



REPORT
of the Board of Directors
for the financial year ended December 31, 2025

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

1. Analysis of the Company's Activities

1.1. Description of the Company's core business

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 the Companies Act No. 31/1990 and the Insurance Distribution Act No. 236/2018. The company complies with the regulations issued by the Financial Supervisory Authority regarding insurance distribution. The company 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 its controlled entities during the financial year

During the reporting period, there were no mergers, spin-offs, or acquisitions within the meaning of applicable law.

At the same time, the Company expanded its structure by acquiring a 100% stake in the share capital of Transilvania Financial Services SRL, a company established and authorized to conduct credit brokerage activities.

1.1.2. Description of asset acquisitions and/or disposals

In the 2025 fiscal year, the asset structure of Transilvania Broker de Asigurare SA was primarily influenced by the increase in financial assets, resulting from the establishment and holding of a 100% stake in the share capital of Transilvania Financial Services SRL.

Thus, financial assets increased from 10.9 thousand lei to 1,010.9 thousand lei, representing 14.5% of total assets. During the same period, property, plant, and equipment decreased by 5.5%, primarily due to depreciation, while acquisitions of intangible assets (licenses) amounted to 34.1 thousand lei.

The share of fixed assets in total assets increased to 18.5%, compared to 16.2% at the beginning of the period, and the depreciation rate of fixed assets was 41.5% as of December 31, 2025.

The Company did not make any significant acquisitions or disposals of tangible assets during the 2025 fiscal year.

As of December 31, 2025, the Company has not recorded any impairment adjustments for tangible fixed assets.

1.1.3. Description of the Company's main operating results

The intensification of brokerage activity, driven by both the development of new partnerships and organic business growth, was reflected in an 8% increase in the volume of brokered premiums in 2025 compared to the previous year, reaching a new record level of over 1.11 billion lei. This trend was driven primarily by business expansion, with the number of brokered policies increasing by approximately 7%, as well as by the general rise in premium rates charged by insurers, particularly for MTPL policies, following the removal of rate caps for this class.

In terms of economic and financial indicators, the expansion of distribution activities, in the context of the removal of caps in the insurance sector, led to a return of performance indicators to the company's historical (pre-cap) growth trajectory (). Thus, revenues from brokerage activities increased, as of December 31, 2025, by approximately

21 million lei (+19.4%) compared to 2024, while net profit recorded a significant increase, more than doubling, by 2.83 million lei (+112.3%), exceeding 5.3 million lei at the end of the fiscal year.

The accelerated growth in results in 2025 was driven primarily by performance in the fourth quarter, a period in which, amid a moderate increase in the volume of premiums brokered (+6.7% compared to the fourth quarter of 2024), revenues from brokerage activities rose by 44%, and profit was approximately 12 times higher compared to the same period of the previous year.

Compared to the budgeted levels for 2025, approved by the Ordinary General Meeting of Shareholders on April 28, 2025, revenue from distribution activities exceeded estimates by 7%, and the net profit reported as of December 31, 2025, was significantly above the forecast level, specifically by approximately 93%.

Regarding efficiency indicators, the average gross distribution commission stood at around 11.5%, up 1.1 percentage points (+10.6%) compared to 2024. The annual profit margin reached 4.2%, a level 78% higher than that of the reference period, a trend driven primarily by the 10.4% margin recorded in the fourth quarter of 2025, which was close to the company's historical levels.

The favorable developments recorded in 2025 reflect both cyclical effects, generated by the lifting of rate caps, particularly in the MTPL segment, and structural factors, such as the strengthening of partnership relationships and the organic development of the distribution network. In this context, although part of the accelerated growth in profitability, particularly in the fourth quarter, may be non-recurring, the improvement in commission levels and the expansion of the business base create the conditions for maintaining solid operational performance in the coming periods.

1.2. Economic and Financial Analysis

1.2.1. Elements of General Economic and Financial Analysis

The separate annual financial statements of Transilvania Broker de Asigurare SA have been prepared in accordance with the provisions of Accounting Law No. 82/1991, as republished, with subsequent amendments and additions, as well as with the provisions of FSA Regulation No. 36/2015 regarding accounting regulations applicable to insurance and/or reinsurance brokers.

The Company's management declares that the individual annual financial statements present a true and fair view of the financial position, financial performance, and other information regarding the Company's operations, and confirms their compliance, in all material respects, with the applicable reporting framework.

The applicable tax treatment was determined in accordance with the provisions of Law No. 227/2015 on the Tax Code, as subsequently amended and supplemented.

In preparing the financial statements, the fundamental accounting principles regarding the recognition and measurement of assets and liabilities were followed consistently to ensure the comparability of information over time. No offsetting was performed between assets and liabilities or between revenues and expenses. The preparation of the financial statements involves the use of professional estimates and judgments by management, based on the most recent information available.

Furthermore, the financial statements have been prepared on a going concern basis, as no significant uncertainties have been identified that would cast doubt on the Company's ability to continue as a going concern in the foreseeable future.

The Company's economic and financial transactions are recorded in the accounting records based on supporting documents and are reflected in the accounting records in accordance with applicable legal provisions.

