

Transilvania Broker
de Asigurare S.A.

ANNUAL FINANCIAL REPORT 2025

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Name of Company	TRANSILVANIA BROKER DE ASIGURARE S.A.
Registered Office	Bistrița, Calea Moldovei nr. 13, jud. Bistrița-Năsăud
Phone Number	0263-235900, Fax: 0263-235910
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Trade Register Identification Number	J06/674/2006
Share Subscribed and Paid Capital	500.000 lei
Market where the issued securities are traded on	Regulated Spot Market, Main Segment
Trading Symbol	TBK

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APPENDICES

2024 RETROSPECTIVES AND OUTLOOK: dynamics and strategic directions for Transilvania Broker de Asigurare S.A.

Transilvania Broker de Asigurare S.A. ("Transilvania Broker", "the Issuer", "the Company") sets off in 2025 leaving behind a year which, although entirely overshadowed by the profound impact of the caps imposed on the insurance sector, **projects a new development path catalyzed by the pivoting of the strategy and business model away from the limiting dependence on the MTPL segment** as the main revenue generating sector for the Company..

1.1. Pivoting strategy: diversifying business lines

In 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.

1.2. Developments regarding financial performance indicators

In the most expected way, both (1) the maintenance of the cap on insurance premiums and the insurance brokerage commission, and (2) the absorption of resources imposed by the business diversification strategy announced by the Company's management since the beginning of 2024, have affected the financial results that have been published along the year in the Company's interim financial reports.

The prolonged impact of the caps in the MTPL insurance sector has eroded the Company's revenues. As a long-term survival tactic, insurers have brought down the gross brokerage commission to ever-decreasing levels, often significantly below the maximum level allowed by the regulations in force.

For their part, insurance brokers have been forced to find ways to manage costs exceeding the falling gross commission income: while the costs associated with MTPL policies rise together with the volume of intermediated policies, the related revenues lag significantly behind

For Transilvania Broker, these evolutions were translated **into a disjunctive dynamic at the level of result indicators.**

In terms of **corporate events**, the year 2024 paid shareholders dividends in the total gross amount of 5,000,000 lei, by resolution of the Annual Ordinary General Meeting convened on April 23, 2024. In addition, Mr. Sorin-Stefan Baltasiu was appointed as Chief Executive Officer of the Company, his valuable contribution in difficult market conditions demonstrating his particular strategic vision and his ability to turn into action the Company's vision for development

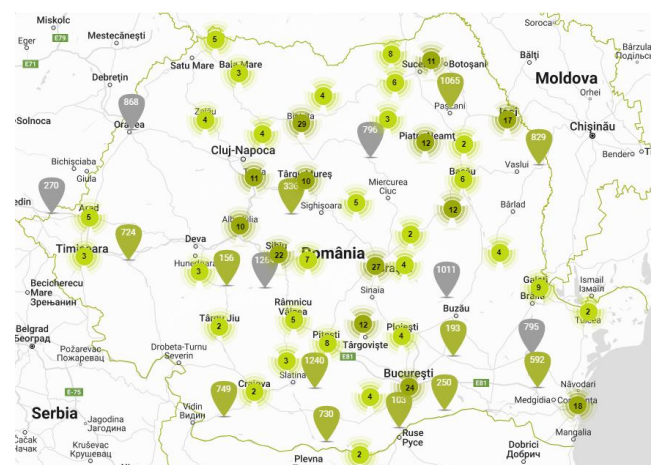
Analysis of the Company's activities

TRANSILVANIA BROKER de ASIGURARE S.A (herein referred to as "Transilvania Broker", "Company", "Issuer"), an insurance brokerage company set up and registered in 2006, runs its operations in compliance with the provisions of the Companies' Law 31/ 1990, Law 236/ 2018 on the distribution of insurance and the legislation pertaining to capital market. The Company is licensed by the Financial Supervisory Authority to conduct brokerage services in the commercial insurance field under no. 114420 of November 21st, 2006 and is enrolled in the Insurance Brokers' Register under no. RBK 374.

Though at the beginning active only in Bistrita Nasaud county, at the date of this report the services of Transilvania Broker are offered at national level, in Bucharest and other 39 counties, through over 1,000 brokerage agents.

The development strategy was built on objectives such as diversification of services portfolio, extension of territorial network, consolidation of partnerships with both insurer companies and their collaborators and lately, for

the past 2 years, it has been completed with digitalisation of customer interaction and service, expansion of the target market in the online area, addressing the Bucharest market and the



intensive promotion of Transilvania Broker brand and offer on multiple channels of communication with the market.

In 2024, Transilvania Insurance Broker celebrated the 7th anniversary of the first day of trading of its shares on the Bucharest Stock Exchange, Regulated Market.

Main business line

The Company carries out activities and services that are specific to the insurance distribution field and is authorised as insurance brokerage company by the Financial Supervisory Authority. According to the Articles of association, the main activity field resides in NACE code 662, "Auxiliary activities of insurance and pension funds", with main activity subcategory in "Activities of insurance agents or brokers; negotiations for natural and legal persons, insured or potentially insured, of concluding insurance contracts and providing assistance before and during the contracts' execution period or related to damages' claims and compensations, as the case may be (NACE Code 6622)".

The mandatory civil liability insurance contracts - vehicles, professional indemnity or general civil liability - represent, by volume and number, the largest part of the premiums concluded by the brokerage agents appointed by Transilvania Broker de Asigurare S.A. Besides, the Company intermediates a varied portfolio of insurance premiums: life and health insurances, on whose development it has effectively focused a significant part of human and financial resources for the past years; accident insurances; land, railway, sea, and air transport insurances; home, buildings or construction workings insurances; insurance for goods in transit, of machines, equipments and appliances; credit insurance, guarantees and financial loss insurances.

The Company addresses all demand segments of the insurance market. It places "the Client" in the centre of its philosophy and business model and offers a comprehensive coverage for the Client's insurance needs. All brokerage agents are trained and have the necessary tools to offer insurance schemes and programs that are completely tailor made on the Client's integrated interests.

The services that are offered are not limited to the intermediation on insurance market, but also include services of identification, assessment and management of risks, creating solutions for minimisation or transfer of insurable risks, analyses of efficiency and efficacy of insurance contracts in their validity period. The Company also offers to represent the client's interests throughout the validity of the insurance contract, not only at the stage of selecting the optimal alternative and the negotiation of the conditions and terms of insurance. Transilvania Broker de Asigurare undertakes the management of insurance contracts for the whole validity period with focus on adapting to the Client's business dynamics and needs, as well as sorting out of potential damages and good receipt of compensation thereto.

Closely connected to the extensive and intensive development of sale departments through the online segment development, the Company created and consolidated the back office function. The human and technical resources are in place in order to offer, with minimum human and system errors, the support needed by both the Company's agents and the clients, for conclusion of insurance policies or sorting out of damages claim files. In this regard, the Company offers continuous professional training to its agents, as well as continuous development of the working platform by adding new functionalities for a better management of offers and corresponding information for the Clients.

New products and business lines

By Decision no. 15 of the Extraordinary General Meeting of Shareholders (EGMS) of the Company held on 07.09.2021, the company's scope of activity was supplemented with "other auxiliary activities related to insurance and pension funds," NACE code 6629, representing the distribution of pension products.

In line with its strategy to diversify its services and products in order to maximize its competitive advantages, upon the proposal of the Board of Directors, the EGMS of Transilvania Broker de Asigurare S.A., convened on April 27, 2022, approved the supplementation of the Company's scope of activity with the following NACE codes:

- **4618** - "Agents specialized in the sale of particular products" (post-sale services for its own clients, such as damage assessment or claim processing, excluding settlement as per the applicable national legislation);
- **5221** - "Service activities incidental to land transportation" (intermediary services for roadside assistance);
- **8690** - "Other human health activities" (intermediation of medical assistance services).

Further, the shareholders of the Company decided to support the strategy of reducing dependency on the RCA (compulsory motor third-party liability insurance) segment, which, due to its relatively high share in the portfolio of intermediated insurance and its exposure to uncertainty stemming from political intervention, acts as a limiting factor on growth potential.

Therefore, the EGMS convened on April 26, 2023, approved a fundamental diversification of the Company's activity by expanding the secondary scope of activity with financial services activities, as follows:

- **6499** - "Other financial intermediation not elsewhere classified";
- **6612** - "Security and commodity contracts brokerage";
- **6619** - "Other activities auxiliary to financial services, except insurance and pension funding."

These additions will enable the Company to distribute investment products from the capital markets and to act as distributor for products developed by credit institutions, non-banking financial institutions (NBFIs), payment institutions, and electronic money institutions, in accordance with the applicable national legislation.

To implement the strategic decision to diversify its activity, on October 23, 2024, the shareholders of Transilvania Broker de Asigurare S.A. approved the establishment of a limited liability company, wholly owned (100%) by the Company, with its registered office in Bucharest and a primary scope of activity in financial intermediation services (NACE 6619).

Legal framework

The Company's operations comply with the provisions of the Companies' Law 31/ 1990, republished, with further amendments and Law 236/ 2018 on the distribution of insurance. Also, the Company runs its activity in compliance with the legal provisions and regulations issued by the Financial Supervisory Authority (ASF) pertaining to insurance and reinsurance field, with accounting and fiscal legislation (Accounting Law 82/ 1991, republished, with further amendments, Law 227/2015 pertaining to Fiscal Code, republished, with further amendments, ASF Norm 36/2015 for the approval of Accounting Regulations regarding the individual annual financial statements and the

consolidated annual financial statements of the entities performing insurance and/or reinsurance activities).

The Company is publicly listed on Bucharest Stock Exchange as of November, 2017: The Spot Regulated Market, main segment, standard category. In its capacity of Issuer of securities, Transilvania Broker de Asigurare S.A. complies with the provisions of laws and regulations pertaining to the capital market (Law 24/2017 regarding issuers of financial instruments and market operations, republished, with subsequent amendments and modifications and FSA Regulation no. 5/2018 regarding issuers of financial instruments and market operations, with subsequent amendments and modifications, the EU Regulation 596/2014 with regards to market abuse etc.)

Significant business reorganizations

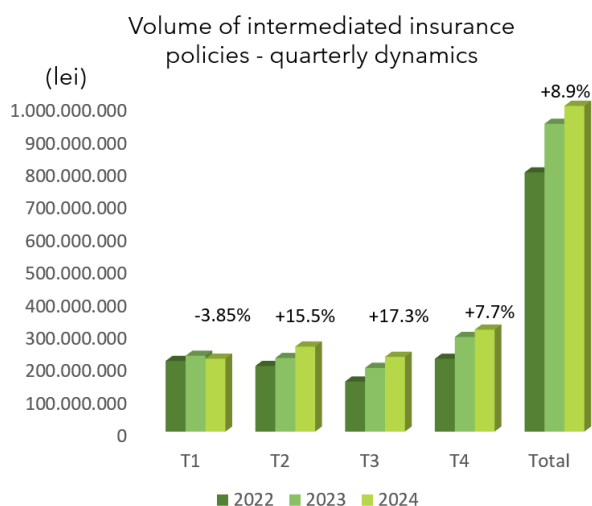
No merger, split-off, acquisition or any other changes to the assets of the Company took place within the reporting period.

Purchase / sale of asseets

During 2024, the book value of property, plant and equipment decreased by 7.5%, mainly due to related amortisation. The value of acquisitions of tangible fixed 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 evolved inversely to non-current assets.

As of **31.12.2024**, the depreciation rate of the Company's fixed was of **46.6%**. No disposals or write-offs of tangible fixed assets were carried out in 2024. In 2024, the Company had **no recorded impairment adjustments** for the depreciation of tangible fixed assets.

Main Results



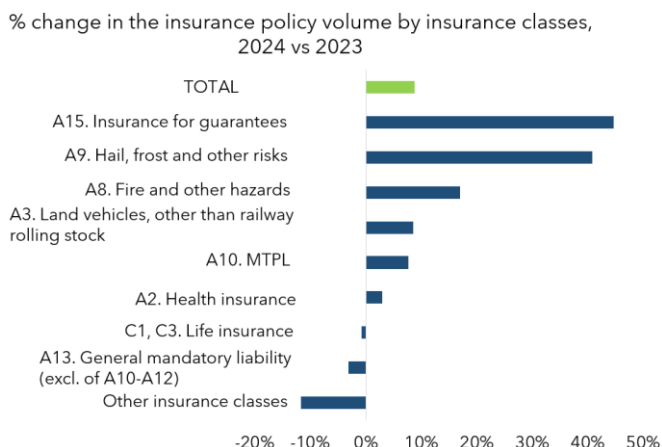
As at 31.12.2024, **the volume of premiums brokered by the company exceeded, for the first time, the significant threshold of 1,000,000 thousand lei, as a result of a 9% percentage increase in 2024 compared to 2023.**

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 by 5.3 p.p.. 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.**

1.3. General business assessment

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 annual individual financial statements were approved by the Board of Directors in the meeting held on March 25, 2025, and audited by the financial auditor, RAO AUDIT OFFICE SRL, who opined that they "provide a true and fair view of the financial position of the company as of December 31, 2024, as well as its financial performance and cash flows for the financial year ended on that date, in accordance with applicable accounting regulations".

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, and the results obtained are:

- a) Net Result: RON 2,515.6 thous;**
- b) Net turnover: RON 106,530.4 thous;**
- c) Liquidity and solvency indicators**

Indicators	Calculation formula	31.12.2023	31.12.2024	Intervale de referință
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	91.6%	95.3%	>30%

The liquidity indicators table highlights the positioning of these values within the comfort range, noting that these indicators provide a snapshot, at a specific moment, of short-term liabilities and current assets derived from the distribution activity. Because they capture a snapshot moment in the cash flow dynamics related to the latest settlement cycles between Transylvania Broker and insurers on one hand, and brokers on the other hand, their relevance remains limited to the specificity of Transylvania Insurance Broker S.A.'s activity. The value of these indicators can vary significantly from one settlement cycle to another.

During the reporting period, the decrease in total assets (- RON 4,802.2 thousand) exceeded the decrease in the Company's total liabilities (-RON 1,745 thousand), resulting in a slightly negative evolution of the general solvency ratio compared to the previous financial year. However, the indicator remains significant and comfortably above the minimum reference threshold.

