution (%) Q1 2023/ Q1 2022
Current debt	15,144,141	13,611,971	16,540,225	43.8%
Bank loans	433,419	433,419	433,419	1.15%
Debts incurring from brokerage activity	10,778,926	10,855,646	13,294,843	35.2%
Other short-term debt	3,931,796	2,322,906	2,811,963	7.45%
Non-current debt	2,358,649	2,191,472	2,304,810	6.11%
Long-term bank loans	1,271,820	1,596,884	1,163,466	3.1%
Other long-term debt	1,086,829	594,588	1,141,344	3.01%
Total debt	17,502,790	15,803,443	18,845,035	49.9%
Provisions	515,823	1,236,391	515,823	1.37%
Share capital	500,000	500,000	500,000	1.33%
Reserves, wherefrom:	100,000	100,000	100,000	0.27%
Legal reserves	100,000	100,000	100,000	0.27%
Own shares	(125,000)	-	(125,000)	-
Retained earnings	2,043,674	9,543,674	13,573,011	36%
Result of the period	11,529,337	5,223,711	4,334,276	11.5%
Equity	14,048,011	15,367,385	18,382,287	48.7%
TOTAL EQUITY AND DEBT	32,066,624	32,407,219	37,743,145	100%

The Company's **total debt**, up 7.7% at the end of the reporting period compared to the beginning of 2023, contributes 49.9% to the financing of assets, 6.7 p.p. less than at 31.12.2022. The increase in the value of assets - on the back of the increase in the value of current assets - contributed to this dynamic mainly to a significantly higher extent (+ MDL 5,676.5 thousand) than the increase in liabilities (+ MDL 1,342.2 thousand) in the reporting period compared to the beginning of the period.

Current debt, which as at 31.03.2023 represented 87.8% of total liabilities and 43.8% of total liabilities, consist in 80.4% of liabilities related to the distribution activity, with strictly regulated terms of maturity and payment, according to the specifics of the insurance distribution activity. As in the case of receivables arising from insurance distribution activity, the dynamics of current liabilities associated with distribution activity (+22.5% compared to the first quarter of the previous year) reflects the variation in activity related to the last settlement cycle.

Long-term debt, consisting of bank loans (50.5%) contracted to co-finance the purchase of tangible assets for the relocation of the headquarters and for the development of the Bucharest branch, down 27.1% compared to 31.03.2022, and 8.5% compared to the beginning of the year, due to the payment of the due instalments. Other long-term liabilities also include leasing contracts for motor vehicles.

The negative balance of the Treasury shares position reflects the implementation of the buyback programme approved in accordance with the resolution of the AGM no. 14/07.09.2021 and the decision of the Board of Directors no. 27/14.12.2022, for the implementation of the incentive and loyalty programme for key persons in the Company, Stock option plan. The repurchased shares will be allocated to the beneficiaries in the second quarter of 2023.

Own equity, which represents 48.7% of balance sheet liabilities as at 31.03.2023, is by 31% higher than the beginning of the reporting period and up by 19.6% as compared to the reporting period, totaling, first of all, a higher value of retained earnings (13,573 thousand lei) which is by 11,529.3 thousand lei above the level reported at the beginning of the reporting period, together with the result of the reporting period (4,334.3 thousand lei).

3.ANALYSIS OF THE ECONOMIC AND FINANCIAL INDICATORS

Liquidity, solvency and debt ratios	Calculation formula	March 31, 2022	March 31, 2023	Benchmark
Current ratio	Current assets / Current debt	2.02	2.02	>2
Cash ratio	Cash/ Current debt	1.33	1.15	>0.5
Solvency ratios	Total assets / Total debt	2.05	2.00	>1
	Equity/ (Equity + Total Debt)	47.4%	48.7%	>30%
Long-term debt ratio	Long-term debt / (Equity + Long-term debt) x 100	12.4%	11.1%	
Total debt ratio	Total debt / Total assets x 100	48.8%	49.9%	<80%
Rotation speed of fixed assets	Turnover / Intangible assets	7.56	7.46	-

The company's **liquidity ratios** display a comfortable position for Transilvania Broker, with the clarification that these indicators reflect the particularities of the insurance distribution activity, in which the terms of settlement of claims and debts in relation to insurers and, respectively, assistants are legally and procedurally regulated.