1.2.2. Analysis of Key Economic and Financial Indicators

1.2.2.1. Net profit: 5,341,455 lei

1.2.2.2. Net revenue: 127,247,510 lei

1.2.2.3. Liquidity, solvency, and debt indicators

The analysis of liquidity, solvency, and debt indicators highlights the solid financial position of Transilvania Broker de Asigurare SA, both in the short term and in the medium and long term.

| Risk indicators | Calculation formula | 12/31/2024 | 12/31/2025 | Reference ranges |
|---------------------------------------|---|--------------|--------------|------------------|
| Current/immediate liquidity | Current assets / Current liabilities | 1.374 | 1.492 | >2/1 |
| Quick liquidity (<i>cash ratio</i>) | Cash and cash equivalents / Current liabilities | 0.549 | 0.607 | >0.5 |
| Overall solvency | Total assets / Total liabilities | 1,589 | 1,813 | >1 |

| Equity ratio | Equity / Total Liabilities*100 | 0.371 | 0.448 | >30% |
|-------------------------|---|------------|------------|------------------|
| Risk indicators (cont.) | Calculation formula | 12/31/2024 | 12/31/2025 | Reference ranges |
| Debt ratio | Borrowed capital / Permanent capital * 100 | 8.62% | 3.46% | <50% |
| Debt ratio | Total liabilities / Total assets * 100 | 62.9% | 55.2% | <80% |

Liquidity ratios remain within comfortable ranges, reflecting the company's ability to cover its short-term obligations from available current assets. However, given the specific nature of the distribution business, these ratios capture a snapshot of the company's financial position at a given point in time, as they are influenced by the dynamics of cash flows related to settlement cycles between the company, insurers, and business partners. In this context, the values of liquidity ratios may vary significantly from one period to another without necessarily indicating structural changes in the company's financial position; their relevance is therefore relatively limited in long-term assessments.

Regarding solvency, the reporting period shows an improvement in the general solvency ratio, driven by a reduction in total liabilities alongside an increase in total assets. This trend highlights the strengthening of the company's financial position and an enhanced ability to cover total liabilities with held assets.

The company's capital structure has improved significantly, driven by the repayment of long-term liabilities, such that, as of December 31, 2025, permanent capital consists exclusively of equity. At the same time, debt ratios are at levels significantly below the thresholds considered prudent, reflecting a low-risk profile and high financial autonomy. This positioning provides the company with a high degree of financial flexibility and facilitates access to external sources of financing in the event of development initiatives.

1.2.2.4. Profitability and Margin Ratios

| Profitability indicators | Calculation formula | 12/31/2024 | 12/31/2025 |
|-----------------------------|--------------------------------------|------------|------------|
| Operating margin | Operating income / Revenue *100 | 2.6% | 4.9% |
| Net profit margin | Net profit / Revenue *100 | 2.4% | 4.2% |
| Financial return margin | Net profit / Equity * 100 | 27.1% | 46.0% |
| Return on permanent capital | Net profit / Permanent capital * 100 | 26% | 45.3% |

Profitability indicators confirm the favorable trend in operational performance during the period under review, reflecting both revenue growth and a significant improvement in net profit. At the same time, these indicators highlight the efficient use of resources made available to the company by shareholders, amid an accelerated increase in profitability.

1.2.2.6. Cash Flow: Changes in cash from operating, investing, and financing activities; cash at the beginning and end of the period

| Name of indicators | Achievements for the period 31.12.2024 | |
|---|---|------------------|
| | 12/31/2024 | 12/31/2025 |
| NET CASH GENERATED FROM OPERATING ACTIVITIES | -2,949,766 | 1,715,311 |
| NET CASH GENERATED FROM INVESTING ACTIVITIES | 5,091,595 | -1,005,896 |
| NET CASH FLOW FROM FINANCING ACTIVITIES | -542,019 | -525,126 |
| CASH AND CASH EQUIVALENTS AS OF JANUARY 1 | 8,819,527 | 8,381,980 |
| NET INCREASE OR DECREASE IN CASH AND CASH EQUIVALENTS | 1,599,810 | 184,289 |
| EFFECTS OF EXCHANGE RATE FLUCTUATIONS ON MONETARY ITEMS | -747 | -2,459 |
| CASH AND CASH EQUIVALENTS AS OF DECEMBER 31 | 8,381,980 | 8,563,810 |

The cash flow analysis highlights a significant improvement in the cash-generating capacity from the operating activities of Transilvania Broker de Asigurare SA in the 2025 fiscal year.

Net cash generated from operating activities showed a positive trend, rising from a negative level of -2,949,766 lei in 2024 to a positive level of 1,715,311 lei in 2025. This trend reflects improved operational performance, coupled with more efficient management of working capital and settlement flows specific to the brokerage business.

Cash flows from investing activities showed a significant change, from a positive level of 5,091,595 lei in 2024 to a negative level of -1,005,896 lei in 2025, a trend driven primarily by investments made during the fiscal year, including the establishment and financing of the equity interest in Transilvania Financial Services SRL.

With regard to financing activities, cash flows remained relatively stable, at a negative level of -525,126 lei in 2025 (-542,019 lei in 2024), reflecting primarily payments related to the Company's financial obligations.

1.3. Assessment of the Company's technical capabilities

1.3.1. Description of the main products manufactured and/or services provided and distribution methods

TRANSILVANIA BROKER de ASIGURARE S.A. operates and provides professional services in the commercial insurance market in Romania.