Additionally, the proportion 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 issuer's high self-financing capacity and ability to meet its payment obligations

d) Debt ratios

Risk indicators	Calculation formula	31.12.2023	31.12.2024	Intervale de referință
Indebtedness Ratio	Borrowed capital/ Permanent capital *100	8.44%	4.73%	<50%
Debt ratio	Total Debt/ Total Assets*100	58.6%	62.94%	<80%

The indicators calculated for the company's leverage level also present values significantly below the maximum comfort threshold, indicating the company's positioning in a relatively low-risk zone. The leverage ratio indicator, which eliminates the distortion generated by short-term liabilities associated with distribution activities, is at a very low level and decreasing due to the reduction of long-term liabilities. This not only expresses the very low risk of the business but also signifies extremely easy access to external financing, if needed for further development.

e) Margin and profit ratios

Profit ratios	Calculation formula	2023 31 decembrie	2024 31 decembrie
Operating profit margin	Operating profit / Sales *100	7.62%	2.56%
Net profit margin	Net profit / Sales *100	6.81%	2.36%
Return on equity ratio	Net profit / Equity *100	64.4%	27.1%
Return on long-term capital ratio	Net profit / Long-term capital *100	59%	25.9%

Given the negative trend in the result indicators in the market conditions described in this report, profitability indicators have also experienced unfavourable dynamics.

f) 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

Indicator (RON)	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
EXCHANGE RATE IMPACT ON CASH FLOW VARIATION	0	-747
CASH AND CASH EQUIVALENTS ON DECEMBER 31ST	8,819,527	6,782,917

The Company's own cash holdings, amounting to RON 4,403.6 thousand and representing 47.5% of total cash and cash equivalents, recorded a significant positive increase of 84.3% compared to the beginning of the reporting period.

From **operating activities**, the Company reported a **negative cash flow of RON -2,949,766**, primarily due to cash outflows related to **dividend payments**, which are accounted for within the operating activity.

Cash flow from investing activities showed a **positive result of RON 5,091,595** during the period under review, mainly as a result of the **liquidation of a bank deposit** held at the end of 2023, which had been recorded as a short-term investment amounting to RON 4,880,000. This was partially offset by **payments for the acquisition of tangible fixed assets**, totalling RON 9,750. During the same period, the Company received **bank interest income amounting to RON 220,498**.

Financing activities generated a **negative cash flow of RON -542,019**, driven by repayments of borrowed funds totalling **RON 433,419**, as well as **lease payments under financial leasing contracts**, in the amount of **RON 108,600**.

1.4. Assessment of the technical operations of the Company

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

The Company created a vast network of over 1,000 brokerage agents (both natural and legal persons) and 4 registered offices covering 39 counties at national level, besides Bucharest. The four registered offices are in:

- Sibiu (str. Justiției nr. 10, jud. Sibiu)
- București (str. Elena Caragiani nr. 21D, ap. 1, sector 1)
- Pitești (str. Intrarea Rozelor nr. 3, jud. Argeș)

The efficiency and productivity of the agents network are significantly improving through the recent trend of digitization of the brokerage activity, i.e. through the online issuance of insurance premiums and the online / digital marketing and promotional campaigns.

In 2024, against the backdrop of specific developments in the insurance sector as well as the implementation of promotion and development strategies, the volume of intermediated premiums exceeded, for the first time, one billion lei, following a 9% increase compared to the previous year. Volume growth was reported across all insurance classes with a significant contribution to the total volume of intermediated premiums—each exceeding 10 million lei in volume—except for class A13, which recorded a 3.14% decrease compared to 2023. A particularly strong growth dynamic was recorded for the key classes A15 (Suretyship - +45%), A9 (Hail, frost, and other risks not covered under class A8 - +41%), and A8 (Fire and natural disasters - +17%). *Tabel no. 5 Dynamics of the intermediated insurance policies by main insurance classes*

Dynamics of the policies intermediated by insurance categories	Variație 2024 / 2023 (%)
TOTAL, of which:	+8.86%
Third-party vehicle liability insurance (ie MTPL) (A X)	+7.69%
Land vehicle insurance (ie CASCO) (A III)	+8.62%
Fire and natural calamities (A VIII)	+17.04%
Damages of real estate (A IX)	+40.79%
Guarantees (A XV)	+44.65%
General third-party liability (A XIII)	-3.14%
Health (A II)	+3.03%
Other General Insurance classes	-11.66%
Life Insurance C1 and C3	-0.78%

Source: Transilvania Broker

Operational infrastructure

The technical *back-office* support for the whole activity performed in such an extensive network is ensured by 24Broker integrated application, which covers multiple functions: (i) *issuing of insurance policies and their management* (reports of the due instalment payments, expiry dates, automated informing the clients, automated validation of paid amounts, policies' cancellation etc.) (ii) *invoice issuing to the insurer companies*; (iii) *calculation of commission fees owed to brokerage agents*; (iv) *clients' portfolio management*; (v) *brokerage agents' management* etc. This software is integrated with the accounting software used by the Company- WinMentor. The application started to be implemented as of 2007 and its development and adapting to current requirements stay as one of the major undertakings of the Company's management..

In 2024, the Company's management allocated a substantial budget to the consolidation of its digitalization system. The Company continued the implementation of its digitalization plan, both in terms of online issuance of insurance policies and in the development of back-office and support systems for secondary distributors. Although 16% lower compared to the previous financial year, the allocated budget exceeded RON 1,678 thousand. The digital solution developed by Transylvania Broker currently allows for online issuance of MTPL insurance policies, as well as for travel insurance.

1.5. Assessment of sales activity. Market Share. Competition

According to [the latest ASF Report](#)¹ on the insurance market in Romania available at the time of the report, **in the 2024 financial year, the intermediation rate of total gross insurance policies reached 68.89%, corresponding to a volume of intermediated premiums of RON 16,118.3 million.**

After four consecutive years of increases in the distribution share of insurance premiums via intermediaries, **2024 marks a slight decrease** in the intensity of insurance policy contracting through distribution companies, by **0.64 percentage points** (compared to 69.4% in 2023).

The increase of **9.9% year-over-year** in the volume of intermediated insurance policies, compared to 2023, was accompanied by a **decline in the average gross commission rate**, from **13.04% in 2023 to 12.68% in 2024.**

Seizing the opportunity of a higher volume of premiums, **Transylvania Broker achieved an average commission rate of 10.3% in 2024**, while **the growth rates in intermediated premiums across the main insurance classes (A10, A8, A9, A15) significantly outperformed the market average growth rates registered in 2023.**

Insurance Class	% growth at market level	% growth at Transylvania Broker
A10	+5.63%	+7.70%
A3	+21.33%	+8.60%
A8	+14.51%	+17.00%
A9	+4.16%	+40.80%
A15	+33%	+44.6%
A13	+3.67%	-3.14%

¹ [ASF, 2025. Evoluția pieței asigurărilor în anul 2024](#), București, inclusiv [tabelele de suport](#)

According to the previously mentioned ASF report, as of 31 December 2024, Transilvania Broker de Asigurare S.A. **advanced by one position in the ranking of top insurance distribution companies** compared to the previous year, ranking **fourth by volume of intermediated insurance premiums**, with a **market share of 6.28%**.

Destine Broker de Asigurare-Reasigurare holds the third position with **6.84%**, while **Inter Broker de Asigurare** follows in fifth place with **6.04%**, just **0.24 percentage points** behind Transilvania Broker.

Furthermore, based on a market share calculated by revenues from distribution activities, **Transilvania Broker ranks third (5.82%) among the top 10 intermediaries**, gaining one position compared to the previous financial year. It stands **1.2 percentage points behind** the second-ranked company, **Marsh-Broker de Asigurare-Reasigurare SRL**, while **Destine Broker** is in fourth position with a **5.80%** share.

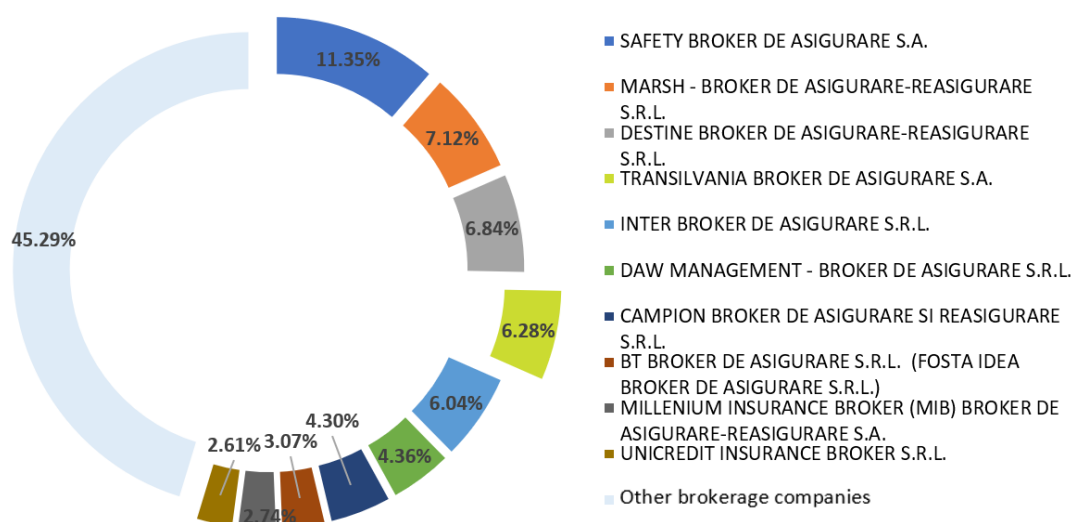
Within the general insurance segment, where **Transilvania Broker ranks fourth** with a **market share of 6.47%** based on intermediated premiums, the company achieves its **strongest competitive position** in **Class A15 - Bonds and Suretyship** and **Class A8 - Fire and Natural Disasters**, where it ranks **third among all insurance distributors**.

Regarding the Motor Third Party Liability Insurance class (A X), Transylvania Insurance Broker's market share increased to 8.45%, maintaining its fourth place among the top 10 insurance distributors.

Regarding life insurance C3, Transylvania Insurance Broker maintained its third position during the reporting period in a highly concentrated market segment, contributing 1.28% to the volume of premiums intermediated. The company's main competitors include Safety Insurance Broker SRL, Marsh Insurance and Reinsurance Broker SRL, Destine Insurance-Reinsurance Broker SRL, and Inter Insurance Broker SRL (fig. 4).

The main competitors of Transilvania Broker are Safety Broker de Asigurare SRL, Marsh-Broker de Asigurare si Reasigurare SRL, Destine Broker de Asigurare-Reasigurare SRL and Inter Broker de Asigurare SRL (fig. 4)

Fig. 4. Top 10 insurance distribution companies by the value of intermediated policy insurances, 2024



Source: ASF Report on the Evolution of the Insurance Market in 2024

Client Portfolio. Dependency rate

The Company has developed a diversified portfolio of customers, therefore *there is no dependence on a single customer* or on a small number of customers, which reduces the market risk and gives resilience and sustainability to the business.

1.6. Assessment of the Company's personnel

The relevant information on the evolution of the Company's personnel in 2024 is presented in the table below:

Number of employees (end of year)	2023	2024
Economists	24	23
IT Experts	1	1
Legal advisors	5	5
Others - long-term higher education	10	8
Others - short- term higher education	2	2
Secondary education (technical profile)	1	1
TOTAL	43	40

Along year 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

There were no conflicts reported between managers and employees in the Company in the reporting period.

1.7. Outlook

Expected developments within the company

In 2024, Transilvania Broker de Asigurare announces a new strategy, where the diversification translates primarily in new lines of business. These new directions of development strategically and dynamically capitalize on the key differentiating assets of Transilvania Broker - namely, the strong and solid network of brokerage assistants and its position of strength and visibility within the financial services industry - in the context of identifying opportunities for entry into new markets.

From this perspective, the management of Transilvania Broker once again demonstrates vision and resilience, through its ability to transform elements of prolonged shock and crisis into the driving force behind a phase of relaunch and truly sustainable growth. Thus, in 2024, the Company establishes a wholly owned subsidiary, which is authorized as a credit broker, with plans in the near future to also launch brokerage activities for financial investment products on the capital market.

The implementation of this strategy, however, did not come at the expense of the ongoing strategy to strengthen the segments of non-compulsory insurance and life and health insurance within the portfolio of intermediated insurance policies. The contribution of these insurance categories to the intermediated insurance premium portfolio continues to grow both in absolute value (+14% as of 31.12.2024 compared to 31.12.2023) and in relative terms, with their share exceeding 22% of the total portfolio value.

Moreover, the company's management initiated strategic partnerships to enhance activities related to intermediation services, such as claims assistance. Collaborative relationships with Autonom – a shareholder of Transilvania Broker de Asiguraire – as well as with a third-party financial institution, have led to a doubling of revenues from “assistance for the management and execution of contracts, including in the event of a compensation claim.” In light of these partnerships, the Company's management believes this growth dynamic is sustainable and will continue in the upcoming periods.

Regarding expectations for the future, the company's management forecasts indicate the last quarter of 2025 as a realistic timeframe for the recently launched diversification strategy to begin reflecting positively in performance indicators. Naturally, the lifting of the caps imposed on the insurance sector would also reignite revenue growth generated by the intermediation of insurance policies, particularly supported by the compulsory insurance segment, namely MTPL.

Expected developments in the outer environment

The maintenance of caps on insurance premiums and intermediary commissions following the bankruptcy of Euroins Romania represents both a catalyzing and intensifying factor for the concentration on the insurance intermediaries market. Pressures on revenues and results compel insurance brokerage companies to take rapid measures, testing their resilience, flexibility, adaptability, and capacity to identify and implement solutions that optimize the business model, reconfiguring it towards reduced dependence on mandatory insurances, particularly RCA, and ensuring development sustainability under any external circumstances.

Apart from the temporary regulatory constraints limiting the free evolution of the market, there has been a noticeable trend **towards intensified competition in the intermediaries market**, amid the decreasing importance and number of market entry barriers, mainly due to unlimited virtual opportunities and digitalization.

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 Transilvania 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 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.

1.8. 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.

1.9. Assessment of 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.

1.10. Assessment of the Company's risk management

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

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, the Company 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 2024, 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 interest 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. Tangible assets of the Company

The main tangible assets of the Issuer consist of the real estate properties – land lots and buildings - held with the function of registered office in Bistrita and, respectively, as secondary office in Bucharest. Their total acquisition value is RON 3,819 thous.

Aside buildings and land lots serving as registered office, with positive effects in terms of efficient organisation and performance of activities, operational costs, as well as the image of the Company, at the end of the reporting year, Transilvania Broker owned vehicles, equipment and furniture of RON 2,173.4 thous. at cost value.

In respect of land improvements and buildings, the company recorded depreciation expenditure in the total amount of RON 2,297.8 thous. at the end of the reporting period. The value of amortisation for fixed assets such as technical installations, means of transport, other equipment and furniture is of RON 1,807.2 thous. The management of the Company considers that the wear and tear level does not raise significant problems on the performance of its activity.

The management also declare that there are no problems regarding the property right over the tangible assets owned by the Company.

3. The market for the securities issued by the Company

Transilvania Broker de Asigurare S.A. shares are tradable on the Stock Exchange market in Bucharest, Main Regulated Segment, 'Standard' category, as of November 2nd, 2017, under TBK trading symbol.

The quality of the company's management communication with investors and the capital market, together with the informed and predominantly strategic investor profile of Transilvania Broker's shareholder, have translated the performance and prospects of the business into the company's stock price on the Bucharest Stock Exchange.

