

Transilvania Broker
de Asigurare S.A.

QUARTERLY REPORT

1st Quarter
2025

Issue Date	13.05.2025
Issuer	TRANSILVANIA BROKER DE ASIGURARE S.A.
Registered Office	Bistrița, Calea Moldovei nr. 13, jud. Bistrița-Năsăud
Phone Number	0263-235900, Fax: 0263-235910
Taxpayer Identification Number	19044296
Trade Register Identification Number	J06/674/2006
Share Subscribed and Paid Capital	500.000 lei
Market Where The Issued Securities Are Traded	Piața reglementată la vedere, Segment Principal
Trading Symbol	TBK

Content

1. SIGNIFICANT DEVELOPMENTS WITHIN THE REPORTING PERIOD 1

2. FINANCIAL POSITION AND PERFORMANCE IN THE REPORTING PERIOD 2

 2.1. Analysis of economic-financial performance 2

 2.2. Analysis of financial position 4

ANALYSIS OF THE ECONOMIC AND FINANCIAL INDICATORS 6

Annex 1 – Financial Statements as of March 31, 2025, non-audited 8

 FINANCIAL POSITION 8

 PROFIT AND LOSS ACCOUNT 9

 CASH-FLOW STATEMENT 10

 CHANGES IN COMPANY’S EQUITY AS OF MARCH 31, 2025..... 11

EXPLANATORY NOTES TO THE QUARTERLY ACCOUNTING REPORTS DRAFTED ON MARCH 31, 2025.....12-22



1. SIGNIFICANT DEVELOPMENTS WITHIN THE REPORTING PERIOD

During the reporting period - the first quarter of 2025 - Transilvania Broker de Asigurare (hereinafter referred to as the Issuer, the Company, Transilvania Broker) **accelerated the implementation of its strategic roadmap aimed at diversifying its business lines and expanding its portfolio of financial services.** The trajectory carefully designed by the Company's management—supported by its shareholders—focuses on the development and consolidation of the business into a new model that will ensure a significantly higher level of resilience and stability compared to the current structure, which is heavily dependent on the mandatory RCA insurance segment.

The range of services related to insurance policies distribution has already been expanded with the Company's launch of financial leasing operations, in addition to existing operational leasing activities. Simultaneously, the exploration of the credit brokerage market has materialized in a **strategic partnership with Kiwi Finance SRL, the largest company in this sector in Romania. This partnership aims to accelerate the Company's transition towards a business model decoupled from RCA insurance, with strong scaling potential and access to multiple markets.** As a result, Transilvania Broker is taking significant steps towards a "one-stop-shop" configuration, where customers benefit from consultative sales and an integrated portfolio of financial services, including loans, all types of insurance, and financial investment instruments.

In terms of core activity, during the reporting period, the Company maintained a **positive trend in its intermediation operations, reflected by the increase in the volume of distributed insurance premiums.** As of March 31, 2025, compared to the same period of the previous financial year (the reference period), the volume of brokered premiums **increased by 10%, exceeding RON 245 million.**

With regard to performance indicators, **the revenue generated during the reporting period registered a 4.5% increase compared to the reference period**—a significantly slower growth rate than that of the total brokered premium volume. In line with recent developments, this trend was mainly driven by insurers' policies to reduce commission rates for certain insurance classes, particularly RCA policies, with average commissions dropping to around 5% for this class—below the maximum level regulated by the commission cap decision. In some cases, certain insurers even applied commissions as low as 0% or 0.5%, developments that had a major negative impact on the Company's revenue.

The average gross brokerage commission for the entire insurance premium portfolio intermediated by Transilvania Broker slightly decreased, from 11.3% at the end of the reference period to 10.8% in the reporting period.

The increase in revenue from distribution activity by RON 1,136.3 thousand was accompanied by a **proportionally higher increase in commission expenses paid to brokerage assistants**—Transilvania Broker's sales force—which rose by 13%, or RON 2,835.9 thousand. This managerial decision is and remains aligned with the strategic goal of building a motivated sales team, open to self-development and to acquiring the know-how required for distributing new products – key to the diversification of the Company's financial services portfolio.