The main insurance products brokered by the Company include:

- Life insurance;
- Health insurance;
- Accident insurance;
- Land transportation insurance;
- Rail transport insurance;



- Air transport insurance;
- Marine, lake, and river transport insurance;
- Insurance for goods in transit;
- Home insurance;
- Insurance of buildings and property belonging to legal entities;
- Motor vehicle liability insurance.

The professional services provided by the Company to insurance clients or potential clients include:

- Conducting distribution activities while ensuring fair treatment of clients, compliance with legal requirements regarding the distribution of insurance and reinsurance, and the avoidance of unfair, dishonest, fraudulent, or abusive practices;
- Identifying insurable risks, analyzing, assessing, and managing them;
- Making recommendations for minimizing or transferring insurable risks;
- With regard to the proposal of products and services, the distributor's sales staff provides customers with comprehensive, timely, accurate, objective, and truthful information about the proposed insurance product, to enable customers to make an informed decision;
- Providing advice to customers and potential customers based on an assessment of their requirements and needs, so that the proposed contracts are consistent with them;
- Analyzing any existing insurance policies;
- Designing an appropriate insurance program;
- Negotiating insurance terms and conditions, analyzing market opportunities in terms of value for money, and selecting the optimal insurance solution in line with the client's interests;
- Managing insurance contracts throughout their entire term and adapting them to the dynamics of the clients' businesses;
- Assistance in claims resolution and obtaining insurance compensation;
- Providing information on the Romanian insurance market.

Raising awareness of the rights and information that an insured person or potential insured person should have, through the minimum information provided to customers prior to the conclusion of insurance contracts:

- Definition of each insured event, the insurance indemnity in the event of an insured event, each benefit, and optional/supplementary clauses;
- Exclusions from coverage;
- The start and end dates of the insurance contract;
- The procedures for the performance, suspension, or termination of the insurance contract;
- Information regarding any rights the parties may have to terminate the contract early or unilaterally, including any penalties imposed by the contract in such cases;
- The method of paying premiums and the due dates for payment of insurance premiums;
- The methods and deadlines for payment of insurance benefits, surrender values, and insured amounts;
- Information regarding the premiums for each benefit, both primary and supplementary, as applicable;
- Information regarding the grace period;
- The methods for calculating and distributing bonuses;

- A statement of the total surrender value, the reduced insured amounts, and the extent to which they are guaranteed for each insurance year within the coverage period covered by the insurance contract;
- Information regarding situations in which the policy's surrender value is 0;
- The procedures for resolving any disputes arising from the performance of the contract, including information on the methods for amicably resolving complaints filed by policyholders or beneficiaries of insurance contracts, as applicable, which do not constitute a restriction on the customer's right to resort to legal proceedings;
- General information regarding the deductions provided for under the tax laws applicable to insurance contracts;
- The law applicable to the insurance contract;
- The existence of the Policyholder Guarantee Fund.

1.3.2. Assessment of sales activity

1.3.2.1. Description of the sequential evolution of sales on the domestic and/or foreign market and of the medium- and long-term sales outlook

The evolution of the Company's sales is as follows:

| Indicator name | As of 12/31/2024 | As of 12/31/2025 | Trend (lei) | Change (%) |
|----------------|------------------|------------------|-------------|------------|
| Revenue | 106,530,434 | 127,247,510 lei | 20,717,076 | 19.45 |

1.3.2.2. Description of the competitive landscape in the Company's field of activity, the market share of the Company's products or services, and its main competitors

The Company holds a market share of approximately 6% in the insurance distribution segment, consolidating its position among the leading intermediaries at the national level. In terms of business volume, it ranks fourth in the market, within a competitive environment characterized by a high degree of concentration.

The company's main competitors are Safety Broker de Asigurare S.A., Marsh – Broker de Asigurare-Reasigurare S.R.L., Destine Broker de Asigurare-Reasigurare S.R.L., and Inter Broker de Asigurare S.R.L., entities with a significant presence and extensive distribution networks.

1.3.2.3. A description of any significant dependence of the Company on a single customer or group of customers whose loss would have a negative impact on the Company's revenue

Given that the Company maintains a diversified client portfolio, there is no dependence on a single client, which ensures greater business continuity and reduces commercial risks.

1.4. Assessment of issues related to the Company's employees/staff

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

Relevant information regarding changes in the Company's workforce between 2024 and 2025 is provided below:

| Number of employees (at year-end) | 2024 | 2025 |
|-----------------------------------|------|------|
| Economists | 23 | 23 |



| | | |
|---|-----------|-----------|
| Computer scientists | 1 | 0 |
| Lawyers | 5 | 5 |
| Other professions - long-term higher education | 8 | 9 |
| Other professions - short-term higher education | 2 | 2 |
| Secondary education (Technical track) | 1 | 1 |
| TOTAL | 40 | 40 |

Throughout 2025, the Company organized information and training events for employees and collaborators regarding industry trends, as well as legislative and organizational updates.

1.4.2. Description of the relationship between managers and employees, as well as any elements of conflict characterizing these relationships

No elements of a conflictual nature were identified within the Company in the relationships between managers and employees.