The market value of the company, as of December 31, 2024, was RON 75,000,000, or approximately EUR 15 million.

Dividend Policy

The main corporate event in 2024 was the Ordinary General Meeting of Shareholders of Transilvania Broker de Asigurare S.A., which, on April 23, 2024, voted to distribute a gross dividend per share of RON 1. For the year 2025, the Ordinary General Meeting of Shareholders, approving the financial statements for 2024, approved the distribution of gross dividends totaling RON 3,000,000 lei (RON 0.6 per share), representing 66% of the exercise result.

The dividend yield calculated at the time of preparing the report is 5%.

The dividends distributed by the OGSM resolution from the results of the last financial years are as follows:

Table no.10. Dividends granted in the past 3 years

Corresponding financial year:	2022	2023	2024
Dividends' value (RON)	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 visited on the official website of the Company.

Repurchase of Own Shares

As of the date of this report, there is no ongoing activity related to the repurchase of own shares.

Subsidiaries and Their Holdings

The Company does not hold any participations in other entities recorded 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 amounting to 1,000,000 lei was subscribed but not paid as of December 31, 2024.

As of 31.12.2024, the Company's offices are located in:

- Sibiu, str. Justiției, nr.10, jud. Sibiu;
- București Sector 1, str. Elena Caragiani, nr.21D, ap.1;
- Pitești, Intrarea Rozelor, nr.3, jud. Argeș

During the reporting period, the Company did not issue any bonds and/or other debt securities.

4. Corporate Governance

4.1. Issuer's management - Corporate Governance Structures

Board of Directors

Transilvania Broker de Asigurare is a public listed stock company organised as a unitary system: its management is ensured by a Board of Directors whose members are appointed by the Ordinary General Shareholders Assembly (OGSA) for a 4-year mandate. The Board of Directors is subordinated to the General Shareholders Assembly (GSA). The latter delegates competences for executive management to the Directors of the Company. The Board of Directors operates in compliance with the Board's Regulations and performs responsibilities assigned through statutory documents and mandate agreements, as well as legal provisions.

The Company management is ensured, at the top level, by a Board of Directors consisting of five directors. In 2024, the members of the Board were:

- Dan Niculae – **Chairman and non-executive member of the Board**. With an over 16 year experience in the field of insurance and banking financial instruments, Mr Dan Niculae has been appointed in executive and non-executive positions in Transilvania Broker de Asigurare S.A since 2010 and started his mandate as Chairman in June 2017. At 31.12.2024 he owned 489,261 shares, representing 9.78 % of the Company's share capital and voting rights in the GSA;
- Gabriel-Alexandru Țuică - **non-executive member** of the Board and member of the Audit Committee as of June 2017, gained a 6-year experience as insurance broker/ agent. Mr. Țuică does not own shares in the Issuer's share capital.
- Daniela Tasia Deneș - **independent member** of the Board and Chairman of the Audit Committee, has an over 20-year experience in the financial accounting field and a almost 10 years experience as certified accountant, auditor, tax consultant, as well as legal expertise since 2013; Ms Tasia Deneș does not own shares in the share capital of the Company
- Gabriel Login - **non-executive member** of the Board , founder and main shareholder, with over 24 years of experience in the insurance industry whereof more than 16 years with Transilvania Broker. As of 31.12.2023, Mr. Login owned 707, 588 shares, representing 14.15 % of the share capital and of the total voting rights of the Issuer.
- Carmen-Loredana Bobu – **non-executive member** of the Board. At 31.12.2024 she owned 113 shares, representing 0.0022 % of the Company's share capital and voting rights in the GSA.

The resumes of the five members of the Board may be seen on [the Company's website](#).

Among Board members, there are no family ties.

The total value of the revenues received by the members of the Board of Directors for the 2024 financial year, in relation to the issuer, was 513,732 lei, in accordance with the [Remuneration Policy of the management](#), available on the company's website. Details regarding the distribution of these revenues and their components can be found in the [2024 Remuneration Report](#), also available on the Transilvania Broker website.

During the 2024 financial year, the Board of Directors convened in 4 meetings to analyze and discuss matters of major importance for the company, diligently fulfilling all necessary actions for achieving the company's corporate purpose and the responsibilities undertaken under the mandate agreement.

The Audit Committee

According to the legal provisions in force, an Audit Committee is organized within the Board of Directors. This Committee has a consultative role and is formed of 2 members:

- Mrs. Daniela Tasia Denes, Chairman;
- Mr. Gabriel Alexandru Tuica, member.

The Audit Committee consists only of non-executive directors and at least one member of the Committee is an independent non-executive Director. Mrs Daniela Tasia Deneş has relevant expertise in application of accounting and financial audit principles.

The Audit Committee assists the Board of Directors in the latter accomplishment of responsibilities with regards to internal audit and advises pertaining to the Company's strategy and policy for internal control, internal and external audit, as well as control on the way significant risks are managed.

The Audit Committee's aims are:

- supervision of all aspects related to audit and risks of the Company;
- check and control on the adequacy, independence and efficiency level or internal audit of the Company;
- analysis and check of the accuracy of the financial statements of the Company, as well as of other important reporting;
- monitoring and checking on the independence, objectivity and efficiency of external auditor;
- close supervision of the risk profile of the Company, identification of main exposure areas and submitting relevant information in this respect, to the Board, on a regular basis.

The Audit Committee is entitled to conduct or authorise investigations as deemed necessary to any of its responsibility areas.

On the basis of review, discussions, assessments and remedies accomplished and contained in the Audit Report submitted to the Board of Directors, the Audit Committee recommended to the Company's management and the latter approved that audited financial statements should be included in the Annual Report for the financial year ended December 31st 2024.

Executive Management

The Executive management is appointed by the Company's Board of Directors. It informs the Board of Directors on the activity undergone between the former's regular meetings. Executive management is also empowered to run and coordinate the daily activity of the Company and is entitled to represent the Company, as insurance brokerage company.

As at 31.12.2024, the executive management of the Company was ensured by:

- BALTASIU Sorin Ştefan - General Manager;
- COTIAC Ioan - Executive Manager.

Mr. Baltasiu owned 2,386 shares of Transilvania Broker de Asigurare S.A., while Mr. Cotiac loan owned 5,141 share in the share capital of the Company.

Starting from February 1, 2024, in order to contribute more significantly to the company's strategic trajectory and the implementation of new projects under his mandate as a board member, Mr. Gabriel Login stepped down from his executive position. This role was undertaken by Mr. Sorin Baltasiu, who has over 20 years of experience in top management positions within the insurance sector, including the past 4 years as part of the Transilvania Broker team, in the role of Director of the Corporate Insurance Department.

The members of executive management have competence and responsibilities as per the job description/ duties committed to in the administration mandate agreement. None of the people with positions in the executive management or Board of Directors of the Company has been involved in litigations or administrative proceedings pertaining to the Issuer and has disclosed on any agreement, deal or family relationship to other person belonging to executive management or Board of Directors.

The resumes of the two executive managers of the Company may be seen on [the Company's website](#).

The remuneration for the executive management in 2024 related to their activities for the Issuer was in full compliance with the [Remuneration Policy](#), as it is posted on the Company's website. The components of individual remuneration for executive management are available in the [Remuneration Report for 2024](#), published also on the company's website.

4.2. The Statement of the Company regarding the compliance with the Corporate Governance Code, Bucharest Stock Exchange

The Company adheres to and voluntarily applies the principles provided for by the Corporate Governance Code of BSE for the issuers admitted for transactions on the regulated market of BSE.

The Statement regarding the Company's compliance to the Corporate Governance Principles as per the Corporate Governance Code issued by BSE for all issuers admitted for transactions on the regulated market of BSE is contained below.

The activity of the Board of Administrators has not been assessed withing financial year ended 31.12.2024 31.12.2024.

Code	Provisions	YES	Partially	NO	Reasons
Section A Responsibilities of the Board of Directors (the Board)					
A1.	The Company must have an Internal Regulation of the BoA (Corporate Governance Regulation) which covers reference terms/ responsibilities for the Board and the key positions in the Company's management. The Regulation shall define an accurate policy with regards to delegation of responsibilities including a formal list containing aspects to be decided on by the Board and a clear distinction from the executive management .	x			
A2.	The management of conflict of interests within the BoA must be provided for in the Corporate Governance Regulations. Members shall notify in this respect the Board regarding any conflicts of interests that have occurred or may occur. They shall refrain from attending discussions on or voting for making decisions on a matter that causes a conflict of interest.	x			

A3	The Board shall consist of at least 5 members.	x			
A4.	The majority of members of the Board shall be non executive and at least one member shall be independent. Each independent member shall, at the moment of election of reelection and whenever a change occurs in his/her status, shall make a statement containing the aspects taken into account as grounds for his/ her independence. The following criteria shall be considered when establishing independence of one member:	x			
A4.1.	He/she is not a general/ executive Director of the Company or of a controlled entity and has not had such a position for the past 5 years.	x			
A4.2.	He/she is not an employee of the Company or of a controlled entity and has not had such a position for the past 5 years.	x			
A4.3.	He/she has not been granted additional compensations or other advantages either by the Company or by a controlled entity besides those corresponding to his/ her capacity of non executive administrator.	x			
A4.4.	He/she has not been an employee of and has not had for the past year a contractual relationship with a significant shareholder of the Company controlling over 10% of the voting rights of the Company, or with any of his/her controlled companies.	x			
A4.5.	He/she has not had for the past year a business or professional relationship with the Company or a controlled entity, either directly or as a client, partner, shareholder, member of the Board, General/Executive Director if, by its material character, this capacity may influence his/ her objectivity.	x			
A4.6.	He/she has not been for the past 3 years the external or internal auditor, partner or employed shareholder of the current external or internal auditor or of any controlled entity.	x			
A.4.7	He/she is not the general/ executive director of other company where other general/ executive director of the Company is non executive member.	x			
A.4.8	He/she has not been non executive administrator of the Company for a period of more than 12 years.	x			
A.4.9	He/she does not have family relationships with any person belonging to any of A.4.1. to A.4.4 categories.	x			
A5.	Any other professional commitments of the Board members, including the title of executive or non executive member of the Board of some other company (except for subsidiaries of the Company), shall be disclosed to the Board before appointment and while under mandate.	x			
A6.	Each member of the Board shall disclose to the Board information regarding any relationship with a shareholder that owns, directly or indirectly, shares representing more than 5% of all voting rights. This duty stands for any type or relationship that may affect the position of Board member with regards to matters decided for by the Board.	x			
A7.	The Company shall appoint a secretary of the Board that is responsible with support of all Board's activity.	x			
A8.	The Corporate Governance Statement shall inform on whether the Board has been assessed, under the Chairman's supervision and, if they have, the key measures and changes resulted shall be outlined.	x			
A9.	The Corporate Governance Statement shall contain information on the number of meetings of the Board and the Committees for the past year, the attendance of the administrators (directly or by proxy) and a report of the Board on their activities.	x			
A10.	The Corporate Governance Statement shall contain information pertaining to the exact number of independent members of the Board of Directors or Supervision Board.	x			
Section B - Risk management and internal control system					

B1.	The BoA shall appoint an Audit Committee where at least one member shall be an independent non executive administrator. The majority of members, Chairman included, have proved relevant adequate expertise for the functions and responsibilities of the Committee. At least one member of the Audit Committee shall have proved corresponding experience in auditing or accounting fields.	x			
B2.	The Chairman of the Audit Committee shall be an independent non executive member.	x			
B3.	As part of its responsibilities, the Audit Committee shall execute an assessment of the internal control system on a yearly basis. This assessment shall encompass the efficiency and coverage of the internal audit function, the adequacy level of risk management and internal audit reports submitted to the Audit Committee of the Board, the promptness and efficiency with which executive management sort out deficiencies or the weaknesses identified as a result of the internal control and provision of relevant reports to the Board.	x			
B4.	The Audit Committee shall assess the conflicts of interests with regards to the Company or its subsidiaries' transactions with affiliated entities.	x			
B5.	The Audit Committee shall assess the efficiency of the risk management and internal control systems.	x			
B6.	The Audit Committee shall monitor the application of legal and accepted audit general internal audit standards. The Audit Committee shall receive and assess the reports of the internal audit team.	x			
B7.	The reports or analyses initiated by the Audit Committee shall be followed by periodic (at least yearly) or ad hoc reporting to the Board.	x			
B8.	None of the shareholders is allowed to receive preferential treatment with regards to transactions or agreements concluded by the Company with shareholders or their affiliates.	x			
B9.	The Board shall adopt a policy that would ensure that any transaction of the Company with any of the entities it has close relationships (affiliated parties) whose value is equal to or higher than 5% of the net assets of the Company (according to the latest financial statement) must be approved by the Board on the basis of a mandatory opinion of the Audit Committee of the Board and correctly disclosed to the shareholders and potential investors, as long as this type of transactions are contained in the scope of legal reporting requirements.	x			
B10.	The internal audit shall be executed by a different division in terms of organisational structure (Internal Audit Department) of the Company or by a third party independent company (audit company). The internal audit department or the audit company shall report directly to the General Manager or to the Board, as it is the case.	x			
Section C - Correct compensation and incentives					
C1.	The Company shall post on its website the Remuneration Policy and shall contain in the annual report a section where the total income of the Board Directors and of the General manager shall be included, as well as the total value of any bonuses or variable compensations, including the key hypotheses and principles for their calculation.	x			
Section D - Value added character through investor relations					

D1.	The Company shall organise an Investor Relations Department to be in touch with the large audience through the person in charge. Additionally to the insight imposed by the legal provisions, the Company shall upload on its website a section for Investor Relations, in Romanian and English languages, where all relevant pieces of information that would be of interest for investors shall be contained, such as:	x			
D1.1	Main regulations of the Company, the Articles of association specifically and internal regulations of statutory bodies.	x			
D1.2	Resumes of the members of statutory bodies.	x			
D1.3	Current and periodical reports.	x			
D1.4	Information related to the general assemblies of shareholders: agenda and corresponding documents, resolutions.	x			
D1.5	Information related to corporate events, such as dividends, payment or other events that result in obtaining or limitation of a shareholder's rights, deadlines and principles of such events included.	x			
D1.6	The Company shall appoint an Investor Relations function and shall include, on the special section dedicated on the Company's website, the name and data of the person in charge with providing, at request, corresponding information.	x			
D1.7	Companies' overviews (for investors, regarding quarter results), financial statements (half, end year), audit and annual reports.	x			
D2.	The Company shall adopt a dividends policy as per the proposal of the General Manager and approved by the Board, as a set of directions/ principles to be followed for distribution of profits. The dividends' policy shall be posted on the website of the Company.	x			
D3.	The Company shall adopt a policy regarding prognoses, clearly pointing at whether these shall be released or not. They represent quantified conclusions of surveys related to the total impact of a list of factors on a future period (hypotheses). The policy shall contain the frequency, reference period and contents . If published, the prognoses shall be part of the annual, half and quarter reports . The Prognoses Policy shall be posted on the Company's website .	x			
D4.	The Company shall set the date and place of a general assembly of shareholders so that attendance for as large a number as possible to be ensured for the shareholders. The rules of the general shareholders' meetings shall not constrain attendance or exercising of their rights. Any change to the rules shall be valid starting with the next general shareholders' meeting.	x			
D5.	The external auditors shall attend the general shareholders meetings when their reports are presented during these meetings.	x			
D6.	The Board shall present to the general shareholders assembly a short assessment on the internal control and risk management systems, as well as their opinions on the topics set on the agenda of the meeting.	x			
D7.	Any professional, consultant, expert or financial analyst may attend the general shareholders' meetings on the basis of an invitation of the Board. Certified journalists may also attend general shareholders' meetings, except for the cases when the Chairman decides differently.	x			
D8.	Financial reports shall include information both in Romanian and English language, with regards to main factors influencing changes to sales, operational profits or any other relevant indicator.	x			
D6.	The Company shall organise at least two meetings/ conference calls with analysts and investors, each year. The	x			

	information presented under these meetings/ calls shall be posted on the Company's website, Investors' Relations section, the moment the meeting/ conference call occurs.				
D7.	If the Company organises different artistic and cultural, sports, educational or scientific events and considers that their impact on the innovative and competitive character of the Company is a part of the development mission and strategy, a Policy pertaining to its activity in these fields shall be published on the Company's website.	x			

Other aspects related to corporate governance are presented in the Company's Corporate Governance Regulation, published on its website.