Within this framework, the relevance of general and current liquidity is relatively low, while the quick liquidity indicator confirms that the Company has more cash available than necessary to cover current liabilities.

The other categories of economic and financial indicators also indicate a sound financial position and a comfortable level of risk for a company with an accelerated investment policy. During the reporting period, the increase in the value of total assets exceeded the increase in the Company's total liabilities, a difference fuelled mainly by the increase in cash and cash equivalents and, indirectly, in the value of current assets.

This report has been prepared on the basis of the unaudited financial statements as at 31.03.2023.

Chairman of the Board of Administrators,
Dan Niculae

4. Annex 1 – Financial Statements as of March 31, 2022, non-audited

4.1. FINANCIAL POSITION

(lei)	31 martie 2022	01 ianuarie 2023	31 martie 2023
Fixed Assets, wherefrom:	4,827,225	4,607,511	4,530,495
Intangible assets	19,923	15,595	18,096
Tangible assets	4,787,734	4,571,645	4,491,984
Financial assets	19,568	20,271	20,415
Current assets, wherefrom:	27,522,928	27,418,774	33,174,774
Inventories	-	-	-
Receivables, wherefrom:	9,405,633	12,599,247	8,142,993
Receivables related to the distribution activity	2,005,956	2,139,774	168,696
Other receivables	7,399,677	10,459,473	7,974,297
Short term investment	-	6,000,000	6,000,000
Cash and cash equivalents	18,117,295	8,819,527	19,031,781
Pre-payments	57,066	40,339	37,876
TOTAL ASSETS	32,407,219	32,066,624	37,743,145
Current Debt, wherefrom:	13,611,971	15,144,141	16,540,225
Debt related to the distribution activity	433,419	433,419	433,419
Debt in relation to credit institutions	10,855,646	10,778,926	13,294,843
Commercial payables and other debts	2,322,906	3,931,796	2,811,963
Net current assets/ Net current debt	13,968,023	12,314,972	16,672,425
Total assets minus Current debts	18,795,248	16,922,483	21,202,920
Non-current Debt, wherefrom:	2,191,472	2,358,649	2,304,810
Long-term bank loans	1,596,884	1,271,820	1,163,466
Other long-term debt	594,588	1,086,829	1,141,344
TOTAL DEBTS	15,803,443	17,502,790	18,845,035
Provisioning	1,236,391	515,823	515,823
Paid and subscribed share capital	500,000	500,000	500,000
Reserves	100,000	100,000	100,000
Own shares		125,000	125,000
Retained earnings	9,543,674	2,043,674	13,573,011
Result of the period	5,223,711	11,529,337	4,334,276
EQUITY	15,367,385	14,048,011	18,382,287
TOTAL EQUITY AND DEBT	32,407,219	32,066,624	37,743,145

CEO,
Mr. Gabriel Login

CFO,
Mrs. Oana Pârțiu-Vasilichi

4.2.PROFIT AND LOSS ACCOUNT

(lei)	March 31, 2022	March 31, 2023
Operating Revenues	36,516,593	33,508,034
Net Turnover, from which:	36,511,027	33,495,061
Revenues from distribution activity	36,511,027	33,495,061
Other revenues	5,566	12,973
Operating Expenditure	30,462,843	28,403,356
Expenses with commission fees for brokerage agents	27,998,264	25,606,104
Expenses with third party service providers	942,729	1,342,208
Expenses with disposable and inventory materials	51,835	34,144
Expenses with other taxes, fees and similar payments	59,715	56,263
Expenses with personnel	1,116,129	1,223,052
Other operating expenses	206,602	54,069
Adjustments in fixed assets (amortization)	87,569	87,516
Operating Profit or Loss	6,053,750	5,104,678
Financial Revenues	5,636	31,866
Financial Expenditure	23,814	47,643
Financial Profit or Loss	(18,178)	(15,777)
Gross Profit or Loss	6,035,572	5,088,901
Tax on profit	811,861	754,625
Net Profit or Loss for the reported period	5,223,711	4,334,276