1.5. Outlook

1.5.1. Expected trends in the internal environment

In 2026, the Company will continue to strengthen its organic growth model, focusing primarily on diversifying revenue streams and improving operational efficiency, as part of a strategy aimed at expanding the ecosystem of financial services offered to customers.

In this context, the Company aims to deepen the operational integration of its strategic partnerships and capitalize on the commercial synergies they generate, including by expanding cross-selling opportunities and developing its presence in segments complementary to its traditional insurance brokerage business, such as bancassurance, fintech, and insurtech. At the same time, the Company aims to expand its product portfolio and focus its commercial efforts on segments with high growth potential, primarily SMEs, corporate fleet, corporate health, home insurance, and life insurance.

At the operational level, internal trends focus on continuing the digitization process and optimizing commercial and administrative infrastructure through the development of B2B and B2C platforms, the implementation of advanced CRM solutions, and the integration of marketing automation. These initiatives are designed to support increased digital conversion, optimize the cost per policy, and improve sales efficiency.

From an organizational perspective, the Company plans to strengthen its distribution network by investing in the recruitment, training, and retention of partners, as well as by enhancing the advisory capabilities of its sales force.

Overall, trends in the internal environment reflect a focus on digitalization, business diversification, operational efficiency, and supporting profitable growth.

1.5.2. External trends and factors

Key trends in the global insurance brokerage market

According to the latest available data, the Romanian insurance market continued its positive trend in 2025, recording a 10.7% increase in gross written premiums in the first nine months compared to the same period of the previous year. The market structure remains dominated by general insurance, with a significant share of auto lines, particularly class A10 (MTPL and CMR), which accounts for over half of the underwriting in this segment.

The high degree of concentration on standardized products maintains an intensely competitive environment in the distribution sector, while also highlighting the need to diversify the portfolio toward insurance classes with a more balanced profile and greater potential for customer loyalty. There is also a noticeable trend of growing demand for complementary protection products, which reinforces the broker's role as a provider of advice and solutions tailored to an increasingly diverse risk profile.

At the European level, digitalization continues to significantly transform consumers' interaction with insurance products, as they increasingly use digital channels to compare offers and have higher expectations regarding the speed and efficiency of processes. At the same time, the use of artificial intelligence-based technologies helps optimize risk assessment processes and develop more personalized products, but also entails increased requirements regarding governance, data quality, and consumer protection.

The external environment is also characterized by intensifying requirements for compliance and operational resilience. The implementation of the European Digital Operational Resilience Act (DORA) imposes high standards regarding IT system security, IT risk management, and incident response capabilities. At the same time, risks in the European insurance sector remain moderate, against the backdrop of financial market volatility, the geopolitical context, and cyber risks.

In this context, these developments increase the relevance of investments in digital infrastructure, internal controls, business continuity, compliance, and transparency, particularly for entities active in the distribution of financial products and listed on the capital market.

1.6. Assessment of aspects related to the impact of the issuer's core business on the environment

The Company is not aware of any potential negative environmental impacts resulting from its operations that would need to be quantified. The outcome of such potential impacts is uncertain, and the Company's management does not consider it necessary to provision for such environmental liabilities.

As of December 31, 2025, the Company complies with the operating requirements set forth in current environmental protection legislation and holds an environmental permit to that effect.

1.7. Assessment of Research and Development Activities

1.7.1. Details of expenses incurred during the fiscal year and those anticipated for the next fiscal year related to research and development activities:

During the reporting period, according to data taken from the Company's balance sheet, no intangible fixed assets representing expenses associated with research and development activities were identified.

1.8. Assessment of the Company's risk management activities

1.8.1. Description of the issuer's internal control system

The internal control system of Transilvania Broker de Asigurare SA consists of the set of policies, procedures, and mechanisms implemented at the Company level, with the objective of providing reasonable assurance to management regarding the achievement of operational, financial, and compliance objectives.

This system includes the following main components:

The Code of Ethical Conduct, which reflects the Company's values and business environment, ensuring compliance with applicable laws and regulations, as well as the existence of mechanisms through which staff can report, without fear of negative consequences, any violations of the rules of conduct or other irregularities;

Operational policies and procedures, formalized in a dedicated manual, which ensure the efficient and controlled conduct of activities across all departments;

The risk management system, which includes the processes and resources necessary to identify, assess, monitor, and manage the significant risks to which the Company is exposed;

Internal control procedures, formalized in a specific manual, aimed at implementing an adequate control framework for risk management and providing reasonable assurance regarding:

- compliance with the applicable legal and regulatory framework;
- the accurate and complete recording of transactions and the faithful preparation of financial statements;
- the protection of assets and information;
- the prevention and detection of fraud and errors;
- ensuring the quality of accounting records and the timely provision of relevant and reliable information for decision-making.

1.8.1.1. Assessment of the Risk Management and Internal Control Framework

The Board of Directors of Transilvania Broker de Asigurare SA informs shareholders that, during the financial year ended, it conducted the annual assessment of the adequacy and effectiveness of the risk management framework and the internal control system, in accordance with the provisions of the Bucharest Stock Exchange Corporate Governance Code.

The assessment took into account the organizational structure, internal policies and procedures, mechanisms for identifying, assessing, monitoring, and reporting risks, as well as the activities of the control functions (internal audit, internal control, and risk management).