5. Analysis of the economic financial position of the Company

The analysis of the economic- financial position of the Company by way of comparing the previous reporting period to the current position at the beginning of the year highlights on the following aspects:

5.1. FINANCIAL POSITION ANALYSIS

ASSETS				
Indicators (lei)	2023 December 31	2024 December 31	Variație (%) 2024/2023	Pondere în Total Activ la 31.12.2024
Fixed assets	4,290,301	3,967,892	-7.51%	16.1%
Intangible assets	8,803	2,302	-73.9%	0.01%
Tangible assets	4,269,762	3,954,700	-7.4%	16.1%
Financial assets	11,736	10,890	-7.21%	0.04%
Current assets	25,479,649	20,995,978	-17.6%	85.41%
Inventories	181	182	+0.55%	0%
Receivables, of which:	13,816,551	12,613,816	-8.7%	49.5%
<i>brokerage related receivables</i>	2,708,678	648,124	-76.1%	0.7%
<i>other receivables</i>	11,107,873	11,965,692	+7.72%	48.8%
Short-term investments	4,880,000	0	-100%	0%
Cash and bank accounts	6,782,917	8,381,980	+23.6%	34.2%
Prepayments	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 instalments. 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.

Along 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.

Chairman of the Board of Directors

Niculae Dan

**TRANSILVANIA BROKER DE
ASIGURARE S.A.**

**INDIVIDUAL ANNUAL FINANCIAL
STATEMENTS**

**as of and for the financial year ended on 31
DECEMBER 2024**

**prepared in accordance with F.S.A. Rule
36/2015, for the approval of the Accounting
Regulations regarding the individual annual
financial statements and the consolidated
annual financial statements applicable to
insurance and/or reinsurance brokers**

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BALANCE SHEET
as of December 31, 2024

Category description	No. row	Amount:	
		Amount at 1 January 2024	Amount at 31 December 2024
A. NON-CURRENT ASSETS			
I. INTANGIBLE ASSETS			
1. Set-up costs	1	0	0
2. Development costs	2	0	0
3. Concessions, patents, licenses, trademarks, similar rights and assets. (if acquired)	3	8,803	2,302
4. Goodwill	4	0	0
5. Advances for intangible assets	5	0	0
TOTAL (row 01 up to 05)	6	8,803	2,302
II. TANGIBLE ASSETS			
1. Land and buildings	7	3,530,625	3,464,165
2. Plant, machinery and motor vehicles	8	729,377	486,637
3. Other plant, machinery, fixtures and fittings	9	9,760	3,898
4. Advances and tangible assets in progress	10	0	0
TOTAL (row 07 up to 10)	11	4,269,762	3,954,700
III. FINANCIAL ASSETS			
1. Shares in affiliated entities	12	0	0
2. Loans to affiliated entities	13	0	0
3. Shares in associates and joint ventures	14	0	0
4. Loans to associates and joint ventures	15	0	0
5. Long-term investments	16	0	0
6. Other loans and bonds	17	11,736	10,890
TOTAL (row 12 up to 17)	18	11,736	10,890
NON CURRENT ASSETS - TOTAL (row 06 + 11 + 18)	19	4,290,301	3,967,892
B. CURRENT ASSETS			
I. INVENTORIES			
1. Consumables and other current assets in the form of small inventory	20	0	0
2. Advances for inventory purchases	21	181	182
TOTAL (row 20 + 21)	22	181	182
II. RECEIVABLES			
1. Receivables from distribution activity	23	2,708,678	648,124
2. Receivables from creation insurance product activity in association with insurers	23a	0	0
3. Receivables from affiliated entities	24	0	0
4. Receivables from associates and jointly controlled entities	25	0	0
5. Other receivables	26	11,107,873	11,965,692

TRANSILVANIA BROKER DE ASIGURARE S.A.**Balance Sheet****for the financial year ended on December 31, 2024***(all amounts are expressed in lei ("RON"), unless otherwise stated)*

6. Subscribed share capital not paid	27	0	0
7. Receivables from dividends paid over the financial year	27a	0	0
TOTAL (row 23 up to 27+23a+27a)	28	13,816,551	12,613,816
III. SHORT-TERM INVESTMENTS			
1. Shares in affiliated entities	29	0	0
2. Other short-term investments	30	4,880,000	0
TOTAL (row 29 up to 30)	31	4,880,000	0
IV. PETTY CASH AND BANK ACCOUNTS	32	6,782,917	8,381,980
CURRENT ASSETS - TOTAL (row 22 + 28 + 31 + 32)	33	25,479,649	20,995,978
C. DEFERRED EXPENSES	34	56,622	42,529
D. CURRENT LIABILITIES: AMOUNTS PAYABLE			
WITHIN ONE YEAR			
1. Loans from bond issue, with distinctive presentation for convertible bond issue	35	0	0
2. Amounts owed to credit institutions	36	433,419	430,619
3. Liabilities from distribution activity	37	13,679,369	13,671,238
4. Amounts owed to affiliated entities	38	0	0
5. Amounts owed to associates and jointly controlled entities	39	0	0
6. Other liabilities (including taxes and social contributions)	40	2,287,563	1,176,545
TOTAL (row 35 up to 40)	41	16,400,351	15,278,402
E. NET CURRENT ASSETS / NET CURRENT LIABILITIES	42	9,135,921	5,760,105
(row 33 + 34-41-56)			
F. TOTAL ASSETS LESS CURRENT LIABILITIES	43	13,426,222	9,727,997
(row 19 + 42-55)			
G. NON-CURRENT LIABILITIES: AMOUNTS PAYABLE AFTER ONE YEAR			
1. Loans from bond issue, with distinctive presentation for convertible bond issue	44	0	0
2. Amounts owed to credit institutions	45	838,402	407,783
3. Liabilities from distribution activity	46	0	0
4. Amounts owed to affiliated entities	47	0	0
5. Amounts owed to associates and jointly controlled entities	48	0	0
6. Other liabilities (including taxes and social contributions)	49	244,497	52,143
TOTAL (row 44 up to 49)	50	1,082,899	459,926
H. PROVISIONS			
1. Provisions for pensions and similar obligations	51	0	0
2. Provisions for taxes	52	0	0
3. Other provisions	53	590,823	0
TOTAL (row 51 up to 53)	54	590,823	0
I. DEFERRED INCOME			
1. Subsidies	55	0	0
2. Deferred income	56	0	0
3. Negative goodwill	57	0	0
TOTAL (row 55 + 56 + 57)	58	0	0
J. EQUITY AND RESERVES			
I. CAPITAL (row 60 + 61 + 62 + 63)	59	500,000	500,000

TRANSILVANIA BROKER DE ASIGURARE S.A.**Balance Sheet****for the financial year ended on December 31, 2024***(all amounts are expressed in lei ("RON"), unless otherwise stated)*

1. Subscribed capital paid	60	500,000	500,000
2. Subscribed capital not paid	61	0	0
3. Capital-equivalent items	62	0	0
4. Other components of equity	63	0	0
II. SHARE PREMIUMS	64	0	0
III. REVALUATION RESERVES	65	0	0
IV. RESERVES (row 67 + 68 + 69)	66	100,000	100,000
1. Legal reserves	67	100,000	100,000
2. Statutory or contractual reserves	68	0	0
3. Other reserves	69	0	0
Repurchased own shares	70	0	0
Earnings related to own equity instruments	71	0	0
Losses related to own equity instruments	72	0	0
V. RETAINED EARNINGS	73	3,586,175	6,152,499
PROFIT	74	0	0
VI. PROFIT OR LOSS	75	7,566,324	2,515,572
FOR THE REPORTING PERIOD	76	0	0
Profit distributions	77	0	0
EQUITY - TOTAL (row 59 + 64 + 65 + 66 - 70 + 71 - 72 + 73 - 74 + 75 - 76 - 77)	78	11,752,499	9,268,071

The financial statements were authorized on March 25, 2025 by the Board of Directors,
for approval by the General Meeting of Shareholders.

President of the Board,
Dl. Niculae Dan
Signature _____

Prepared by,
Mrs. Pârțiu Vasilichi Oana
Head of Financial and Accounting
Department
Signature _____

PROFIT AND LOSS ACCOUNT
as of December 31, 2024

Category description	No. row	Amounts related to the reporting period	
		previous 31 December 2023	current 31 December 2024
1. Net Turnover (row 02+09+10-11+12)	01	111,013,199	106,530,434
1.1. Revenue from distribution activities (rd. 03+08)	02	111,013,199	106,530,434
a) revenue from distribution of insurance and reinsurance contracts (row 04+05+06+07)	03	111,010,706	106,520,980
a.1) providing consultancy and insurance and/or reinsurance contracts proposals	04	0	0
a.2) preliminary actions for the purpose of closing contracts, negotiations with insurance and/or reinsurance companies for the purpose of closing contracts	05	0	0
a.3) providing assistance for management and execution of contracts including in case of claim applications	06	560,995	1,080,363
a.4) other distribution-related activities	07	110,449,711	105,440,617
b) revenue from distribution of pension products, investment products and products created by credit institutions, non-banking financial institutions, payment institutions and electronic currency issuance institutions	08	2,493	9,454
1.2. Revenue from insurance contracts created in association with insurers	09	0	0
1.3. Revenue from insurance and reinsurance related training courses	10	0	0
1.4. Commercial discounts granted	11	0	0
1.5. Revenue from royalties, leases, and rentals	12	0	0
2. Capitalized production	13	0	0
3. Operating subsidies	14	0	0
4. Other operating income	15	21,148	26,732
of which: negative goodwill	16	0	0
5. Income from revaluation of tangible assets	17	0	0
OPERATING INCOME - TOTAL (row 01+13+14+15+17)	18	111,034,347	106,557,167
6. a) Third-party service expenses	19	4,362,598	4,148,427
of which: expenses related to collaborators	20	0	0
b) Consumables and inventory materials	21	136,205	156,825
7. Commercial discounts received	22	0	0
8. Other taxes and similar charges	23	117,626	176,906
of which, license tax	24	73,259	0
9. Personnel expenses (row 26+27)	25	5,175,982	5,789,745
a) Salaries and allowances	26	5,037,671	5,594,457
b) Social insurance and welfare	27	138,311	195,288

TRANSILVANIA BROKER DE ASIGURARE S.A.
Profit and Loss Account
for the financial year ended on December 31, 2024
(all amounts are expressed in lei ("RON"), unless otherwise stated)

10. Commission expenses owed to assistants and auxiliary assistants	28	92,005,145	93,337,505
11. Other operating expenses (row 30 up to 34)	29	364,843	484,253
11.1. Expenses related to environmental protection	30	0	0
11.2. Revaluation of tangible assets	31	0	0
11.3. Expenses related to disasters and similar events	32	0	0
11.4. Expenses related to compensations, donations and disposals	33	296,476	484,253
11.5. Other operating expense	34	68,367	0
12. Depreciation of tangible and intangible assets (row 36-37)	35	222,872	331,314
a) Expenses	36	347,872	331,314
b) Income	37	125,000	0
13. Adjustments to current assets (row 39-40)	38	-12,875	-5,852
a) Expenses	39	0	0
b) Income	40	12,875	5,852
14. Provision adjustments (row 42-43)	41	200,000	-590,823
a) Expenses	42	200,000	0
b) Income	43	0	590,823
OPERATING EXPENSES - TOTAL	44	102,572,396	103,828,299
(row 19+21-22+23+25+28+29+35+38+41)			
OPERATING PROFIT OR LOSS			
Profit (row 18-44)	45	8,461,952	2,728,869
Loss (row 44-18)	46	0	0
15. Income from equity investments	47	0	0
of which: income from affiliated entities	48	0	0
16. Interest income	49	484,854	220,498
of which: income from affiliated entities	50	0	0
17. Other financial income	51	5,811	588
of which: income from other financial investments	52	0	0
FINANCIAL INCOME - TOTAL (row 47+49+51)	53	490,665	221,086
18. Financial asset adjustments (row 55-56)	54	0	0
a) Expenses	55	0	0
b) Income	56	0	0
19. Interest expenses	57	157,876	98,381
of which: expenses related to affiliated entities	58	0	0
20. Other financial expenses	59	13,534	4,619
FINANCIAL EXPENSES - TOTAL (row 54+57+59)	60	171,410	103,000
FINANCIAL PROFIT OR LOSS			
Profit (row 53-60)	61	319,255	118,086
Loss (row 60-53)	62		
CURRENT PROFIT OR LOSS			
Profit (row 18+53-44-60)	63	8,781,207	2,846,953
Loss (row 44+60-18-53)	64	0	0
TOTAL INCOME (row 18+53)	65	111,525,012	106,778,253
TOTAL EXPENSES (row 44+60)	66	102,743,805	103,931,299
21. GROSS PROFIT OR LOSS			
Profit (row 65-66)	67	8,781,207	2,846,953
Loss (row 66-65)	68	0	0
22. Corporate income tax	69	1,214,883	331,381

TRANSILVANIA BROKER DE ASIGURARE S.A.
Profit and Loss Account
for the financial year ended on December 31, 2024
(all amounts are expressed in lei ("RON"), unless otherwise stated)

23. Other taxes not included above	70	0	0
24. NET PROFIT OR LOSS FOR THE FINANCIAL YEAR			
Profit (row 65-66-69-70)	71	7,566,324	2,515,572
Loss (row 66-65+69+70)	72	0	0

The financial statements were authorized on March 25, 2025 by the Board of Directors,
for approval by the General Meeting of Shareholders.