CEO,
Mr. Gabriel Login

CFO,
Mrs. Oana Pârțiu-Vasilichi



5.CASH-FLOW STATEMENT

Indicators	Results of the reported period	
	January 1, 2023	March 31, 2023
CASHFLOW FROM OPERATIONAL ACTIVITY		
1. Cash received from distribution activity	773,110,159	227,470,222
2. Cash paid pertaining to the distribution activity	749,226,517	214,602,659
3. Other cash received from various debtors	5,508	27,331
4. Cash paid to suppliers and different creditors	3,665,778	1,114,527
5. Cash paid to and on behalf of employees	4,527,204	1,097,744
6. Payments pertaining to special funds in the distribution activity	125,480	34,528
7. Other cash payments afferent to operational activity	1,772,930	290,616
8. Cash paid as dividends transferred to shareholders	7,126,481	0
9. Cash paid as interests pertaining to the loan	131,187	38,768
10. Paid tax on profits	1,692,828	0
NET CASH GENERATED FROM (PAID IN) OPERATIONAL ACTIVITY	4,847,262	10,318,711
CASHFLOWS OUT OF INVESTMENT ACTIVITY		
1. Cash paid for purchase of tangible and intangible assets	80,559	0
2. Cash received as bank interest	132,814	29,651
3. Cash paid for other short-term investment	6,000,000	0
NET CASH GENERATED FROM (USED IN) INVESTMENT ACTIVITY	-5,947,745	29,651
CASHFLOWS RELATED TO FINANCING ACTIVITY		
1. Cash paid to shareholders for redemption of own shares	125,000	
2. Cash paid to reimburse borrowed amounts	433,419	108,355
3. Cash received from funds borrowed from shareholders	11,600	0
4. Cash paid for reimbursement of amounts borrowed from shareholders	11,600	0
5. Cash paid for financial lease contracts	99,864	27,752
NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES	-658,283	-136,107
CASH AND CASH EQUIVALENTS on January 1st, 2023	10,578,292	8,819,526
NET INCREASE OR DECREASE OF CASH AND CASH EQUIVALENTS	-1,758,766	10,212,255
CASH AND CASH EQUIVALENTS ON MARCH 31, 2023	8,819,526	19,031,781

CEO,
Mr. Gabriel Login

CFO,
Mrs. Oana Pârțiu-Vasilichi



6.CHANGES IN COMPANY'S EQUITY AS OF MARCH 31, 2023

Item		Balance as of January 1, 2023	Increases		Decreases		Balance as of March 31, 2023
			Total, of which:	By transfer	Total, of which:	By transfer	
Subscribed Capital		500,000	0	0	0	0	500,000
Premium related to capital		0	0	0	0	0	0
Re-evaluation reserves		0	0	0	0	0	0
Legal Reserves		100,000	0	0	0	0	100,000
Retained earnings representing the realized revaluation reserve surplus		0	0	0	0	0	0
Other Reserves		0	0	0	0	0	0
Retained earnings - non-allocated profit or uncovered loss	Sold C	2,043,674	11,529,337	11,529,337	0	0	13,573,011
	Sold D	0	0	0	0	0	0
Retained earnings - non-allocated profit or uncovered loss	Sold C	0	0	0	0	0	0
	Sold D	0	0	0	0	0	0
Result of the reporting period	Sold C	11,529,337	4,334,276	0	11,529,337	11,529,337	4,334,276
	Sold D	0	0	0	0	0	0
Total Equity		14,173,011	15,863,613	11,529,337	11,529,337	11,529,337	18,507,287

CEO,
Mr. Gabriel Login

CFO,
Mrs. Oana Pârțiu-Vasilichi



7. EXPLANATORY NOTES TO THE QUARTERLY ACCOUNTING REPORTS DRAFTED ON MARCH 31, 2023

1. INTANGIBLE ASSETS

The intangible assets that meet the recognition criteria provided by Standard 36/2015 are presented at cost, less accumulated amortisation.

The costs incurred for the purchase of software are capitalized and paid off based on a linear amortisation method that spreads the cost over their useful life.