Following this assessment, the Board of Directors considers that the risk management and internal control systems are appropriate to the complexity and specific nature of the Company's operations and function effectively, providing reasonable assurance regarding:

- compliance with the applicable legal and regulatory framework;
- protection of the Company's assets;

-reliability and integrity of financial and operational reporting;

-proper management of significant risks.

The Board of Directors continuously monitors the improvement of the internal control and risk management framework, based on recommendations from the control functions and industry best practices.

1.8.2. Description of the Company's exposure to market, credit, and liquidity risk

Financial risk management is an integral part of the financial planning and control process, subject to strategic and tactical decisions that continuously adapt to constantly changing internal and external conditions. Financial decisions are made based on the cash flows projected from future contracts, which are inherently uncertain. Risk is therefore an inherent component of financial decisions.

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

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

Unforeseen changes in *interest rates, exchange rates, or prices* can affect a company's financial results:

➤ **Foreign Exchange Risk**

The Company is not significantly exposed to currency risk, given that its operations are conducted primarily in the domestic market. As of the reporting date, foreign currency exposures are immaterial and are generated mainly by obligations related to finance lease contracts.

➤ **Interest rate risk**

Exposure to interest rate risk stems from long-term loans with variable interest rates contracted in previous years. Thus, changes in interest rates may affect the Company's cash flows.

The impact of this risk is partially offset by the Company's cash holdings in bank deposits, for which interest rates are also variable, helping to mitigate the effects of market fluctuations.

The level of the interest coverage ratio from gross profit, calculated for 2025, indicates the Company's strong ability to meet its financing cost obligations, reflecting low exposure to interest rate risk.

➤ **Price risk**

Price risk stems from the prices of resources, exchange rates, and interest rates. It can arise particularly when entering into long-term contracts. With regard to price risk, contracts are typically short-term, so the Company has no exposure to this risk.

b) Liquidity risk

Current liquidity represents the Company's ability to cover its current liabilities using current assets. The recommended minimum level for this indicator is 2.

Management analyzes exposure to liquidity risk, and the Company's policy is to maintain sufficient liquidity to meet its obligations as they become due, as well as to ensure a balance between the collection period for receivables and the payment period for payables.

The liquidity indicators table, with values within the comfort range, reflects the specific nature of the insurance distribution business, in which the settlement terms for receivables and payables in relation to insurers and brokerage assistants, respectively, are regulated by law and procedure.

c) Credit risk

The Company collects payment for services rendered within a relatively short period of time following the provision of such services and conducts business only with reputable third parties. In accordance with the contracts entered into, receivables are continuously monitored, and prudent limits are established, resulting in the Company's exposure to the risk of uncollectible receivables being insignificant. The guarantees provided offer maximum security, and credit risk is minimal. Management conducts debtor analysis during the credit limit setting process, monitors their behavior throughout the contract period, and upon maturity ensures the collection of receivables; otherwise, depending on the reason for non-collection, it takes action to secure prompt collection.

2. The Company'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 held by the Company does not pose significant problems for the conduct of business.

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

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

3. The market for securities issued by the Company

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

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

The quality of Transilvania Broker's management communication with investors and the capital market as a whole, combined with recent developments in the insurance and insurance brokerage markets—driven primarily by regulatory authorities' decisions to cap premiums and brokerage commissions — is reflected both in the historical performance of the company's share price and in its return to an upward trend starting in the second half of 2025.



The total return on shares from the beginning of 2025 to date, including dividends, is

approximately 11%.

3.2. Description of the issuer's dividend policy

Given the positive performance of Transilvania Broker's operations, the solid foundation for implementing the growth strategy, and the economic and financial stability reflected in a favorable stock price trend despite a difficult year, we reaffirm, with confidence that Transilvania Broker de Asigurare S.A. will remain, both on the stock market and within the industry, a strong, reliable company with a stable dividend policy favorable to its shareholders.

On the corporate front, 2025 was marked by the approval, at the Ordinary General Meeting of Shareholders on April 28, 2025, of the distribution of a gross dividend of 0.6 lei per share, totaling 3 million lei. The dividend corresponds to a yield of approximately 5% calculated based on the share price on the date of the OGMS approving the dividend (as well as the ex-dividend date), and the total return on the share from the beginning of 2025 to date, including the dividend, is approximately 11%.

The dividends distributed by resolution of the AGOA from the results of the most recent fiscal years are as follows:

Amount of dividends paid over the last three years

| Related fiscal year: | 2023 | 2024 | Proposal 2025 |
|-----------------------|-----------|-----------|---------------|
| Dividend amount (lei) | 5,000,000 | 3,000,000 | 6,000,000 |

The Company undertakes to unconditionally comply with the Corporate Governance principles applicable to issuers whose securities are traded on the regulated market. The Company has adopted a dividend policy, as a set of guidelines regarding the distribution of net profit, which the Company declares it will comply with, stating the following relevant principles regarding the dividend policy:

(1) The Company recognizes the rights of shareholders to be remunerated in the form of dividends, as a form of participation in the net profits accumulated from operations as well as an expression of the return on capital invested in the Company;

(2) In substantiating the proposal regarding the distribution of net profit realized during a fiscal year, the Company's Board of Directors will consider a balanced distribution of net profit between the portion due to shareholders in the form of dividends and the portion retained at the Company's disposal for investments, in accordance with the principles of prudent management and with the aim of ensuring the Company's sustainable development in the medium and long term;

(3) Dividends due to the Company's shareholders shall be distributed exclusively from the net profit for a fiscal year, recognized in accordance with applicable accounting regulations and audited in accordance with the law, in compliance with other relevant legal provisions in this regard;

(4) The distribution of dividends due to shareholders may be made through cash payment or by granting bonus shares, following the capitalization of the net profits accumulated by the Company. In either case, the proposal regarding the distribution of dividends shall be made by the Company's Board of Directors through the issuance of financial announcements to this effect to investors. The resolution approving the distribution of dividends is the responsibility of the General Meeting of Shareholders, adopted in accordance with the law.