President of the Board,
DL. Niculae Dan
Signature _____

Prepared by,
Mrs. Pârțiu Vasilichi Oana
Head of Financial and Accounting
Department
Signature _____

TRANSILVANIA BROKER DE ASIGURARE S.A.**Statement of Changes in Equity****for the financial year ended on December 31, 2024***(all amounts are expressed in lei ("RON"), unless otherwise stated)***STATEMENT OF CHANGES IN EQUITY****as of December 31, 2024**

Category description		Amount at January 1 st , 2024	Increase		Decrease		Amount at December 31, 2024
			Total, of which:	Transferred	Total, of which:	Transferred	
Subscribed paid-in capital		500,000			0		500,000
Share premiums		0	0		0		0
Revaluation reserves		0	0		0		0
Legal reserves		100,000	0	0	0		100,000
Gains from realized revaluation reserves		0	0		0		0
Other reserves		0	0		0		0
Repurchased own shares		0	0		0		0
Retained earnings or reported loss	Profit	3,586,175	7,566,324	7,566,324	5,000,000		6,152,499
	Loss	0					0
Corrections from accounting errors	Profit	0					0
	Loss	0					0
Result for the reporting period	Profit	7,566,324	2,515,572		7,566,324	7,566,324	2,515,572
	Loss	0					0
Profit distributions		0					0
Total equity		11,752,499	10,081,895		12,566,324		9,268,071

The financial statements were authorized on March 25, 2025 by the Board of Directors, for approval by the General Meeting of Shareholders.

President of the Board,

Dl. Niculae Dan

Signature _____

Prepared by,

Mrs. Pârțiu Vasilichi Oana

Head of Financial and Accounting

Department

Signature _____

TRANSILVANIA BROKER DE ASIGURARE S.A.**Statement of Changes in Equity****for the financial year ended on December 31, 2024***(all amounts are expressed in lei ("RON"), unless otherwise stated)***STATEMENT OF CHANGES IN EQUITY****as of December 31, 2023**

Category description		Amount at January 1 st , 2023	Increase		Decrease		Amount at December 31, 2023
			Total, of which:	Transferred	Total, of which:	Transferred	
Subscribed paid-in capital		500,000	0		0		500,000
Share premiums		0	0		0		0
Revaluation reserves		0	0		0		0
Legal reserves		100,000	0		0		100,000
Gains from realized revaluation reserves		0	0		0		0
Other reserves		0	0		0		0
Repurchased own shares		125,000	0		125,000		0
Retained earnings or reported loss	Profit	2,043,674	11,529,337	11,529,337	9,986,836		3,586,175
	Loss	0	0		0		0
Corrections from accounting errors	Profit	0	0		0		0
	Loss	0	0		0		0
Result for the reporting period	Profit	11,529,337	7,566,324		11,529,337	11,529,337	7,566,324
	Loss	0	0		0		0
Profit distributions		0	0		0		0
Total equity		14,048,011	19,095,661	11,529,337	21,391,173	11,529,337	11,752,499

The financial statements were authorized on March 25, 2025 by the Board of Directors, for approval by the General Meeting of Shareholders.

President of the Board,
Dl. Niculae Dan

Prepared by,
Mrs. Pârțiu Vasilichi Oana
Signature _____

STATEMENT OF CASH FLOWS

as of December 31, 2024

Category description	No. row	Amounts related to the reporting period	
		previous 31 December 2023	current 31 December 2024
CASH FLOWS FROM OPERATING ACTIVITIES			
1. Cash receipts from distribution activity	1	920,689,598	1,007,615,978
2. Cash payments from distribution activity	2	902,032,129	992,893,633
3. Other receipts from various debtors	3	11,433	0
4. Cash payments to suppliers and other various creditors	4	4,019,086	5,192,839
5. Cash payments to and on behalf of employees	5	4,918,013	5,820,332
6. Payments related to special funds from distribution activity	6	95,294	90,964
7. Other cash payments related to operating activity	7	1,851,148	1,247,361
8. Cash payments representing dividends transferred to shareholders	8	9,190,372	4,601,016
9. Cash payments representing interest on loans and lease contracts	9	157,876	98,381
10. Income tax paid	10	1,475,950	621,219
NET CASH GENERATED FROM (USED IN) OPERATING	11	-3,038,837	-2,949,766
ACTIVITIES (row 01-02+03-04-05-06-07-08-09-10)			
CASH FLOWS FROM INVESTING ACTIVITIES			
1. Cash payments for purchase of tangible and intangible assets	12	70,026	9,750
2. Receipts from sale of tangible and intangible assets	13	0	0
3. Cash payments for acquisition of equity or debt instruments of other entities	14	0	0
4. Receipts from sale of equity or debt instruments of other entities	15	0	0
5. Cash payments for acquiring interests in joint ventures	16	0	0
6. Receipts from sale of interests in joint ventures	17	0	0
7. Payments for loans granted to third parties	18	846	24,642
8. Collections from repayments of loans granted to third parties	19	5,683	25,488
9. Cash payments for other short-term investments	20	7,880,000	0
10. Collections from disposal of other short-term investments	21	9,000,000	4,880,000
11. Receipts from dividends from equity instruments	22	0	0
12. Receipts from interest on debt instruments	23	0	0
13. Receipts from bank interest	24	484,855	220,498
NET CASH GENERATED FROM (USED IN) INVESTING	25	1,539,666	5,091,595
ACTIVITIES (row 13-12+15-14+17-16+19-18+21-20+22+23+24)			
CASH FLOWS FROM FINANCING ACTIVITIES			
1. Cash receipts from issuance of shares or other equity instruments	26	0	0

TRANSILVANIA BROKER DE ASIGURARE S.A.**Statement of Cash Flows****for the financial year ended on December 31, 2024***(all amounts are expressed in lei ("RON"), unless otherwise stated)*

2. Cash payments to owners for repurchase of the entity's shares	27	0	0
3. Cash receipts from issuance of debt securities, bonds, or other loans	28	0	0
4. Cash repayments of borrowed funds	29	433,419	433,419
5. Cash receipts from loans from shareholders	30	0	0
6. Repayments of loans from shareholders	31	0	0
7. Cash payments related to finance lease contracts	32	104,020	108,600
8. Financing related to government programs	33	0	0
NET CASH GENERATED FROM (USED IN) FINANCING	34	-537,439	-542,019
ACTIVITIES (row 26-27+28-29+30-31+33-32)			
CASH AND CASH EQUIVALENTS AT 1 JANUARY	35	8,819,527	6,782,917
NET INCREASE/(DECREASE) IN CASH AND CASH	36	-2,036,610	1,599,810
EQUIVALENTS (row 11+25+34)			
EFFECT OF EXCHANGE RATE CHANGES ON MONETARY	37	0	-747
ITEMS			
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	38	6,782,917	8,381,980
(row 35+36+37)			

The financial statements were authorized on March 25, 2025 by the Board of Directors, for approval by the General Meeting of Shareholders.

President of the Board,

Dl. Niculae Dan

Signature _____

Prepared by,

Mrs. Pârțiu Vasilichi Oana

Head of Financial and Accounting
Department

Signature _____

1. GENERAL INFORMATION

1.1 Company Overview

TRANSILVANIA BROKER de ASIGURARE S.A. is an insurance distribution company 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. It is authorized by the Financial Supervisory Authority (FSA) to provide brokerage services in the field of commercial insurance, under authorization number 114.420 dated November 21, 2006, and is listed in the Register of Insurance Brokers under number RBK - 374. The company is subject to regulations issued by FSA regarding intermediation in commercial insurance. It has been listed on the Bucharest Stock Exchange since November 2, 2017. Its registered office is located in Bistrița, Calea Moldovei Street, no. 13, postal code 420096, Bistrița-Năsăud County. It is registered with the Trade Registry under no. J06/674/2006 and is identified by Tax Identification Code 19044296.

As of December 31, 2024, the company has the following operating premises:

- Sibiu Municipality, Sibiu County, Justice Street, no. 10
- Bucharest, District 1, Elena Caragiani Street, no. 21D, ap. 1
- Pitești Municipality, Argeș County, Rozelor Entrance, no. 3

Shareholding structure at December 31, 2024 is presented below:

Shareholder	No. of shares	Percentage (%)
Partners Financial Services A.S. loc. CHODOV CZE	1,644,500	32.8900
LOGIN GABRIEL	707,588	14.1518
Natural persons	1,746,941	34.9388
Legal entities	900,971	18.0194
	5,000,000	100

1.2. Corporate Governance Structure

Members in the Board of Directors for Transilvania Broker de Asigurare S.A. over the period 1 January 2024 – 31 December 2024:

- NICULAE Dan – Chairman;
- DENEȘ Daniela Tasia – Independent member;
- ȚUICĂ Gabriel Alexandru – Member

- LOGIN Gabriel – Member
- BOBU Carmen Loredana – Member

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

- BALTASIU Sorin Ștefan – General Manager;
- COTIAN Ioan – Executive Manager
- PÂRȚIU VASILICHI Oana – Head of Financial-Accounting Department.

Executive management members have responsibilities and authority as defined in their job descriptions. According to the Board Decision no. 30 dated December 21, 2023, the company directors acknowledged that Mr. Gabriel Login had resigned from his position as Executive Director/General Manager with effective date on February 1, 2024 and therefore, the Board also revoked him from his executive manager role as of the same date.

No members of the executive management or the Board of Directors have been involved in litigation or administrative procedures related to their role within the company.

2. ACCOUNTING POLICIES

The individual annual financial statements were prepared by the Company in accordance with Accounting Law no. 82/1991, republished, with its subsequent amendments and additions, and the provisions of FSA Rule no. 36/2015 for approving accounting regulations applicable to the individual and consolidated annual financial statements of insurance and/or reinsurance brokers, as amended ("Rule 36/2015"). The Company's management explicitly and unreservedly declares the compliance of these individual annual financial statements with all applicable provisions under Rule 36/2015.

The financial statements were authorized by the Board of Directors in the meeting held on March 25, 2025.

The main accounting policies applied in the preparation of the financial statements are detailed below. These policies have been applied consistently for all periods presented, unless stated otherwise.

2.1. Basis of Measurement

The financial statements are prepared based on the historical cost convention, unless otherwise stated.

2.2. Presentation Currency

Accounting is conducted in Romanian language and the national currency (RON or LEI). All elements in these financial statements are presented in Romanian LEI.

2.3. Accounting estimates and judgements

Preparing financial statements in accordance with Rule 36/2015 requires management to make estimates that affect the reported values of assets and liabilities and the presentation of contingencies at the financial statement date, as well as income and expense recognition in the reporting period. Actual results may differ from these estimates. Estimates are reviewed regularly.

The methods of valuation, estimation, and presumptions applied within the Company are presented in the following paragraphs:

(a) Impairment adjustments for receivables

The impairment adjustments for receivables is carried out on an individual basis and is based on management's best estimate of the present value of cash flows expected to be received. To estimate these flows, the management makes estimated projections regarding the financial position of the partners.

(b) Litigation procedures

The company reviews unresolved legal cases, following developments in court proceedings and the situation existing at each reporting date, to assess provisions and presentations in its financial statements. Among the factors considered in making decisions related to the provisions are the nature of the dispute or claims at the potential level of compensations, the progress of the case (including progress after the date of the financial statements, but before those statements are issued).

(c) Taxation

The taxation system in Romania is in a phase of consolidation and harmonization with European legislation. However, there are still different interpretations of tax law. In certain situations, the tax authorities may treat certain aspects differently, proceeding to calculate additional taxes and fees, as well as related late payment penalties. The Company's management considers that the tax liabilities included in the financial statements are adequate.

2.4. Significant financial reporting principles

The financial statements for the financial year ended December 31, 2024 have been prepared in accordance with the following general financial reporting principles:

Going Concern Principle

These financial statements have been prepared based on the going concern principle, which implies that the Company will normally continue its operation ~~in for~~ the foreseeable future without being forced to cease its operations or significantly reduce their scale. To assess the applicability of this assumption, management shall review forecasts of future cash inflows. Based on these analyses, the management considers that the Company will be able to continue its operations in the foreseeable future and therefore the application of the going concern principle in the preparation of the individual annual financial statements is justified.

As of December 31, 2024, the Company recorded a **net profit** in the amount of RON 2,515,572, with **net current assets** in the amount of RON 5,760,105.

Consistency Principle

The company applies the same rules, methods, norms regarding the evaluation, recording and presentation in accounting of assets, liabilities and equity, ensuring the comparability of the accounting information over time.

Prudence Principle

When preparing the financial statements, the following were taken into account:

- all value adjustments resulting from the impairment of asset valuations;
- only the profit realized at the balance sheet date was included in the profit and loss account;
- the liabilities arising during the current financial year or a previous financial year have been recognised, even if they became evident only between the balance sheet date and the date of its preparation.

Accrual Accounting Principle

The effects of transactions and other events are recognised when transactions and events occur (and not as cash or its equivalent is received or paid) and are recorded in the accounts and reported in the financial statements of the corresponding periods. The income and expenses resulting directly and simultaneously from the same transaction are recognized concurrently in the accounting records, by directly matching the related expenses and revenues, with separate disclosure of these revenues and expenses.

Intangibility Principle

The opening balance sheet of the current financial year corresponds to the closing balance sheet of the previous financial year.

Separate Valuation Principle

In order to determine the total value corresponding to a balance sheet item, the value of each individual asset or liability item was determined separately.

No Offsetting Principle

The values of the items representing assets were not offset against the values of the items representing liability or equity, respectively no offsets were made between income and expense items.

Historical Cost Principle

The items presented in the financial statements are valued based on the historical cost.

Materiality Principle

Items that have a material value are presented separately in the financial statements.

Substance over Form Principle

The economic and financial events and operations were recorded in the accounting system as they occurred, based on the supporting documents. When there are differences between the substance or economic nature of an operation or transaction and its legal form, the entity shall record these operations in the accounts, in compliance with their economic substance.

2.5 Foreign currency exchange

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

The RON/EUR exchange rates on 31 December 2023 and 31 December 2024 were as follows:

Currency exchange	31 December 2023	31 December 2024
RON/EUR	4.9746	4.9741

2.6 Intangible assets

Intangible assets that meet the recognition criteria provided by Rule 36/2015 are presented at cost minus cumulative depreciation.

The costs related to the acquisition of software are capitalized and amortized using the straight-line method over the useful life.

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

Licenses and other intangible assets are amortized using the straight-line amortization method, over an estimated period of 3 years.

2.7 Tangible assets

Cost / Measurement

Property, plant and equipment recognised as assets are initially measured at cost by the Company and subsequently at cost minus cumulative depreciation and impairment losses. The cost of an item of property, plant and equipment consists of the purchase price, including sunk taxes and any costs that may be directly attributable to bringing the asset to the location and condition necessary for it to be used for the desired management purpose, such as: initial delivery and handling costs, installation and packaging costs, professional fees, after deduction of any price reductions of a commercial nature.