Concessions, patents, licenses, trademarks, rights and similar assets are recorded in the accounts for intangible assets at their acquisition cost.

Licenses and other intangible assets are amortised using the linear amortisation method over an estimated period of 3 years.

2. TANGIBLE FIXED ASSETS

Cost / Evaluation

Tangible assets recognized as assets are initially measured at cost by the Company, and subsequently at cost less accumulated depreciation and cumulative impairment losses. The cost of an item of tangible assets is made up of the purchase price, including non-recoverable taxes and any costs that may be directly attributed to bringing the asset to its location and in the condition necessary for it to be used for the purpose intended by the management, such as: initial delivery and handling costs, installation and packaging costs, professional fees, after deducting any commercial discounts.

Expenditure on maintenance and repairs of tangible assets are recorded by the Company in the profit and loss account when incurred, while the significant improvements brought to tangible assets, which increase their value or extends their useful life, or which significantly increase the Company's ability to generate economic benefits from them, are capitalized.

Tangible fixed assets that are in progress are included in the category of completed fixed assets after their reception, bringing into use or commissioning, as applicable.

Depreciation

Depreciation is calculated for the depreciable amount, which is the cost of the asset, or another value that replaces the cost. Depreciation is recognized in profit or loss using the linear method for the estimated useful life of each component of an item of tangible assets. The useful life for the reporting period is as follows:

- Landscaping 10 years;
- Construction 40 years;
- Technical installations 3 - 6 years;
- Means of transport 5 - 6 years;
- Office furniture and equipment 3 - 5 years.

The depreciation periods used in the accounting are not different from the depreciation periods used by the Company for tax purposes.

Tangible assets held under financial leasing

As at March 31, 2023 the Company has three ongoing financial leasing contracts for means of transport:

- Lease contract signed in 2020 for a period of 5 years, with an entry value of 163,912 lei. As of March 31, 2023, the book value of this tangible fixed asset held under financial leasing is 81,956 lei;



- Lease contract signed in 2021 for a period of 5 years, with an entry value of 141,913 lei. As of March 31, 2023, the book value of this tangible fixed asset held under financial leasing is 100,522 lei;
- Lease contract signed in 2021 for a period of 5 years, with an entry value of 163,912 lei. As of March 31, 2023, the book value of this tangible fixed asset held under financial leasing is 263,328 lei.

Derecognition

Tangible assets that have been transferred or disposed of are eliminated from the Balance Sheet together with the corresponding accumulated depreciation.

Any gain or loss arising from the transfer of a tangible asset is determined by comparing the transfer incomes with the accounting value of the respective tangible asset and it is recognized at the net value in the profit or loss for the period.

3. FINANCIAL FIXED ASSETS

Financial fixed assets are initially recorded at the acquisition cost or value determined in the contract for their acquisition. Afterwards, the financial fixed assets are recorded at the entry value less the cumulative adjustments for impairment losses.

4. TRADE RECEIVABLES

Trade receivables are recognized and recorded at the initial amount to be received less impairment adjustments for uncollectible amounts. Impairment adjustments are made when there is evidence that the Company will not be able to collect the receivables on the initially agreed maturity. Uncollectible receivables are expensed when identified.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash at the cashier's office and cash available in the bank accounts. For the cash flow statement, cash and cash equivalents comprise of cash at the cashier's office and cash within the bank accounts.

6. FINANCIAL DEBTS

Trade payables are recorded at cost, which represents the amount of the obligation to be paid in the future for the goods and services received, whether or not they have been invoiced to the Company. For liabilities denominated in lei, whose settlement is based on the exchange rate of a currency, any favorable or unfavorable differences resulting from their valuation are recorded as financial income or expense, as appropriate.

7. LEASING CONTRACTS

The financial leasing contracts, which transfer to the Company all the risks and benefits pertaining to leased tangible fixed assets, are capitalized at the inception of the lease in the acquisition value of the leased assets. Lease payments are separated between interest expense and reduction of lease liability. Interest expense is recorded directly in the income statement.

Assets capitalized under a finance lease are depreciated on a basis consistent with the normal depreciation policy for similar assets.