The dividend policy is published on the Company's official website.

3.3. Description of any activities by the Company to repurchase its own shares

As of the date of this report, there are no ongoing activities to acquire the Company's own shares.

3.4. If the Company has subsidiaries, specify the number and par value of the shares issued by the parent company and held by the subsidiaries

As of December 31, 2025, the Company holds 100% of the share capital of Transilvania Financial Services S.R.L.. This subsidiary was established on December 2, 2024, and the contribution to the share capital in the amount of 1,000,000 lei was paid in during 2025.

As of December 31, 2025, the Company has the following business locations:

Sibiu Municipality, Sibiu County, 10 Justiției Street;

Bucharest, Sector 1, 21D Elena Caragiani Street, apt. 1;

Pitești, Argeș County, Intrarea ROZELOR Street, No. 3.

3.5. If the Company has issued bonds and/or other debt securities, a description of how the Company fulfills its obligations to the holders of such securities

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

4. Corporate Governance Structures

4.1. Members of the Board of Directors of Transilvania Broker de Asigurare S.A.

Members of the Board of Directors of Transilvania Broker de Asigurare S.A. for the period January 1, 2024 – December 31, 2025:

- NICULAE Dan – Chairman of the Board of Directors;
- DENEȘ Daniela Tasia – Independent Member;
- ȚUICĂ Gabriel Alexandru – Member;

- LOGIN Gabriel – Member;
- BOBU Carmen Loredana – Member;

4.2. Presentation of the list of members of the Company's executive management

As of December 31, 2025, the company's management team consisted of the following individuals:

- Sorin Ștefan BALTASIU – General Manager;
- COTIAN Ioan – Executive Director.

The individuals who are part of the company's executive management or Board of Directors have not been involved in any litigation or administrative proceedings related to their activities within the issuer.

5. Description of the Company's Economic and Financial Situation

The analysis of the Company's economic and financial situation, compared to the previous reporting period and the situation at the beginning of the fiscal year, covers the following aspects:

5.1. ANALYSIS OF THE FINANCIAL POSITION

| ASSETS | | | | |
|---|---------------------|---------------------|-------------------------|------------------------------------|
| Financial Position Indicators (amounts are expressed in lei) | December 31 2024 | December 31 2025 | Change (%) 2025/2024 | % of Total Assets 12/31/2025 |
| Fixed assets | 3,967,891 | 4,772,135 | +20.3% | 18.5 |
| Intangible assets | 2,302 | 24,716 | +974% | 0.1% |
| Property, plant, and equipment | 3,954,700 | 3,736,529 | -5.5% | 14.5 |
| Financial assets | 10,890 | 1,010,890 | +9,183% | 3.9 |
| Current assets | 20,995,978 | 21,032,524 | +0.2% | 81.3% |
| Inventories | 182 | 294 | +67.1% | - |
| Receivables, of which: | 12,613,816 | 12,468,419 | -1.2% | 48.2% |
| <i>receivables from distribution activities</i> | <i>648,124</i> | <i>651,940</i> | <i>+0.6%</i> | <i>2.5</i> |
| <i>other receivables</i> | <i>11,965,692</i> | <i>11,816,479</i> | <i>-1.2%</i> | <i>48.2</i> |
| Cash and cash equivalents | 8,381,980 | 8,563,810 | +2.2% | 33.1 |
| Prepaid expenses | 42,529 | 80,788 | +90.0% | 0.3 |
| TOTAL ASSETS | 25,006,399 | 25,885,448 | +3.5% | 100 |

During the reporting period, the Company's total assets increased by 3.5% compared to the previous fiscal year, a trend driven primarily by the increase in financial fixed assets resulting from investments made.

Current assets, which represent the predominant category in the Company's balance sheet structure (81.3% of total assets), remained at a relatively constant level. The marginal increase in cash and cash equivalents (+2.2%) was offset by a slight decrease in receivables (-1.2%).

Receivables, which account for 59.3% of total current assets, consist of 93.9% receivables generated, directly or indirectly, by distribution activities. Their collection terms are regulated and monitored through internal procedures and legal provisions. The evolution of receivables primarily reflects the dynamics of operations in the final settlement cycles of the reporting period, as seen in the " " section, and is correlated with changes in short-term liabilities. As of December 31, 2025, adjustments for impairment of receivables amounted to 165.4 thousand lei.

Cash and cash equivalents had a balance of 8,563.8 thousand lei at the end of the period, representing 41% of total current assets and marking a 2.2% increase compared to the beginning of the fiscal year. Within this category, the company's own cash and cash equivalents, amounting to 2,203.2 thousand lei (25.7% of the total), recorded a significant decrease, driven primarily by the distribution of dividends totaling 3,000 thousand lei gross, partially offset by positive cash flows generated by the period's profit.