Expenses related to the maintenance and repairs of tangible assets are recorded by the Company in the Profit and Loss Account when they occur, and significant improvements made to tangible assets, which increase their value or extend their useful life, or which significantly increase the Company's ability to generate economic benefits, are capitalized.

Tangible fixed assets under execution are included in the category of fixed assets completed after their reception, releasing in use or commissioning, as applicable.

Amortization

Depreciation is calculated for the depreciable amount, which is the cost of the asset, or another value that substitutes for the cost. Depreciation is recognised in profit or loss using the straight-line method for the estimated useful life for each component of a property, plant and equipment.

The useful lives for the reporting period are as follows:

- Land development 10 years;
- Buildings 40 years;
- Plant and machinery 3 - 6 years;
- Motor vehicles 5 years;
- Furniture and office equipment 3 - 5 years.

Depreciation periods in accounting are no different from depreciation periods used by the Company for tax purposes.

Tangible assets held under lease contracts or paid in installments

As of December 31, 2024, the Company has three ongoing financial leasing contracts for a period of 5 years, concluded in 2020 and 2021, respectively, having as object three motor vehicles with a total entry value of RON 670,432. As of December 31, 2024, the book value of tangible fixed assets held under financial leasing is RON 140,920.

In 2021, the Company purchased a motor vehicle with an accounting value of RON 487,094, for which the outstanding debt as of December 31, 2024 is RON 97,300, a debt that will be paid in monthly installments, until December 2025.

Derecognition

Property, plant and equipment that have been disposed of or scrapped are removed from the Balance Sheet together with the corresponding cumulative depreciation. Any gain or loss resulting from the disposal of a fixed asset is determined by comparing the income from the disposal with the carrying amount of the tangible fixed asset and is recognised at net value in profit or loss for the period.

2.8 Financial assets

Financial assets are initially recorded at the acquisition cost or the value determined by the contract for their acquisition. Financial assets are subsequently recorded at the entry value minus the cumulative impairment adjustments.

2.9 Impairment for long term assets

The carrying amount of the Company's assets, other than inventories, is analyzed at the date of each balance sheet to determine whether there are any decreases in value. If such a decrease is likely, the recoverable amount of the asset in question is estimated. The correction of the value of intangible and tangible assets and their adjustments to the actual value at the balance sheet date is carried out, depending on the type of existing depreciation, either by recording an additional depreciation, if an irreversible depreciation is appropriate to be considered, or by creating or supplementing the depreciation adjustments, if a reversible depreciation is applicable.

Reversal of impairment

The impairment loss related to an investment made by the Company in financial instruments or to a receivable is reversed when the subsequent increase in the recoverable amount can be related to an event that occurred after the impairment loss was recognised.

For other assets, an impairment adjustment is reversed if there has been a change in the estimates used to determine the recoverable amount.

2.10 Trade receivables

Trade receivables are recognised and recorded at the initial amount receivable minus impairment adjustments for non-collectible amounts. Impairment adjustments are recognized when there is evidence that the Company will not be able to collect the receivables at the initially agreed maturity. Uncollectible receivables are recorded as expenses when they are identified.

2.11 Cash and cash equivalents

The monetary funds consist of cash in the cashier and bank accounts. For the Statement of Cash Flows, cash and cash equivalents comprise cash in the cash register and bank accounts.

2.12 Trade Liabilities

Commercial liabilities are recorded at cost, which represents the amount of the obligation to be paid in the future for the goods and services received, regardless of whether or not they have been invoiced to the Company. For debts denominated in RON, but settled based on the exchange rate of a foreign currency, any favorable or unfavorable differences resulting from their valuation are recognised as financial income or expenses, as applicable.

2.13 Lease contracts

The financial leasing contracts, which transfer to the Company all the risks and benefits related to the tangible fixed assets subject to lease, are capitalized at the start date of the lease in the acquisition value of the leased assets. Lease payments are separated between interest expense and lease debt reduction. The interest expense is recorded directly in the profit and loss account.

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

2.14 Provisions

Provisions are recognised when the Company has a current obligation (statutory or implied) arising from a previous event, it is probable that an outflow of resources will be required to settle the obligation, and the debt can be reliably estimated. The amount of a provision is the best estimate of the probable expenses, or, in the case of an obligation, of the amount necessary to settle the obligation.

2.15 Subscribed paid-in capital

The share capital, composed of common shares, is registered at the value established on the basis of the articles of incorporation. The Company recognizes changes to the share capital only after their approval in the General Meeting of Shareholders.

2.16 Legal reserves

Legal reserves are established at a rate of 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 of December 31, 2024, the Company has constituted a legal reserve at the level required by the Companies Act, namely 20% of the share capital.

2.17 Dividends

Dividends are recognised as a liability during the period in which their distribution is approved. The distribution of dividends is carried out after the approval of the financial statements.

2.18 Retained earnings or deferred losses

The deferred accounting loss is covered from the profit of the current financial year, after the approval of the annual financial statements according to the law.

The recognition of the accounting profit destinations is made in the following year after the General Meeting of Shareholders that approved the distribution of profit, by recording the amounts representing dividends due to shareholders, reserves and other destinations, according to the law. The records made regarding the distribution of profit cannot be reversed.

2.19 Financial instruments

The financial instruments used by the Company consist mainly of cash, receivables, debts. Such instruments shall be valued in accordance with the specific accounting policies set out above in Note 2.

2.20 Revenue recognition

Operating revenue

The revenue category includes both amounts or amounts received or receivable in the Company's own name from current activities, as well as earnings from any other sources. The Company's operating revenue includes income from the distribution activity, as well as other operating income.

The Company's turnover consists of revenues from the distribution of insurance and reinsurance contracts, consisting mainly of revenues from other activities related to the distribution activity.

Revenue is recognised by the Company as services are provided based on the invoice issued or under other conditions specified in the contracts signed by the Company.

Interest revenue

Interest shall be recognised periodically, on a pro-rata basis, as the income is generated, based on accrual accounting principles.

2.21 Taxes and duties

The company registers current corporate income tax in accordance with the Romanian legislation in force at the date of the financial statements. Liabilities related to taxes and duties are recorded in the period to which they refer.

2.22 Accounting errors

Accounting errors refer either to the current financial year or to the previous financial years. The correction of errors shall be made on the date of their finding. The correction of errors related to the current financial year is recognised in the profit and loss account. The correction of material errors related to previous financial years is recognised against retained earnings.

3. RISK MANAGEMENT

Interest rate risk

The Company's interest rate risk arises from long-term loans contracted in 2018 and 2020 with a variable interest rate. The Company's exposure to the risk of changes in the interest rate on cash flows is partially offset by cash placed in deposits, for which the interest rate is also variable.

The exchange rate risk

The Company is not exposed to this type of risk, as the Company's activities are performed on the domestic market, and at the date of the financial statements, it records insignificant balances related to debts denominated in foreign currency (e.g. related to ongoing financial leasing contracts).

Credit risk

The Company conducts commercial transactions only with recognized third parties, which justify credit financing. Receivables balances are continuously monitored, resulting in an insignificant exposure of the Company to the risk of uncollectible receivables.

4. INTANGIBLE ASSETS

COST / Elements of long-term assets	Initial balance 01 January 2024	Increase	Decrease		Final balance 31 December 2024
			Total	Of which: disposals	
Licenses and other intangible assets	122,688	0	0	0	122,688
TOTAL	122,688	0	0	0	122,688

AMORTIZATION / Elements of long-term assets	Initial balance 01 January 2024	Amortization over the year	Amortiza tion related to removed/ disposed assets	Final balance 31 December 2024
Licenses and other intangible assets	113,885	6,502	0	120,387
TOTAL	113,885	6,502	0	120,387

Accounting value	8,803			2,302
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During 2024, the carrying amount of intangible assets (licenses and software) decreased by 74%, due to the recognition of amortisation expenses. The amortisation related to intangible assets recognized by the Company in 2024 is RON 6,502.

5. TANGIBLE ASSETS

COST / Elements of long-term assets	Initial balance 01 January 2024	Increase	Decrease		Final balance 31 December 2024
			Total	Of which: Dismantling and scrapping	
Land and buildings	3,819,033	0	0	0	3,819,033
Technical installations and machines	2,161,625	9,750	0	0	2,171,375
Other installations, machinery and furniture	126,384	0	0	0	126,384
Advances and tangible assets in progress	0	0	0	0	0
TOTAL	6,107,042	9,750	0	0	6,116,792

AMORTIZATION / Elements of long-term assets	Initial balance 01 January 2024	Amortization over the year	Amortization related to removed assets	Final balance 31 December 2024
Land development	9,012	1,931	0	10,943
Buildings	279,396	64,530	0	343,926
Technical installations and machines	1,432,248	252,490	0	1,684,738
Other installations, machinery and furniture	116,624	5,861	0	122,485
TOTAL	1,837,280	324,812	0	2,162,092
Accounting value	4,269,762			3,954,700

During 2024, the book value of tangible assets decreased by 7%. Investments in technical appliances and installations made during 2024 amounted to 9,750 lei. In 2024, there were no disposal or scrapping operations of tangible assets.

The value of depreciation expenses for tangible fixed assets recognized by the Company in 2024 is RON 324,812.

As of December 31, 2024, the Company has no other adjustments for the impairment of tangible assets.

6. FINANCIAL ASSETS

The financial assets presented in the balance sheet refer to guarantees paid for lease contracts regarding locations used for performing current activities, including guarantees for utility contracts.

COST	Initial balance 01 January 2024	Increase	Decrease	Final balance 31 December 2024
Guarantees and long-term receivables	11,736	24,642	25,488	10,890
TOTAL	11,736	24,642	25,488	10,890

IMPAIRMENT ADJUSTMENTS	Initial balance 01 January 2024	Increase	Decrease	Final balance 31 December 2024
Guarantees and long-term receivables	0	0	0	0
TOTAL	0	0	0	0
Accounting value	11,736			10,890

7. TRADE RECEIVABLES AND OTHER RECEIVABLES

The Company's receivables, analyzed according to their liquidity, are presented as follows:

Elements of receivables	No. row	Balance at 1 January 2024	Balance at 31 December 2024	Liquidity period		
				Less than 1 year	1 - 5 years	Over 5 years
(0)	(1)	(2)	(3 = 4 + 5 + 6)	(4)	(5)	(6)
TOTAL RECEIVABLES (row1 up to 8 – row 9+ row10 + row 11), from which:		13,816,551	12,613,816	12,613,816	0	0
Receivables related to distribution activity	1	2,847,671	787,117	787,117		0
<i>Impairment adjustments for receivables related to distribution activity</i>	2	-138,993	-138,993	-138,993		
Receivables from affiliated entities	3	0	0	0		0
Advances for service rendering	4	1,113,800	666,000	666,000		0
Advances granted for employees and other similar receivables	5	0	0	0		0
Claims receivable from the state budget	6	0	108,769	108,769		0
Receivables from the social security budget	7	58,018	82,830	82,830		0
Receivables regarding subscribed capital not paid	8	0	0	0		0
Receivables related to other debtors	9	9,966,700	11,134,450	11,134,450		0
<i>Impairment adjustments for receivables related to other debtors</i>	10	-30,645	-26,357	-26,357		0
Receivables regarding invoices unissued	11	0	0	0		
Settlements from operations under clarification	12	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.

Doubtful receivables are recorded separately in the accounting system. When it is estimated that a receivable will not be collected in full, adjustments for impairment losses are recorded, at the level of the amount that can no longer be recovered. As of December 31, 2024, the adjustments made for the impairment of receivables related to the

distribution activity are RON 138,993 and represent 100% of the value of uncertain receivables.

Receivables representing advances for services in the amount of RON 666,000 represent amounts paid as advances to assistants in the distribution activity, amounts that are settled with the commissions owed to them for the insurance policies sold.

Receivables from miscellaneous debtors in the total amount of RON 11,134,450 refer mostly to amounts to be settled to the Company by the distribution assistants in January 2025. From this amount, RON 34,691 represents various debtors' claims, of which a part is subject to court actions.

The Company makes estimates regarding the risk of non-collection of the receivables recorded as of December 31, 2024. In accordance with these estimates, the Company accounted adjustments for impairments related to receivables from various debtors in the amount of RON 26,357.

Impairment adjustments for receivables	31 December 2023	31 December 2024
At the beginning of the period	182,514	169,638
Recognized over the year	0	0
Reimbursed over the year	(12,874)	(4,288)
At the end of the period	169,638	165,350

8. SHORT TERM INVESTMENTS

As of December 31, 2024, the Company does not have short-term investments on its balance sheet. During 2024, the bank deposit in the amount of RON 4,880,000, existing at the end of 2023, was liquidated. Cash payments and receipts from deposit establishment-decommissioning operations are presented as cash flows from investment activity in the Statement of Cash Flows as of 31 December 2024.

9. CASH AND CASH EQUIVALENTS

Indicator	31 December 2023	31 December 2024
Bank current accounts (lei)	6,782,917	8,381,975
Cash in the cashier (lei)	0	5
Other funds (lei)	0	0
Treasury advances (lei)	0	0
TOTAL	6,782,917	8,381,980

10. TRADE LIABILITIES AND OTHER LIABILITIES

The Company's liabilities, analyzed according to the maturity date, are presented in the following table:

Liability Elements	No. row	Balance at 1 January 2024	Balance at 31 December 2024	Maturity		
				Less than 1 year	1 - 5 years	Over 5 years
(0)	(1)	(2)	(3 = 4+5+6)	(4)	(5)	(6)
TOTAL LIABILITIES (row 1 up to 15), of which:		17,483,250	15,738,328	15,278,402	459,926	0
Loans from bond issuance	1	0	0	0	0	0
Amounts due to credit institutions	2	1,271,821	838,402	430,619	407,783	0
Payables related to the distribution activity	3	13,687,144	13,671,242	13,671,242	0	0
Amounts due to related entities	4	194,500	97,300	97,300		0
Debts arising from leasing contracts	5	249,395	140,920	88,777	52,143	0
Debts to suppliers and other creditors	6	1,075,715	164,233	164,233		0
Debts to employees	7	364,945	380,460	380,460	0	0
Amounts due to assistants and auxiliary assistants	8	94,450	14,536	14,536	0	0
Debts to the social security budget	9	184,387	167,433	167,433	0	0
Debts to the state budget	10	215,140	30,375	30,375	0	0
Debts to special funds in the distribution activity	11	12,493	28,557	28,557	0	0
Other liabilities	12	10,333	6,333	6,333	0	0
Dividend liabilities due to shareholders	13	0	0		0	0
Settlements from operations under clarification	14	122,927	198,536	198,536	0	0

The Company's debts as of December 31, 2024 refer mostly to debts to insurance companies, settled in January 2025, respectively the amount of RON 13,671,242 (RON 13,687,144 in 2023).

Debts to financial and banking institutions are represented by two investment loans and are presented on the balance sheet according to their due date.