In line with the management approach maintained over the past year, the only cost categories that recorded significant growth during the reporting period, compared to the reference period, were those related to the sales force and the development of the Company's digital infrastructure and platforms (+RON 515.4 thousand). The decision to reduce other cost categories continues to reflect



the aim of **improving efficiency, without compromising the traction of insurance distribution activity or the pace of implementing the business line diversification strategy.**

As a direct consequence of the management model adopted by Transilvania Broker's executive leadership, the net result as of March 31, 2025, is a loss of RON 1,223.9 thousand.

The lifting of commission cap measures, expected in the third quarter, could feed significant increases in both revenue and profitability. However, **independently** of developments in the insurance and insurance distribution markets, **Transilvania Broker de Asigurare continues to accelerate the implementation of its strategic plan for the development and diversification of business lines.** This transformation is expected to increasingly decouple the Company's performance from the RCA market dynamics and provide customers with a one-stop-shop offering of integrated financial solutions.

Naturally, these strategic directions will require financial and human resources and will involve new partnerships aimed at supporting a trajectory of accelerated growth, underpinned by a fast and efficient learning curve. **In the context of the new partnership with Kiwi Finance—the leading credit brokerage company in Romania—which grants both companies reciprocal access to each other's portfolios and markets, Transilvania Broker's management expects the positive effects of the new strategy to begin reflecting in financial results as early as the fourth quarter of this year.**

As reaffirmed during the investor meeting held on April 29, 2025, the management of Transilvania Broker de Asigurare S.A. maintains the view that TBK shares continue to represent **a solid medium- and long-term investment opportunity**, supported by the Company's strategic direction toward diversification and sustainable growth. We remain confident that this trajectory will meet the expectations of our investors.

2. FINANCIAL POSITION AND PERFORMANCE IN THE REPORTING PERIOD

2.1. Analysis of economic-financial performance

The first quarter of 2025 concluded for Transilvania Broker de Asigurare S.A. with total revenues amounting to RON 26,508 thousand, generated from a volume of intermediated insurance policies of RON 245,528.3 thousand – by 9.7% higher than in the same period of the previous year, Q1 2024 (the reference period). The gross brokerage commission for the reporting period was 10.8%, slightly below the level recorded during the reference period (11.3%). Compared to the first quarter of 2024, the turnover recorded a 4.5% increase during the reporting period, contributing by 22.5% to the total budgeted revenues for the full year 2025. Meanwhile, the net result as of March 31, 2025, stands at a loss of RON 1,223.4 thousand.



PROFIT AND LOSS ACCOUNT

Financial performance indicators (lei)	2024 31 March	2025 31 March	Evolution (%) Q1 2025 / Q1 2024	Share in the corresponding revenues/ expenditure category (%) 2025
Operating revenues, wherefrom:	25,373,342	26,509,886	+4.5%	100%
Net Turnover, wherefrom:	25,371,662	26,508,006	+4.5%	100%
Revenues out of distribution activity	25,371,662	26,508,006	+4.5%	100%
Other operational revenues	1,680	1,880	+12%	0%
Operating expenditure, wherefrom:	24,345,569	27,733,260	+13.9%	100%
Expenses with fees for brokerage agents and auxiliary assistants	21,904,885	24,740,803	+13%	89.2%
Expenses with third party services' providers	881,433	1,542,845	+75%	5.56%
Expenses with personnel	1,415,421	1,286,231	-9.13	4.64%
Expenses with disposable and inventory materials	31,293	44,211	+41.3%	0.16%
Expenses with other taxes, fees and similar payments	27,975	37,863	+35.4	0.14%
Adjustment of non-current assets value	85,206	78,681	-7.7%	0.01%
Adjustment of current assets value	-782	0	-	-
Other operating expenses	138	2,626	+1803%	-
OPERATING RESULT	1,027,773	-1,223,374	-	-
Financial revenues	12,944	16,650	+28.6%	-
Financial expenditure	30,421	17,191	-43.5%	-
FINANCIAL RESULT	-17,477	-541	-	-
TOTAL REVENUES	25,386,286	26,526,536	+4.5%	-
TOTAL EXPENDITURE	24,375,990	27,750,451	+13.8%	-
GROSS RESULT	1,010,296	-1,223,915	-	-
Tax on profit	158,514	-	-	-
NET RESULT	851,782	-1,223,915	-	-

For reasons related to the **sustainability of the business model – namely, ensuring a sales force aligned with both qualitative standards and volume requirements associated with future development directions, as well as maintaining the necessary allocations for digitalization processes and operational cost/flow optimization** – operating expenses increased at a significantly higher rate than revenues, resulting in a negative operating profit.