At the same time, the amounts available in the collection accounts used for settlements with insurers increased by approximately 60% compared to the beginning of the fiscal year, a trend correlated with the intensity of activity in the most recent settlement cycles.

Fixed assets recorded a significant increase, mainly as a result of the recognition of a 100% stake in the share capital of Transilvania Financial Services S.R.L., a company established and authorized to conduct credit brokerage activities. Thus, the value of financial assets increased from 10.9 thousand lei to 1,010.9 thousand lei, coming to represent 3.9% of total assets.

At the same time, the value of tangible assets decreased by 5.5% due to the recording of depreciation, while investments in intangible assets, consisting mainly of licenses, totaled 34,100 lei. The book value of equipment and vehicles used in operations recorded a slight decrease.

EQUITY AND LIABILITIES

| Financial Position Indicators (amounts are expressed in lei) | December 31 2024 | December 31 2025 | Change (%) 2025/2024 | % of Total Liabilities December 31, 2025 | |
|---|---------------------|---------------------|-------------------------|---|------|
| Current liabilities | 15,278,402 | 14,101,157 | -7.7% | 54.5 | |
| Bank loans | 430,619 | 233,019 | -45.9% | 0.9 | |
| Liabilities related to distribution activities | 13,671,238 | 12,118,573 | -11.4% | 46.8 | As a |
| Other short-term liabilities | 1,176,545 | 1,749,565 | 48.7 | 6.8 | |
| Non-current liabilities | 459,926 | 174,764 | -62% | 0.7 | |
| Long-term loans | 407,783 | 174,764 | -57.1% | 0.7 | |
| Other liabilities | 52,143 | 0 | - | - | |
| Total liabilities | 15,738,328 | 14,275,921 | -9.3% | 55.2% | |
| Provisions | 0 | 0 | - | - | |
| Deferred revenue | 0 | 0 | - | - | |
| Share capital | 500,000 | 500,000 | - | 1.9% | |
| Legal reserves | 100,000 | 100,000 | - | 0.4% | |
| Retained earnings | 6,152,499 | 5,668,071 | -7.9% | 21.9 | |
| Net income for the period | 2,515,572 | 5,341,455 | +112.3% | 20.6 | |
| Total equity | 9,268,071 | 11,609,526 | +25.3% | 44.8 | |
| TOTAL EQUITY AND LIABILITIES | 25,006,399 | 25,885,448 | +3.5% | 100 | |

result of these developments, the share of fixed assets in total assets increased to 18.4%, compared to 15.9% at the beginning of the period, at the expense of current assets. As of December 31, 2025, the depreciation rate of the Company's fixed assets was 41.5%.

Given the specific nature of insurance distribution, where settlements between the Company and insurers, on the one hand, and those between the Company and distribution agents, on the other, are accounted for as short-term receivables and payables, assigns short-term payables the largest share of total sources of asset financing (55%).

Liabilities due within one year decreased by 7.7% during the reporting period compared to the beginning of the fiscal year, primarily due to changes in liabilities related to distribution activities. These account for 86.4% of total short-term liabilities, with the remainder consisting of liabilities to the government and employees (4.3%), the current portion of the long-term bank loan (3.1%), and other short-term liabilities to third parties. The value of the “other short-term liabilities” item increased by approximately 50%, driven primarily by income tax, in direct correlation with the increase in gross profit compared to the previous fiscal year.

Similar to the trend in receivables arising from brokerage activities and, respectively, in the balance of collection accounts intended for amounts passing through the Company’s bank accounts for settlement with insurers, the dynamics of this category of liabilities reflect variations in the intensity of activity during the most recent settlement cycles of the reporting period.

Regarding the financing structure, due to the maturity of the long-term bank loan and in the absence of other long-term financing, at the end of the reporting period, external financing consisted mostly (98.8%) of short-term debt.

In 2025, through the two current reports published on the BVB website on June 13 and July 18, respectively, the Company notified shareholders and interested parties of two lawsuits in which it was named as a defendant and third-party defendant, respectively, in its capacity as an insurance intermediary, with the total value of potential damages estimated at approximately 1.3 million lei. Based on the materiality and probability of loss thresholds set forth in the Company’s provisioning policy, the amount of potential losses, as well as the estimated probability of winning of over 70% in the two disputes, led to the Board of Directors’ decision not to establish provisions for litigation during the reporting period and to present, as a contingent liability in the notes to the financial statements, of the potential loss in the amount of EUR 200,000 associated with the litigation in which the Company is a defendant, in the alternative, alongside the insurance company.

Although the financing of assets—consisting largely of receivables and cash tied up in settlement transactions within the insurance ecosystem—is primarily provided by short-term liabilities, 45% of Transilvania Broker’s operations are financed by its own sources, with equity reaching 11,609,500 lei, 25.3% above the level reported at the beginning of the year.

As a result of the dividend distribution during the fiscal year, pursuant to the resolution of the Extraordinary General Meeting of Shareholders dated April 28, 2025, in the amount of 0.6 lei per share, or a total gross amount of 3 million lei, the retained earnings at the end of the fiscal year are 484,400 lei lower than at the beginning of the fiscal year. Compared to 2024, the profit for the reporting period, amounting to 5,341.5 thousand lei, is more than twice as high as the profit for the reference period (+112.3%).