The long-term loan in the amount of RON 1,400,000 was contracted by the Company in 2018, to finance the purchase of a building in Bistrita (the Company's current headquarters) and two plots of land related to the building, in a total amount of RON 1,698,272. The loan is repaid in equal installments for a period of 84 months, with the final maturity on 1 December 2025. The amount remaining to be repaid at the end of 2024 is 197,600 lei. The company has provided the following guarantees for this loan: security

guarantee on bank accounts; real estate mortgage on the construction and the two plots of land.

The second loan, amounting to RON 1,611,713, was contracted in 2020 to finance the purchase of a building and related land in Bucharest. The repayment of this loan is made in 84 equal monthly installments, with the final maturity on 29 September 2027. As of December 31, 2024, the balance of this loan is RON 640,802. The building and land financed by this loan are mortgaged in favour of the bank. For both loans, the interest rate is set according to the six-month ROBOR index and the margin charged by the bank.

At the end of 2024, there are three ongoing financial leasing contracts with a total debt of RON 140,920, the maturity of which is presented bellow:

Financial lease liabilities	31 December 2023	31 December 2024
with maturity under one year	108,531	88,777
with maturity over one year	140,864	52,143
Total	249,395	140,920

Debts to the state budget, representing taxes and fees due, refer to amounts paid on the due dates for these obligations. Obligations towards staff and social security budgets shall be presented in accordance with their intended purpose.

The settlements from the operations under clarification have a credit balance of RON 198,536 as of December 31, 2024 and are generated by amounts erroneously collected from assistants and/or insured persons that until 31 December 2024 have not been allocated on insurance policies, to be offset with subsequent payments, upon renewal of the policies, or are refunded on request.

11. PROVISIONS

In 2022, the Company recognized provisions for litigation in connection with the claims introduced by Omniasig Vienna Insurance Group S.A. in the form of compensations and legal costs incurred in a claim case. The provision was estimated at RON 390,823, representing the value of the claims requested by the applicant, a provision maintained as of December 31, 2023. During 2024, the Company lost the lawsuit filed by Omniasig Vienna Insurance Group S.A. and paid the amount of RON 405,253 as compensation, and the recorded provision was resumed as income.

The provision in the amount of RON 200,000 recognized by the Company as of December 31, 2023 for benefits granted to employees in the form of profit participation was

reimbursed to income as a result of the RON 200,000 payment made to employees during 2024.

12. PAID - IN CAPITAL

Indicator	31 December 2023	31 December 2024
Value of subscribed paid capital (lei)	500,000	500,000
Number of ordinary shares	5,000,000	5,000,000
Par value (lei/share)	0,10	0,10

On September 7, 2021, the extraordinary general meeting of shareholders decided to divide (split) the nominal value of the Company's shares, in a 1:2 split ratio, the nominal value of the share changing, consequently, from RON 0.2 to RON 0.1, the Company's share capital in the amount of RON 500,000 being divided into 5,000,000 shares with a nominal value of RON 0.1 each. By Decision no. 1426/11.11.2021, the Financial Supervisory Authority approved the Company's request for the division of the nominal value of the shares. The last trading date for Transilvania Broker de Asigurare S.A. shares prior to the split operation was February 11, 2022.

13. RESERVES	31 December 2023	31 December 2024
Legal reserves	100,000	100,000
Total reserves	100,000	100,000

14. PROFIT ALLOCATIONS

Indicator	Financial year ended on 31 December 2023	Financial year ended on 31 December 2024
Net current profit	7,566,324	2,515,572
Retained earnings	3,586,175	6,152,499
Total distributable profit	11,152,499	8,668,071
Legal reserves	0	0
Other reserves	0	0
Dividends owed	5,000,000	3,000,000
Remaining profit	4,152,499	5,668,071

The Board of Directors assumes responsibility for the proposed allocation of the distributable profit. The undistributed profit in the amount of RON 5,668,071 will be distributed later, according to the decision of the General Shareholders' Meeting. The

accounting recognition of the profit allocation will be carried out after the General Meeting of the Shareholders approves the profit distribution.

15. NET TURNOVER

Nature of realized income	31 December 2023	31 December 2024
Venituri din activitatea de distribuție, din care:	111,013,199	106,530,434
Providing advice and proposing insurance and/or reinsurance contracts	0	0
Providing assistance with the management and performance of contracts, including in the event of a claim	560,995	1,080,363
Other activities related to distribution activity	110,449,711	105,440,617
Income from distribution activity	2,493	9,454
Revenues from the creation of insurance products in association with insurers	0	0
Income from the organization of professional training courses in insurance and reinsurance	0	0
Commercial discount granted	0	0
Royalty, premises and rental income	0	0

16. EMPLOYEE EXPENSES

a) Salary expenses and related contributions, other expenses related to employees

Indicator	Value at 31 December 2023	Value at 31 December 2024
Expenses related to staff remuneration	4,642,131	5,331,057
Expenses related to meal vouchers granted to employees	270,540	263,400
Premium expenses representing the participation of personnel in profit	125,000	0
Insurance and social protection expenses	35,065	75,095
Labor insurance contribution	103,210	120,193
Personnel training expenses	231,942	38,000
TOTAL, of which:	5,407,888	5,827,745
Expenses related to executive management staff	497,396	513,732

b) Board of Directors:

Surame and first name	Position	Value of gross allowances paid in 2024
NICULAE DAN	Chairman	169,332
TUICA GABRIEL ALEXANDRU	Non-executive director	14,400
DENES DANIELA TASIA	Independent director – chairman of the audit committee	141,600
LOGIN GABRIEL	Non-executive director	174,000
BOBU LOREDANA	Non-executive director	14,400
TOTAL		513,732

17. OPERATING RESULT ANALYSIS

a) OPERATING INCOME

Indicator	Financial year ended on 31 December 2023	Financial year ended on 31 December 2024
1. Net turnover	111,013,199	106,530,434
2. Cost of goods sold and services rendered (3+4)	97,622,533	99,429,102
3. Expenses related to main activity	97,486,328	99,272,277
4. Expenses related to auxiliary activities	136,205	156,825
5. Gross result related to net turnover (1-2)	13,390,666	7,101,332
6. Sales expenses	2,871,197	2,605,165
7. General administrative expenses	2,078,665	2,390,707
8. Other operating expenses	21,148	623,408
9. Operating result (5-6-7+8)	8,461,952	2,728,868

b) EXPENSES RELATED TO EXTERNAL SERVICES

Indicators	Financial year ended on 31 December 2023	Financial year ended on 31 December 2024
Energy and water expenses	62,616	57,326
Maintenance and repair costs	58,950	52,275
Expenses with royalties, premises and rents	116,037	96,792
Insurance premium expenses	156,721	202,300
Personnel training expenses	231,942	38,000
Expenses with collaborators	0	0
Expenses related to commissions and fees	0	0
Protocol, advertising and advertising expenses	416,306	202,944
Expenses for the transport of goods and personnel	0	0
Travel, relocation and transfer expenses	13,400	47,433

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Postal expenses and telecommunications fees	157,416	172,580
Expenses with banking and similar services	707,719	923,990
Other expenses with services provided by third parties	2,441,491	2,354,788
TOTAL	4,362,598	4,148,428

18. CORPORATE INCOME TAX

Indicators	Financial year ended on 31 December 2023	Financial year ended on 31 December 2024
1. Accounting profit or loss	7,566,324	2,515,572
2. Income equivalent elements	0	0
3. Legal reserve	0	0
4. Non-taxable income	137,875	795,946
5. Non-deductible expenses	1,947,560	1,079,679
6. Non-deductible amortization	115,269	210,392
7. Taxable profit / Tax loss for the fiscal year (row 1+2-3-4+5+6)	9,491,278	2,588,913
8. Tax loss from previous years	0	0
9. Taxable profit / Tax loss to recover in following years (rd. 7-8)	9,491,278	2,588,913
10. Current income tax (row 9 * 16%)	1,518,604	414,226
11. Tax allocated for reinvested profit	0	0
12. Income tax owed (row 10-11)	1,518,604	414,226
13. Allowance	0	0
14. Income tax owed for Q1 + Q2 + Q3	1,033,814	440,150
15. Sponsoring expenses	303,721	82,845
16. Income tax liability /Income tax receivable at the end of period (row 12-13-14-15)	181,069	-108,769

At the end of 2024, the company registered a receivable in relation with the state budget regarding corporate income tax in the amount of RON 108,769.

19. OTHER INFORMATION

Information regarding relationships with affiliated entities and other related parties

The Company does not hold interests in other entities disclosed in the Company's balance sheet as of December 31, 2024. However, on December 2, 2024, the company Transilvania Financial Services S.R.L. was established, whose sole shareholder is Transilvania Broker de Asigurare S.A. The share capital in the amount of RON 1,000,000 was subscribed but not paid up until December 31, 2024.

In 2021, the Company purchased a transportation vehicle worth RON 487,094 from Mr. Niculae Dan, Chairman of the Board of Directors and shareholder of the Company. As of December 31, 2024, the balance of the Company's liability in connection with this

transaction is RON 97,300 and will be paid monthly, until December 2025, with a monthly installment of RON 8,100.

Subsequent events

Events subsequent to the balance sheet date are those events, favorable or unfavorable, that occur between the balance sheet date and the date on which the annual financial statements are authorized for issuance. There were no subsequent events requiring adjustments to the annual financial statements.

Rental and leasing expenses

The rental expenses recorded in 2024 in the amount of RON 96,792 are related to the locations used by the Company as operating premises. For 2024, the interest expenses related to leasing contracts are in the amount of RON 14,430.

Contingencies

The Company does not consider it necessary to submit such information as of December 31, 2024.

Taxation

All amounts due to the State for taxes have been paid or recorded at the balance sheet date. The tax system in Romania is constantly changing, and there may be different interpretations of the authorities in relation to the tax legislation, which may give rise to additional taxes, fees and penalties. If the state authorities discover breaches of the legal provisions in Romania, they may determine, as the case may be: the confiscation of the amounts in question, the imposition of additional tax obligations, the application of fines, the application of delay penalties (calculated on the amounts actually remained). Therefore, the tax penalties resulting from violations of the legal provisions can reach significant amounts to be paid to the State.

The Company considers that it has paid on time and in full all taxes, penalties, and penalty interest, to the extent applicable. In Romania, the fiscal year remains subject for inspections for a period of five years.

Environmental aspects

The Company is not aware of any potential adverse effects on the environment as a result of its operations, which should be quantified. The outcome of such potential effects is uncertain, and the Company's management does not consider it necessary to provision such environmental liabilities.

Commitments - Guarantees granted to third parties

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

- Cash guarantee on bank accounts opened with the bank;
- Real estate guarantee on the land with an area of 100 sq.m., having the cadastral no. 8452, registered in the Land Book no. 61938 of Bistrita Municipality;
- Real estate guarantee on the intra-urban land with an area of 500 sq.m., having the cadastral no. 56884 and the construction built on it, having the cadastral no. 56884-C1, real estate registered in the Land Book no. 56884 of Bistrita Municipality
- Real estate guarantee on the property consisting of an apartment located in Bucharest, having the cadastral no. 253777-C1-U1, registered in the Land Book no. 253777-C1-U1 of the Municipality of Bucharest Sector 1, together with the related share of 3126/10000 of the common parts and dependencies, as well as on the share of 9000/100 of the intra-urban land with an area of 270 sq.m., having the cadastral no. 253777, registered in the Land Book no. 253777-C1-U1 of the Municipality of Bucharest, Sector 1.

Commitments – Amounts subject to refunding for insurers

In November 2020, Transilvania Broker SA concluded an intermediation contract with the insurer City Insurance SA, based on which it issued a number of 1,748 insurance contracts. By FSA Decision no. 1148/17.09.2021, the Financial Supervisory Authority ordered the withdrawal of the operating license of City Insurance SA and the opening of the bankruptcy procedure for this insurer. Consequently, the insured persons of City Insurance SA who submitted requests for termination of insurance contracts were reimbursed by the Insured Guarantee Fund for insurance premiums, proportional to the period between the moment of termination and the expiry of the validity period of the contracts.

Taking into account the provisions of the brokerage contract concluded with the insurer City Insurance SA, Transilvania Broker SA undertook to reimburse the brokerage fees related to the insurance premiums returned to the insured. The commitment assumed by

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(all amounts are expressed in lei ("RON"), unless otherwise stated)

the Company is valued at the amount of RON 518,509 and is to be paid in eight installments of equal value, during 2025.

The financial statements were authorized on March 25, 2025 by the Board of Directors, for approval by the General Meeting of Shareholders.

President of the Board,
Dl. Niculae Dan
Signature _____

Prepared by,
Mrs. Pârțiu Vasilichi Oana
Head of Financial and Accounting
Department
Signature _____



Board of Directors

ANNUAL REPORT

for the financial year ended on December 31, 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

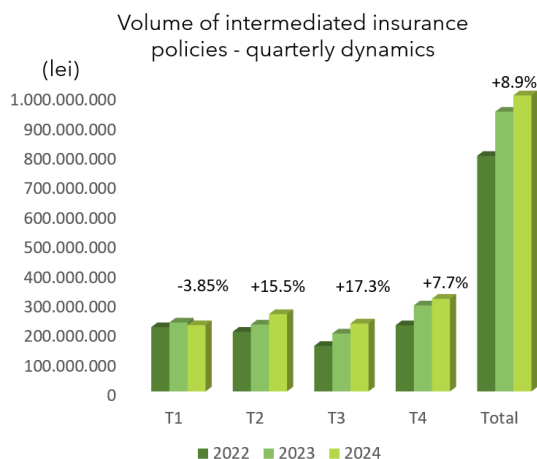
During the reporting period, no mergers, spin-offs, acquisitions, or other patrimonial changes involving the Company took place.

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.

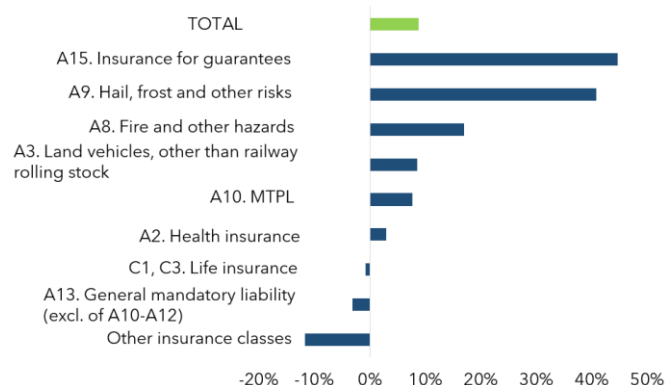
Efforts to optimize costs - other than those related to human resources and brokerage assistants - have resulted in lower costs without, however, undermining the drivers of the main activity, i.e. insurance intermediation. Personnel expenses have increased in line with inflation, as well as to optimize 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.
-

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



DECLARATION

in accordance with the provisions of Article 30 of the Accounting Law no 82/1991 republished, with subsequent amendments and additions

Financial statements have been prepared as at December 31, 2024 for :

Entity : Soc Transilvania Broker de Asigurare S.A.