8. PROVISIONS

Provisions are recognized when the Company has a current obligation (legal or implied) generated by a previous event. It is likely that an outflow of resources will be required to settle the obligation, and



the debt can be estimated reliably. The value of a provision represents the best estimate of the probable expenditure, or, in the case of an obligation, the amount required to settle the obligation.

9. SHARE CAPITAL

The share capital consists of ordinary shares. It is registered at the value established based on the articles of incorporation. The company acknowledges the changes in the share capital only after their approval in the General Meeting of the Company's Shareholders.

10. LEGAL RESERVES

Legal reserves represent 5% of the gross profit recorded at the end of the financial year until the total legal reserves reach 20% of the paid-up share capital in accordance with the legal provisions. As at March 31, 2023, the Company has a legal reserve at the level required by the regulatory documents, respectively 20% of the share capital.

11. SECURITIES

The securities used by the Company consist mainly of cash, receivables and debts. This kind of instruments are evaluated according to the accounting policies.

12. INCOME RECOGNITION

Operating Incomes

The category of incomes includes the amounts received or to be received on own behalf from current activities, as well as gains from any other sources. The operating incomes of the Company include incomes from the distribution activity, as well as from other operating incomes.

The Company's turnover consists of incomes from the provision of consultancy services and the proposal of insurance and/or reinsurance contracts, and incomes from other activities related to the distribution activity.

The Company's incomes are recorded as the services are provided on the basis of invoices or under other conditions provided in the contracts signed by the Company.

Incomes from the sale of goods

Incomes from the sale of goods are recorded when the goods are handed over to the buyers, delivered against invoice or under other conditions provided within the contract, which certifies the transfer of ownership of the said goods to the customers.

Incomes from royalties, rents and interests

These are recognized as follows:

- interest shall be recognized periodically, on a pro rata basis, as the income is generated, based on the accrual accounting;
- royalties and rents are recognized based on accrual accounting, according to the contract.

13. TAXES AND DUTIES

The Company pays tax on the current realised profit, according to the Romanian legislation in force at the date of the financial situations. The debt related to taxes and duties is recorded within the period to which it relates.

14. ACCOUNTING ERRORS

The errors found in the accounts may relate either to the current financial reporting or to the previous financial reporting periods. Errors are corrected at the time they are detected.

The correction of errors related to the current reporting period is made on the profit and loss account. The correction of significant errors related to previous financial reporting periods is made at the expense of retained earnings.



15. CURRENCY CONVERSIONS

Transactions made in foreign currency are converted into LEI at the exchange rate valid on the date of the transaction.

The LEU/EUR exchange rates as of March 31, 2022 and March 31, 2023 were as follows:

Currency	March 31, 2022	March 31, 2023
LEU/EUR	4.9466	4.9491

16. INTANGIBLE ASSETS

GROSS VALUE / Fixed Asset Items	Initial balance January 1, 2023	Increases	Decreases		Final balance March 31, 2023
			Total	Of which, scrappings	
Licenses and other intangible assets	115,319	6,120	0	0	121,439
TOTAL	115,319	6,120	0	0	121,439

AMORTISATION / Fixed Asset Items	Initial balance January 1, 2023	Amortisation during the period	Amortisation for assets removed from the books	Final balance March 31, 2023
Licenses and other intangible assets	99,724	3,619	0	103,343
TOTAL	99,724	3,619	0	103,343

Valoare contabila	15,595			18,096
--------------------------	---------------	--	--	---------------

There were purchases of intangible assets made in the first 3 months of 2023 in the amount of 6,120 lei. Amortisation of intangible fixed assets recognised by the Company in the first 3 months of 2023 is 3,619 lei.