5.2. EVOLUTION OF FINANCIAL PERFORMANCE

| Financial Performance Indicators | | | | |
|--|---------------------|---------------------|-------------------------|--|
| (values are expressed in lei) | 2024 December 31 | 2025 December 31 | Change (%) 2025/2024 | Share in the corresponding income/expense category (%) 2025 |
| Operating revenue, of which: | 106,557,167 | 127,384,244 | +19.5% | 100 |
| Revenue from distribution activities | 106,530,434 | 127,247,510 | +19.4% | 99.9% |
| Other operating income | 26,732 | 136,734 | +411.5% | 0.1 |
| Operating expenses, of which: | 103,828,299 | 121,131,802 | +16.7% | 100 |
| Expenses related to amounts owed to assistants | 93,337,505 | 109,330,974 | +17.1% | 90.3 |
| Personnel expenses | 5,789,745 | 5,584,832 | -3.5% | 4.6 |
| Expenses for services provided by third parties | 4,148,428 | 5,410,305 | +30.4% | 4.5 |
| Other operating expenses | 484,253 | 146,089 | -69.8% | 0.12 |
| Expenses for consumables and inventory items | 156,825 | 182,925 | +16.6% | 0.15 |
| Expenses for other taxes, fees, and similar payments | 176,906 | 160,533 | -9.8% | 0.13 |
| Depreciation expenses | 331,314 | 316,144 | -4.6% | 0.26 |
| Value adjustments on current assets | -5,852 | 0 | - | - |
| Adjustments to provisions | -590,823 | 0 | - | - |
| OPERATING INCOME | 2,728,868 | 6,252,441 | +129.1% | - |
| Financial income | 221,086 | 108,167 | -51.1% | - |
| Financial expenses | 103,000 | 69,339 | -32.7% | - |
| FINANCIAL RESULT | 118,085 | 38,828 | -67.1% | - |
| GROSS PROFIT | 2,846,953 | 6,291,269 | +121% | - |
| Income tax | 331,381 | 949,814 | +186.6% | - |
| NET INCOME | 2,515,572 | 5,341,455 | +112.3% | - |

Revenues from insurance premium brokerage increased by 19.4% compared to 2024, or by 20,717,100 lei, reaching 127,247,500 lei.

The growth rate of expenses related to commissions paid to agents for brokerage activities compared to 2024 was 17.1%, slightly below the growth rate of revenue from distribution activities (+19.4%), so that the share of these expenses in brokerage revenue decreased by 1.7 percentage points.

This development, which had a positive impact on profitability during the reporting period, was facilitated by the consistency with which, in previous periods, management implemented the policy for motivating and retaining human resources—a critical resource for implementing the development strategy in the coming period. The strategic objective of strengthening the sales force was achieved by linking brokers' commission levels primarily to the level of premiums brokered, and to a lesser extent to the Company's actual revenues.

Other operating expenses showed mixed trends during the reporting period compared to the reference period. The reductions resulting from cost optimization measures were partially offset by the increase in expenses for services

provided by third parties (+30.4%). This increase reflects, on the one hand, the intensification of activity and the growth in the volume of premiums brokered, evidenced by the increase of 423,400 lei (+45.8%) in expenses for banking and similar services, accentuated by the rise in the value of commissions related to payment processors. On the other hand, the acceleration of investments in digitization and the development of IT infrastructure led to an increase in related expenses of approximately 554 thousand lei (+33%) during the same period.

Consequently, total operating expenses as of December 31, 2025, increased by 16.7% compared to December 31, 2024, resulting in an operating profit for the reporting period of 6,252,400 lei, more than double the profit for the reference period (+129.1%).

Financial income and expenses, comprising over 87% and 76% of interest, respectively, generated a positive financial result of 38,800 lei. Down 67.1% compared to 2024, this results in a gross profit of 6,291.3 thousand lei, 121% higher than in the previous fiscal year. Adjusted for income tax of 949.8 thousand lei, net profit for the reporting period reached 5,341.5 thousand lei, an increase of 112.3% compared to 2024.

6. Litigation

The Company's management reviews unresolved legal cases, monitoring developments in judicial proceedings and the situation as of each reporting date, to assess provisions and disclosures in its financial statements. Factors considered when making decisions regarding provisions include the nature of the dispute or claims, the potential amount of damages, and the progress of the case (including developments after the financial statements' date but before the statements are issued).

In this context, the Company reports, as a contingent liability, a lawsuit pending before the Bucharest Tribunal, initiated in 2024, in which it is a secondary defendant, in the alternative. The subject matter of the case is the plaintiff's claim for damages in the amount of 200,000 euros, plus legal costs, in connection with an insurance policy for which compensation was denied by the insurer OmniaSig Vienna Insurance Group S.A., following the processing of the claim file.

Based on the assessment conducted by the Company's Board, the likelihood that the plaintiff's claims will be upheld is low, with the probability of their dismissal estimated at over 70%. Consequently, the Company does not currently anticipate a significant impact on its financial position as a result of this litigation.

7. Signature

Chairman of the Board of Directors

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