As presented above, the most significant category of operating expenses – commissions paid to brokerage assistants – increased by 13%, or RON 2,835.9 thousand, following the same direction as the revenues from distribution activity, but at a higher pace. In contrast, personnel expenses decreased marginally, by RON 129.2 thousand (-9.1%) compared to the reference period. The required investment in digitalization and the optimization of the online platform absorbed RON 515.4 thousand more than in the reference period, marking an increase of 183%. All other cost



categories were optimized and curtailed without affecting the pace of investment, showing significant reductions in both absolute and percentage terms.

Under these conditions, **the operating result** as of March 31, 2025, was a loss of RON 1,223.4 thousand.

Financial revenues and expenses – consisting 99% of interest income and interest expenses – remained at a relatively low level, with the financial result being a loss of RON 541, significantly smaller than the one recorded in the reference period (RON -17.4 thousand).

As a result, the first quarter of 2025 closed with a **net loss of RON 1,223.9 thousand**.

2.2. Analysis of financial position

ASSETS				
Financial position indicators (lei)	2024 March 31 st	2025 January 1 st	2025 March 31 st	% in Total Assets, by 31.03.2025
Fixed assets	4,204,249	3,967,892	4,212,058	14.3%
Intangible assets	6,243	2,302	16,087	0.06%
Tangible assets	4,187,116	3,954,700	3,885,081	13.2%
Financial assets	10,890	10,890	310,890	0.04%
Current assets	31,804,680	20,995,978	25,239,766	85.53%
Inventories	181	182	182	0%
Receivables, wherefrom:	14,422,733	12,613,816	13,316,361	45.12%
Brokerage activity receivables	2,048,894	648,124	445,370	1.5%
Other receivables	12,373,839	11,965,692	12,870,991	43.6%
Short-term investments	4,880,000	0	0	0
Cash and cash equivalents	12,501,766	8,381,980	11,923,223	40.4%
Pre-payments	69,906	42,529	59,390	0.2%
TOTAL ASSETS	36,078,835	25,006,399	29,511,214	100%

Current assets maintain their dominant position in the Issuer's balance sheet, with their share in total assets increasing slightly from 84% as of March 31, 2024, to 85.5% at the end of the reporting period. Their value, amounting to RON 25,239.8 thousand, increased by 20.2% compared to the beginning of the period but decreased by 20.6% compared to the same period of the previous year.

This dynamic is primarily explained by the evolution of receivables – the largest component of current assets (52.8%) – followed by cash and cash equivalents (47.2%).

As of March 31, 2025, receivables increased by 5.6% compared to the beginning of the year and decreased by 7.7% compared to March 31, 2024. Of the total receivables recorded at the end of the reporting period, receivables derived from insurance intermediation activities include both the amount related to the balance sheet item "receivables related to distribution activity" (RON 445.4 thousand) and 98% of the value of the item "Other receivables" – namely RON 12,576.8 thousand, which represents amounts to be collected from Transilvania Broker's sales network assistants. These receivables are subject to strict collection terms, governed by legislation, internal policies, and contracts.



Considering that receivables from intermediation activities account for 94.4% of total receivables, we may conclude that the overall dynamic of receivables essentially reflects the variation in intensity of the insurance distribution activity during the reporting period versus the reference period.

The value of cash and cash equivalents increased by 42.3% compared to January 1, 2025, driven by higher balances in both client settlement accounts – which mediate fund transfers between clients and insurers – and in the company's own cash holdings. Compared to the same period of the previous year, own cash holdings rose by 23.4% (+RON 968.2 thousand), while the balances in client settlement accounts declined by 18.5%.

While the fluctuation of client settlement account balances reflects a point-in-time image of amounts pending transfer to insurers as of the reporting date, the dynamics of own cash holdings incorporate the cumulative and undistributed result of previous reporting periods.