17. TANGIBLE ASSETS

GROSS VALUE / Fixed Asset Items	Initial balance January 1, 2023	Increase s	Decreases		Final balance March 31, 2023
			Total	Of which, Dismantlin g and scrapping	
Lands and buildings	3,819,033	0	0	0	3,819,033
Technical installations and machines	2,129,797	4,236	0	0	2,134,033
Other installations, devices and fixtures	126,384	0	0	0	126,384
Prepayments and tangible assets in progress	0	0	0	0	0
TOTAL	6,075,214	4,236	0	0	6,079,450



DEPRECIATION / Fixed Asset Items	Initial balance January 1, 2023	Depreciation during the period	Depreciation for assets removed from the books	Final balance March 31, 2023
Landscaping	7,081	483	0	7,564
Buildings	214,866	16,132	0	230,998
Technical installations and machines	1,170,859	65,816	0	1,236,675
Other installations, devices and fixtures	110,763	1,465	0	112,229
TOTAL	1,503,569	83,896	0	1,587,465
Book Value	4,571,645			4,491,984

During the first 3 months of 2023, there were no investments into landscaping or buildings; investments into equipment, technical installations and means of transport during the first 3 months of 2023 amounted to 4,236 lei.

The value of the depreciation recognized by the Company in the first 3 months of 2023 for tangible fixed assets is 83,896 lei.

18. FINANCIAL FIXED ASSETS

The financial assets presented in the Balance Sheet refer to guarantees paid for the rental contracts for spaces used for the performance of current activities, including guarantees for utility contracts.

GROSS VALUE	Initial balance January 1, 2023	Increases	Decreases	Final balance March 31, 2023
Guarantees and long-term receivables	20,271	846	703	19,568
TOTAL	20,271	846	703	20,414

IMPAIRMENT ADJUSTMENTS	Initial balance January 1, 2023	Increases	Decreases	Final balance March 31, 2023
Guarantees and long-term receivables	0	0	0	0
TOTAL	0	0	0	0

Book Value	20,271	846	703	20,414
-------------------	---------------	------------	------------	---------------



19. TRADE RECEIVABLES AND OTHER RECEIVABLES

Receivables elements	Row No.	Balance on January 1, 2023	Balance on March 31, 2023	Liquidity term		
				Under 1 year	1 - 5 years	Over 5 years
0	1	2	3 = 4 + 5 + 6	4	5	6
TOTAL RECEIVABLES (rows 1 to 8 – row 9 + row 10 + row 11), of which:		12,599,247	8,142,993	8,142,993	0	0
Receivables related to the distribution activity	1	2,278,767	438,939	438,939	0	0
Adjustments for the depreciation of receivables related to the distribution activity	2	-138,993	-138,993	-138,993	0	0
Pre-payments for provision of services	3	1,612,816	1,331,216	1,331,216	0	0
Pre-payments for personnel and other related receivables	4	0	0	0	0	0
Receivables related to the state budget	5	0	0	0	0	0
Receivables related to the social insurance budget	6	127,297	111,399	111,399	0	0
Receivables related to the subscribed and unpaid share capital	7	0	0	0	0	0
Receivables from various debtors	8	6,837,925	6,443,953	6,443,953	0	0
Adjustments for the depreciation of receivables from various debtors	9	-43,521	-43,521	-43,521	0	0
Settlement from operations pending to be clarified	10	1,924,955	0	0	0	0

Receivables related to the distribution activity are not interest-bearing and generally have a collection period of less than 30 days.

Uncertain receivables are recorded separately in the accounting books. When it is estimated that a receivable will not be collected entirely, adjustments for value losses are recorded in the accounting books at the level of the amount which can no longer be collected.

20. SHORT TERM INVESTMENTS

As of March 31, 2023, short-term investments are represented by a bank deposit in the amount of 6,000,000 lei.



21. CASH AND CASH EQUIVALENTS

Indicator	December 31, 2022	March 31, 2023
Current and collector accounts at banks (RON)	8,816,234	19,021,697
Deposit accounts (RON)	0	0
Cash in the cashier's office (RON)	3,293	10,084
Other values (RON)	0	0
Treasury pre-payments	0	0
TOTAL	8,819,527	19,031,781