County : Bistrita-Nasaud

Address : Bistrita, Calea Moldovei str , 13

Form of ownership : 34- Joint stock company

Trade register number : J06/674/2006

Main activity (CAEN class code and name) : 6622- Activities of insurance agents and brokers

Tax identification code : 19044296

The undersigned Baltasiu Sorin-Stefan Baltasiu - General Manager and Partiu-Vasilichi Oana-Ancuta Partiu-Vasilichi - Financial Accounting Manager declare that to the best of our knowledge, the financial statements have been prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position, profit and loss account and confirm that the Report of the Board of Directors for the financial year 2024 includes a fair analysis of the development and performance of the company, as well as a description of the main risks and uncertainties specific to the activity carried out.

General Manager ,

Baltasiu Sorin-Stefan

Financial Accounting Manager,

Partiu-Vasilichi Oana-Ancuta

INDEPENDENT AUDITOR'S REPORT

To the shareholders of **TRANSILVANIA BROKER DE ASIGURARE S.A.**

Bistrița, str. Calea Moldovei, nr. 13, jud. Bistrița-Năsăud

Report on the audit of the annual financial statements

Opinion

- 1 We have audited the accompanying financial statements of TRANSILVANIA BROKER DE ASIGURARE S.A. ("the Company"), whose registered office is in Calea Moldovei Street, No. 13, Bistrița, Bistrița-Năsăud County, CP 420096, Romania, identified by the unique taxpayer reference number 19044296, which comprise the balance sheet as at December 31, 2024, the profit and loss account, the statement of changes in equity, and the statement of cash flows for the year ended 31 December 2024, including a summary of the significant accounting policies and other explanatory information.
- 2 The annual financial statements as at 31 December 2024 are identified as follows:
 - Total shareholder's equity : **RON 9,268,071**
 - The net result of the financial year: **RON 2,515,572**
- 3 In our opinion, the accompanying financial statements present a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and cash flows for the year then ended, in accordance with the applicable accounting regulations, namely Rule 36/2015 for the approval of accounting regulations regarding the individual annual financial statements and the consolidated annual financial statements applicable to brokerage entities engaged in insurance and / or reinsurance distribution activities ("Rule 36/2015").

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (“ISAs”) and EU Regulation No 537 of the European Parliament and of the Council on specific requirements regarding statutory audit of public-interest entities (hereafter “the EU Regulation”) and Law no. 162/2017 on the statutory audit of the annual financial statements and consolidated annual financial statements, and amending some normative acts (“the Statutory Audit Law”). Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants, issued by the *International Ethics Standards Board for Accountants* (“the IESBA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Romania, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality threshold

An audit engagement is planned to obtain reasonable assurance that the financial statements are free from material misstatement, whether due to error or fraud. Misstatements are considered material if it can reasonably be expected that they, individually or in aggregate, could influence the economic decisions of users taken on the basis of the financial statements. Based on our professional judgement, we established certain quantitative thresholds for materiality at the level of the financial statements as a whole. These, together with other qualitative considerations, supported us in determining the scope of the audit and in defining the nature, timing and extent of our audit procedures to identify and assess the effect of misstatements, both individually and in aggregate, on the financial statements as a whole. The overall materiality threshold for the financial statements was set at 2% of the total revenue generated by the Company from its insurance distribution activity during the audited period. We considered this reporting basis to be the most relevant criterion for the users of the financial statements in assessing the Company's operational performance.

Key Audit Matters

- 4 The Key Audit Matters are those matters that, in our professional judgement, were of most significance in performing our audit of the financial statements of the current period. These matters were addressed within the context of our audit of the financial statements as a whole,

and in forming our opinion thereon, and thus, we do not provide a separate opinion on these matters.

i) Revenues from distribution activity

The revenues from distribution activity (other activities related to the distribution activity) represent the highest share (98.97%) of the total turnover generated by the Company in the reporting period. The selection, projection and application of our audit procedures regarding these revenues were the result of some professional judgements applied in the context of a significant volume of transactions, relatively constantly distributed in the reporting period. Our attention was focused on the aspects regarding the completeness, accurate recognition and measurement of these revenues. The audit procedures considered adequate responses in the circumstances of our audit, included:

- the examination of the degree of adequacy of the accounting policy adopted by the Company to recognize and measure revenues, in accordance with Rule 36/2015. A summary of the accounting policy is presented at section 2.1 - 2.22 of the Notes;
- detailed tests on the value of the commission fees due to the Company from the distribution activity, through reconciliation with the percentages agreed on with the insurance companies. In collecting our audit evidence, we took into account the operational controls established by the Company to validate the amounts settled with the insurers;
- the examination of cash received from the distribution activity, including after the balance sheet date to support the collection of receivables against insurers;
- obtaining written confirmations for the amounts due to the Company at the balance sheet date, representing commissions to be recovered from insurers.

ii) Expenses with brokerage assistants

Expenses regarding the amounts owed by the Company to brokerage assistants are a significant component of operating expenses incurred during the reporting period (89.90%), with a major impact on the gross profit margin in the distribution activity. In testing these expenses, we took into account as a priority the compliance with the contractual provisions for the remuneration of brokerage assistants, assumed by the Company's Management. Moreover, the existence and completeness, accurate recognition and measurement were criteria considered appropriate in addressing the expenses with brokerage assistants. Our responses included audit procedures such as:

- understanding the nature of expenses with brokerage assistants, in relation to the specific features of insurance distribution activities;
- reconciling amounts owed to brokerage assistants in accordance with the current contractual provisions;

- testing the effectiveness of internal controls regarding the authorization of payments to brokerage assistants;
- examining payments to brokerage assistants, including those made after the balance sheet date, to obtain a reasonable assurance regarding compliance with the cut-off principle;
- obtaining written confirmations regarding the amounts recorded at the balance sheet date as liabilities to brokerage assistants, as well as for the annual turnovers related to these entities.

iii) **Litigation and disputes**

In performing its activities, the Company is exposed to potential losses as a result of administrative proceedings or court decisions.

The recognition of liabilities in the balance sheet as at 31 December 2024 or their presentation as contingent liabilities in the explanatory notes to the financial statements concluded on the same date, inherently involves professional judgment, and is based on a series of assumptions, representations and assessments with significant impact.

The amounts involved can be material. The establishment of possible amounts, for the purpose of recognizing or presenting them in the financial statements, is by its nature a subjective process.

Our response aimed at understanding the risks of material misstatement related to management's assertions regarding litigation and disputes. Our audit procedures included, among others:

- obtaining and evaluating written representations received from lawyers and discussing with the Company's management and the head of the Legal Department the nature and status of litigation, as well as potential exposures.
- critically evaluating the Company's assumptions and estimates regarding ongoing litigation and disputes;
- assessing the extent to which the information in the explanatory notes to the individual annual financial statements regarding litigation and disputes adequately presents the Company's potential and probable liabilities as of the balance sheet date.

Other matters

- 5 This report is exclusively addressed to the shareholders of the Company as a whole. Our audit was conducted to be able to report to the shareholders of the Company those aspects which we have to report on in a financial audit report, and not for other purposes. To the extent permitted by law, we only accept and take responsibility to the Company and the shareholders, as a whole, for our audit, for this report or for our opinion.

- 6 The enclosed financial statements are not meant to present the financial position and the results of operations in accordance with the accounting regulations and accounting principles accepted in countries and jurisdictions other than Romania. Therefore, the enclosed financial statements are not prepared for the use of individuals who are not familiarized with the accounting and other regulations in Romania, including FSA Rule No 36/2015.
- 7 The current audit report was issued under the circumstances in which the shares issued by the Company are listed for trading on the Bucharest Stock Exchange (BSE).

Other information – The Directors’ Report

- 8 The directors are responsible for the preparation and presentation of other information. This other information includes the Directors’ Report, but does not include the financial statements and Auditor’s Report thereon. The directors are responsible for the preparation and presentation of the Directors’ Report in accordance with the requirements of paragraphs 427- 429 from Rule 36/2015 and for that internal control which the directors consider necessary to enable the preparation and presentation of the Directors’ Report which is free from any material misstatement, whether due to fraud or error.

Our opinion on the financial statements does not cover this other information and, unless explicitly stated in our report, we do not express any assurance conclusion on it.

In relation to the audit of the financial statements for the financial year ended 31 December 2024, it is our responsibility to read that other information and, in doing so, to assess whether that other information is materially inconsistent with the financial statements, or with the knowledge that we acquired during the audit, or if they appear to be materially misstated.

As for the Directors’ Report, we have read it and report whether it is prepared, in all material respects, in compliance with Rule 36/2015, paragraphs 427 – 429.

Based solely on the activities that must be performed during the audit of the financial statements, in our opinion:

- a) The information presented in the Directors’ Report as of the fiscal year for which the financial statements were prepared is consistent, in all material respects, with the financial statements
- b) The Directors’ Report was prepared, in all material aspects, in compliance with Rule 36/2015, paragraphs 427 – 429.

Moreover, based on our knowledge and understanding of the Company and its environment, acquired during the audit, we are required to report whether we have identified material misstatements in the Directors' Report and in connection with that other information obtained before the date of this auditor's report. We have nothing to report on this issue.

Responsibilities of management and those charged with governance for the financial statements

- 9 The Company's management is responsible for the preparation and fair presentation of the financial statements in accordance with Rule 36/2015 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
- 10 In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, for the disclosure of, as applicable, matters related to going concern and for using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
- 11 Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the financial statements

- 12 Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
- 13 As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional scepticism throughout the audit. Moreover, we also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusions, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Assess the appropriateness of the applied accounting policies, the reasonableness of accounting estimates and related disclosure made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- 14 We communicate to those charged with governance, among other matters, the planned scope and timing of the audit, as well as the significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- 15 We also provide those charged with governance with a statement of our compliance with the ethical requirements regarding independence and disclose all relationships and other matters that may reasonably be considered to affect our independence and, where appropriate, the related safeguards.
- 16 From the matters communicated with those charged with governance, we determine which were of most significance in the audit of the financial statements for the current period and therefore are considered as key audit matters. These matters are described in our auditor's report, unless the law precludes public disclosure about the matter or, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory provisions

Requirements regarding the audit of public interest entities

- 17 We were appointed by the Ordinary General Meeting of Shareholders on 8 June 2017 to audit the financial statements of TRANSILVANIA BROKER DE ASIGURARE S.A. for the year ended on 31 December 2017. The audit mandate was renewed by the Decision of the Ordinary General Meeting of Shareholders no. 7 on 23 April 2019 for a three-year period and the Decision of the Ordinary General Meeting of Shareholders no. 10 on 27 April 2022 for a four-year period. The total uninterrupted duration of our engagement is 8 years, covering the financial years ended on 31 December 2017 through 31 December 2024.

We confirm that:

- Our audit opinion is consistent with the supplementary report submitted to the Company's Audit Committee, which we issued on the same date as this report. Moreover, in conducting our audit, we remained independent of the audited entity.
- We have not provided to the Company any prohibited non-audit services, mentioned in article 5, paragraph (1) of the Regulation (EU) no. 537/2014.

Report on compliance with Delegated Regulation (EU) 2018/815 on regulatory technical standards on the Single European Electronic Reporting Format (ESEF Regulation)

- 18 We have performed a reasonable assurance engagement upon compliance with the ESEF Regulation applicable to the financial statements included in the annual financial report prepared by the Company for the reporting date 31 December 2024, as presented in the Digital File that has been made available to us.

(i) The responsibility of the management and persons in charge with governance for the preparation of the Digital File in accordance with the ESEF Regulation

The management of the Company is responsible for the preparation of the Digital File in accordance with the ESEF Regulation. This responsibility includes:

- design, implementation and maintenance of internal control relevant for the application of the ESEF Regulation;
- ensuring compliance between the Digital File and the annual financial statements prepared in accordance with Rule 36/2015.

Those charged with governance are responsible for overseeing the process of compiling the Digital File in accordance with the ESEF Regulation.

(ii) The auditor's responsibility for the audit of the Digital File

We have the responsibility to express a conclusion upon the extent to which the financial statements included in the Company's annual financial report for the reporting period ended on 31 December 2024, are in accordance with the ESEF Regulation, in all material respects, based on the evidence obtained. Our reasonable assurance engagement was conducted in accordance with the International Standard on Assurance Engagements 3000 (revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ISAE 3000) issued by the International Auditing and Assurance Standards Board (IAASB). In performing this engagement, we have designed and applied procedures to obtain evidence that allow us to draw a conclusion on the compliance of the Company's annual financial statements with the ESEF Regulation. The nature, timing and extent of the procedures selected depend on the auditor's professional judgement, including the assessment of the compliance risk with the provisions of the ESEF Regulation, caused either by fraud or error.

As part of our reasonable assurance engagement, we have considered:

- obtaining sufficient understanding of the process of preparing the Digital File in accordance with the ESEF Regulation, including the relevant internal controls; reconciliation of the Digital File with the audited annual financial statements of the Company, published in accordance with Rule 36/2015;
- assessment of the extent to which the financial statements included in the annual financial report are prepared in a valid XHTML format.

We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion. In our opinion, the financial statements for the financial year ended on 31 December 2024 included in the annual financial report and presented in the Digital File comply, in all material respects, with the requirements of the ESEF Regulation.

In this section of the report, we do not express an audit opinion, a review conclusion or any other assurance conclusion regarding the company's annual financial statements. Our audit opinion on the Financial Statements of the Company for the financial year ended on 31 December 2024, is included in the section *Report on the audit of the annual financial statements* in the introductory part.

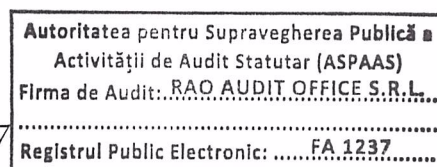
Report on the disclosures related to the remuneration policy

- 19 In accordance with the provisions of Law no. 24/2017 regarding issuers of financial instruments and market operations, republished, with subsequent amendments (Law 24/2017), the Company has the obligation to submit a remuneration report, approved by the shareholders of the Company. In fulfilling our obligations related to this issue, we have performed procedures to ensure that the disclosures in the remuneration report: (i) meet the disclosure requirements established by Law 24/2017; (ii) are consistent with the remuneration policy adopted by the Company and with the understanding gained by the auditor on the remuneration criteria; and (iii) do not contain material misstatements in relation to the audited financial statements.

The engagement partner of the audit for which this independent auditor's report was prepared is Ramona Neag.

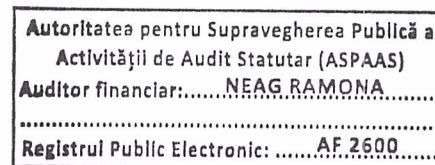
For and on behalf of RAO AUDIT OFFICE S.R.L.:

registered in the electronic Public Register under no. FA1237



Audit Partner Neag Ramona, PhD

registered in the electronic Public Register under no. AF2600



Tg. Mureș, 25 March 2025