In terms of structure, own cash holdings totaled RON 5,114 thousand as of March 31, 2025, representing 43% of total treasury. Their dynamics reflect the inclusion of the current financial result, as the dividend approved by the OGMS on April 23, 2025, had not yet been distributed during the reporting period.

The value of impairment provisions for receivables as of March 31, 2025, amounted to RON 165.4 thousand, of which RON 139 thousand relate to client receivables and RON 26.4 thousand to receivables from suppliers.

During the reporting period, the balance sheet value of fixed assets increased by 6.2% (+RON 244.2 thousand) compared to the beginning of the financial year, mainly due to the recognition of the Company's equity investment in its newly established subsidiary – which operates in credit brokerage – as financial fixed assets (RON 300 thousand). The carrying amount of tangible fixed assets decreased by 1.8% from January 1, 2025, due to depreciation expenses incurred during the period. As a result, the share of fixed assets in total assets decreased slightly from 15.9% at the beginning of the year to 14.3%.

EQUITY and DEBT				
Financial position indicators (lei)	2024 March 31st	2025 January 1st	2025 March 31st	% in Total 31.03.2025
Current debt	21,961,467	15,278,402	21,115,487	71.6%
Bank loans	433,419	430,619	430,619	1.5%
Debts incurring from brokerage activity	19,528,112	13,671,238	19,513,626	66.1%
Other short-term debt	1,999,936	1,176,545	1,171,242	3.97%
Non-current debt	922,264	459,926	351,571	1.22%
Long-term bank loans	730,047	407,783	299,428	1.02%
Other long-term debt	192,217	52,143	52,143	0.2%
Total debt	22,883,731	15,738,328	21,467,058	72.7%
Provisions	590,823	0	0	0
Share capital	500,000	500,000	500,000	1.7%
Reserves, wherefrom:	100,000	100,000	100,000	0.4%
Legal reserves	100,000	100,000	100,000	0,4%
Retained earnings	11,152,499	6,152,499	8,668,071	29.4%
Result of the period	851,782	2,515,572	-1,223,915	-
Equity	12,604,281	9,268,071	8,044,156	27.3%
TOTAL EQUITY AND DEBT	36,078,835	25,006,399	29,511,214	100%



The Company's **total debt**, which increased by 36.4% at the end of the reporting period compared to the beginning of 2025 and decreased by 6.2% compared to the reference period, contribute 72.7% to the financing of assets, nearly 10 percentage points more than on March 31, 2024. This dynamic is primarily explained by the increase in short-term debt – mostly related to distribution activity – compared to the relatively modest decrease in equity value.

Current debt, which represent 98.4% of total resources financing assets and 71.6% of total debt as of March 31, 2025, are composed of 92.4% of liabilities related to distribution activity, with strict due dates and payment terms in accordance with the specific nature of the insurance distribution business. Similar to receivables derived from insurance distribution activities, the dynamics of current liabilities associated with distribution (+42.7% compared to the beginning of the year and at the same level as at the end of the first quarter of the previous year) reflect the variation in the intensity of the activity corresponding to the last settlement cycle.

Long-term debt, i.e. with a maturity of more than one year, represent, to the extent of 85.2%, bank loans contracted for co-financing the acquisition of tangible assets for the relocation of the company's headquarters and the development of the Bucharest office, decreasing by 26.6% compared to the beginning of the year and by 60% compared to the reference period, due to the repayment of due installments. Other long-term liabilities also include leasing contracts for vehicles.

The Company's **Equity**, representing 27.3% of equity and liabilities altogether, as of March 31, 2025, is on a slightly descending trend compared to the beginning of the year (-13.2%), as a result of the compensation between the increase in retained earnings and the loss recorded at the end of the reporting period.

ANALYSIS OF THE ECONOMIC AND FINANCIAL INDICATORS

Liquidity, solvency and debt ratios	Calculation formula	March 31, 2024	March 31, 2025	Benchmark
Current ratio	Current assets / Current debt	1.45	1.37	>2
Cash ratio	Cash/ Current debt	0.57	0.56	>0.5
	Total assets / Total debt	1.58	1.37	>1
Solvency ratios	Equity/ (Equity + Total Debt)	39.4%	27.3%	>30%
Long-term debt ratio	Long-term debt / (Equity + Long-term debt) x 100	7.3%	4.4%	<50%
Total debt ratio	Total debt / Total assets x 100	63.4%	62.9%	<80%
Rotation speed of fixed assets	Turnover / Intangible assets	6.03	6.3	-



The company's **liquidity ratios** reflect the particularities of the insurance distribution activity, in which the terms of settlement of claims and debts in relation to insurers and, respectively, assistants are legally and procedurally regulated.