22. TRADE PAYABLES AND OTHER DEBTS

Debt elements	Row No.	Balance on Jan 1, 2023	Balance on March 31, 2023	Maturity date		
				Under 1 year	1 - 5 years	Over 5 years
0	1	2	3 = 4 + 5 + 6	4	5	6
TOTAL DEBT (rows 1 to 15), of which:		17,502,790	19,193,436	17,556,294	1,637,142	0
Bond issue loans	1	0	0	0	0	0
Amounts owed to credit institutions	2	1,705,239	1,596,885	433,419	1,163,466	0
Receivables related to the distribution activity	3	10,778,926	13,294,843	13,294,843	0	0
Amounts owed to affiliated entities	4	348,400	348,400	97,200	251,200	0
Debt from leasing contracts	5	351,999	326,444	103,968	222,476	0
Debt to the suppliers and various creditors	6	3,229,034	1,741,662	1,741,662	0	0
Debt to personnel	7	305,870	327,627	327,627	0	0
Amounts owed to assistants and auxiliary assistants	8	80,333	15,437	15,437	0	0
Debt to the social insurance budget	9	123,544	144,224	144,224	0	0
Debt to the state budget	10	465,688	1,225,535	1,225,535	0	0
Debt to special funds in the distribution activity	11	34,528	33,495	33,495	0	0
Debt with other taxes, fees and assimilated payments	12	0	0	0	0	0
Debt with the amounts to be refunded to the shareholders	13	0	0	0		0
Debt with the dividends due to the shareholders	14	1,610	1,610	1,610	0	0
Settlement from operations to be clarified	15	77,619	137,274	137,274	0	0

The Company's payables as of March 31, 2023 mostly relate to debt towards insurance companies, amounts settled in the first half of April 2023.



Debts owed to financial-banking institutions are represented by two investment loans. The long-term loan in the amount of 1,400,000 lei was contracted by the Company in 2018, in order to finance the acquisition of a building in Bistrita (the current headquarters of the Company) and two land lots related to the construction, in a total amount of 1,698,272 lei. The loan is reimbursed in equal installments set for a period of 84 months, the final maturity being on December 1, 2025. The amount remaining to be reimbursed as of March 31, 2023 is 548,300 lei. The Company constituted the following guarantees for the received loan: security on bank accounts opened with the bank; real estate mortgage on the construction and the two land lots. The second loan, amounting to 1,611,713 lei, was contracted in 2020 to finance the acquisition of a building and related land in Bucharest; the reimbursement of this loan is made in 83 equal monthly installments, with the final maturity on September 29, 2027. As of March 31, 2023, the balance of this loan is 1,048,585 lei. The building and land lots financed by this loan are mortgaged in favor of the bank. For both loans, the interest rate is set according to the 6-month ROBOR index and the bank's margin.

Debt owed to state budget, representing taxes and fees due, refer to amounts paid on maturity date that refer to these obligations. Debt to personnel and social security budgets are presented according to their purpose.

23. SHARE CAPITAL

Indicator	December 31, 2022	March 31, 2023
Value of the subscribed and paid share capital (RON)	500,000	500,000
Number of ordinary shares	2,500,000	5,000,000
Nominal value (RON/share)	0,20	0,10

24. REZERVE

Reserves	December 31, 2022	March 31, 2023
Legal Reserves	100,000	100,000

25. NET TURNOVER

Nature of achieved incomes	March 31, 2022	March 31, 2023
Incomes from the distribution activity, of which:	36,511,027	33,495,061
Incomes from advisory services regarding insurance and/or reinsurance contracts	0	0
Assistance providing for contract management and execution, including claims for compensation	48,822	62,094
Other activities related to the distribution activity	36,462,205	33,432,967
Other operating incomes	0	0
Incomes from the development of insurance products in association with insurers	0	0
Incomes from the organization of professional training courses in insurance and re-insurance	0	0
Trade discounts granted	0	0



26. PERSONNEL EXPENSES

Expenses with salaries and related contributions, other expenses related to the employees and the board of directors :

Indicator	March 31,2022	March 31,2023
Expenses with the employees' remuneration	1,044,550	1,116,636
Expenses related to lunch vouchers granted to employees	22,212	68,640
Expenses with insurance and social insurance	25,830	12,639
Labor insurance contribution	23,538	25,137
Expenses with personnel training	0	400
TOTAL:	1,116,130	1,223,452