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

Other categories of economic-financial indicators also point to a **solid financial position and a relatively comfortable risk level** for a company with an accelerated investment policy. In the reporting period compared to the reference period, both the decrease in total assets and the decrease in equity were more pronounced than the decrease in the Company's total liabilities. These differences in pace reduced the overall debt ratio, but also the solvency ratio, which remains, however, close to the comfort threshold.

This report has been prepared on the basis of the unaudited financial statements as at March 31, 2025.

Chairman of the Board of Directors ,
Dan Niculae



Annex 1 – Financial Statements as of March 31, 2025, non-audited

FINANCIAL POSITION

(lei)	01 ianuarie 2025	31 martie 2025
Fixed Assets, wherefrom:	3,967,892	4,212,058
Intangible assets	2,302	16,087
Tangible assets	3,954,700	3,885,081
Financial assets	10,890	310,890
Current assets, wherefrom:	20,995,978	25,239,766
Inventories	182	182
Receivables, wherefrom:	12,613,816	13,316,361
Receivables related to the distribution activity	648,124	445,370
Other receivables	11,965,692	12,870,991
Short term investment	0	0
Cash and cash equivalents	8,381,980	11,923,223
Pre-payments	42,529	59,390
TOTAL ASSETS	25,006,399	29,511,214
Current Debt, wherefrom:	15,278,402	21,115,487
Debt related to the distribution activity	430,619	430,619
Debt in relation to credit institutions	13,671,238	19,513,626
Commercial payables and other debts	1,176,545	1,171,242
Net current assets/ Net current debt	5,760,105	4,183,669
Total assets minus Current debts	9,727,997	8,395,727
Non-current Debt, wherefrom:	459,926	351,571
Long-term bank loans	407,783	299,428
Other long-term debt	52,143	52,143
TOTAL DEBT	15,738,328	21,467,058
Provisioning	0	0
Paid and subscribed share capital	500,000	500,000
Reserves	100,000	100,000
Retained earnings	6,152,499	8,668,071
Result of the period	2,515,572	-1,223,915
EQUITY	9,268,071	8,044,156
TOTAL EQUITY AND DEBT	25,006,399	29,511,214

CEO,
Mr. Sorin-Ștefan Baltasiu

CFO,
Mrs. Oana Pârțiu-Vasilichi



PROFIT AND LOSS ACCOUNT

(lei)	March 31, 2024	March 31, 2025
Operating Revenues	25,373,342	26,509,886
Net Turnover, from which:	25,371,662	26,508,006
Revenues from distribution activity	25,371,662	26,508,006
Other revenues	1,680	1,880
Operating Expenditure	24,345,569	27,733,260
Expenses with commission fees for brokerage agents	21,904,885	24,740,803
Expenses with third party service providers	881,433	1,542,845
Expenses with disposable and inventory materials	31,293	44,211
Expenses with other taxes, fees and similar payments	27,975	37,863
Expenses with personnel	1,415,421	1,286,231
Other operating expenses	138	2,626
Adjustments in fixed assets (amortization)	85,206	78,681
Adjustments in current assets	-782	0
Operating Profit or Loss	1,027,773	- 1,223,374
Financial Revenues	12,944	16,650
Financial Expenditure	30,421	17,191
Financial Profit or Loss	- 17,477	- 541
Gross Profit or Loss	1,010,296	- 1,223,915
Tax on profit	158,514	-
Net Profit or Loss for the reported period	851,782	- 1,223,915