27. ANALYSIS OF OTHER EXPENSES AND OF THE OPERATING RESULT

a) OPERATING RESULT

Indicator	Accounting reporting as of March 31,2022	Accounting reporting as of March 31,2023
1. Net turnover	36,511,027	33,495,061
2. Cost of the goods sold and services rendered (3+4)	29,346,714	27,179,904
3. Costs related to the main activity	29,052,543	27,038,319
4. Costs related to auxiliary activities	294,171	141,585
5. Gross Result related to Net Turnover (1-2)	7,164,313	6,315,157
6. General administrative expenses	1,116,129	1,223,452
7. Other operating incomes	5,566	12,973
8. Operating Result (5-6+7)	6,053,750	5,104,678

b) OTHER OPERATING EXPENDITURE

Indicators	Value as of March 31, 2022	Value as of March 31, 2023
Energy and water expenses	26,483	30,108
Expenses on maintenance and repairs	7,340	15,308
Royalties, commercial leasing and rental expenses	49,215	42,085
Insurance premiums expenses	29,344	35,069
Expenses with personnel training	0	0
Protocol, advertising and publicity expenses	180,606	319,110
Expenses with travels, assignments and transfers	1,261	1,281
Postage and telecommunications expenses	40,104	34,008
Expenditure on bank and assimilated services services	92,026	162,788
Other expenses with third party services' providers	516,350	702,050

TOTAL

942,729

1,341,807

28. TAX ON PROFIT

Indicator	Value as of March 31, 2022	Value as of March 31, 2023
1. Gross profit or loss	6,036,075	5,088,901
2. Elements similar to incomes	0	0
3. Legal reserves	0	0
4. Non-taxable incomes	0	0
5. Non-deductible expenditure	175,822	68,818
6. Difference of financially non-deductible depreciation	30,230	30,230
7. Taxable profit / fiscal loss for the reporting year (row 1+2-3-4+5+6)	6,242,127	5,187,949
8. Fiscal loss from the previous years	0	0
9. Taxable profit/ fiscal loss to be recovered from the previous years (row 7-8)	6,242,127	5,187,949
10. Current tax on profit (row 9*16%)	998,740	830,072
11. Tax related to reinvested profit	0	0
12. Tax on due profit (row 10-11)	998,740	830,072
13. Tax on profit due for 1st quarter	998,740	830,072
14. Expenses with sponsorships	186,879	75,447
15. Impozit pe profit datorat la sfarsitul perioadei	811,861	754,625

29. OTHER INFORMATION

Information on the relation with affiliated entities and other related parties

The Company does not have contributions in other entities.

Expenses with rentals and leasing

The company has three ongoing financial leasing contracts, whose balance on March 31, 2023 amounts to 326,444 lei.

The expenses with the rentals are in the amount of 42,085 lei. The rentals are related to the locations employed by the Company as secondary offices.

30. Aspects related to the environment

The company is not aware of any possible adverse effects on the environment as a result of its operations, which should be quantified. The result of such possible effects is uncertain and the Company's management does not consider it necessary to provide such debts for the environment.

31. Commitments - Guarantees granted to third parties

For the long-term contracted loans, the Company has set up the following guarantees in the favor of the bank:

- Movable guarantee (collateral) on the bank accounts opened with the bank;
- Real estate guarantee (collateral) on the land with an area of 100 sqm, cadastral no. 8452, registered in the Land Registry no. 61938 of Bistrita Municipality;
- Real estate guarantee (collateral) on the urban land with an area of 500 sqm, cadastral no. 56884 and the construction built on it, cadastral no.56884-C1, building registered in the Land Registry no. 56884 of Bistrita Municipality;



- Real estate guarantee (collateral) over an apartment located in Bucharest, cadastral no. 253777-C1-U1, registered in the Land Registry no. 253777-C1-U1 pertaining to the Municipality of Bucharest, 1st District, together with the share of corresponding parts of 3126/10000 out of the common parts and dependencies, as well as on the share of 9000/100 of the urban land with an area of 270 sqm, having cadastral no.253777, registered in the Land Registry no. 253777-C1-U1 pertaining to the Municipality of Bucharest, 1st District.

CEO,
Mr. Gabriel Login
Signature _____

Prepared by,
Mrs. Oana Pârțiu-Vasilichi
CFO
Signature _____