CEO,
Mr. Sorin-Ștefan Baltasiu

CFO,
Mrs. Oana Pârțiu-Vasilichi



CASH-FLOW STATEMENT

Indicators	Results of the reported period	
	January 1, 2025	March 31, 2025
CASHFLOW FROM OPERATIONAL ACTIVITY		
1. Cash received from distribution activity	1,007,615,978	243,474,153
2. Cash paid pertaining to the distribution activity	992,893,633	236,350,181
3. Other cash received from various debtors	0	28,557
4. Cash paid to suppliers and different creditors	5,192,839	1,723,545
5. Cash paid to and on behalf of employees	5,820,332	1,220,482
6. Payments pertaining to special funds in the distribution activity	90,964	28,557
7. Other cash payments afferent to operational activity	1,247,361	204,212
8. Cash paid as dividends transferred to shareholders	4,601,016	0
9. Cash paid as interests pertaining to the loan	98,381	14,578
10. Paid tax on profits	621,219	0
NET CASH GENERATED FROM (PAID IN) OPERATIONAL ACTIVITY	-2,949,766	3,961,156
CASHFLOWS OUT OF INVESTMENT ACTIVITY		
1. Cash payments for the acquisition of tangible and intangible assets	9,750	0
2. Cash payments for participation interests in other companies	0	300,000
3. Cash payments in the form of loans granted to third parties	24,642	0
4. Cash received from the repayment of loans granted to third parties	25,488	0
5. Cash received from termination of other short-term investments	4,880,000	0
6. Cash received from bank interest	220,498	16,641
NET CASH GENERATED FROM (USED IN) INVESTMENT ACTIVITY	5,091,595	-283,359
CASHFLOWS RELATED TO FINANCING ACTIVITY		
1. Cash paid to reimburse borrowed amounts	433,419	108,355
2. Cash paid for financial lease contracts	108,600	28,048
NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES	-542,019	-136,403
CASH AND CASH EQUIVALENTS on January 1st, 2025	6,782,917	8,381,980
NET INCREASE OR DECREASE OF CASH AND CASH EQUIVALENTS	1,599,810	3,541,394
Effect of exchange rate changes on components	-747	-96
CASH AND CASH EQUIVALENTS ON MARCH 31, 2025	8,381,980	11,923,278

CEO,
Mr. Sorin-Ștefan Baltasiu

CFO,
Mrs. Oana Pârțiu-Vasilichi



CHANGES IN COMPANY'S EQUITY AS OF MARCH 31, 2025

Item		Balance as of January 1, 2025	Increases		Decreases		Balance as of March 31, 2025
			Total, of which:	By transfer	Total, of which:	By transfer	
Subscribed Capital		500,000	0	0	0	0	500,000
Premium related to capital		0	0	0	0	0	0
Re-evaluation reserves		0	0	0	0	0	0
Legal Reserves		100,000	0	0	0	0	100,000
Retained earnings representing the realized revaluation reserve surplus		0	0	0	0	0	0
Other Reserves		0	0	0	0	0	0
Retained earnings – non-allocated profit or uncovered loss	Sold C	6,152,499	2,515,512	2,515,512	0	0	8,668,071
	Sold D	0	0	0	0	0	0
Retained earnings – non-allocated profit or uncovered loss	Sold C	0	0	0	0	0	0
	Sold D	0	0	0	0	0	0
Result of the reporting period	Sold C	2,515,572	0	0	3,739,487	3,739,487	-1,223,915
	Sold D	0	0	0	0	0	0
Total Equity		9,268,071	2,515,512	2,515,512	3,739,487	3,739,487	8,044,156

CEO,
Sorin-Stefan Baltasiu

Prepared by,
CFO, Oana Partiu-Vasilichi



EXPLANATORY NOTES TO THE QUARTERLY ACCOUNTING REPORTS

DRAFTED ON MARCH 31, 2025

1. INTANGIBLE ASSETS

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

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

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

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

2. TANGIBLE FIXED ASSETS

Cost / Evaluation

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

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

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

Depreciation

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

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

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

Tangible assets held under financial leasing

As at March 31, 2025 the Company has two ongoing financial leasing contracts for means of transport:



- Lease contract signed in 2021 for a period of 5 years, with an entry value of 141,913 lei. As of March 31, 2025, the book value of this tangible fixed asset held under financial leasing is 53,217 lei;
- Lease contract signed in 2021 for a period of 5 years, with an entry value of 163,912 lei. As of March 31, 2025, the book value of this tangible fixed asset held under financial leasing is 141,792 lei.

In 2021, the Company acquired an automobile with an entry value of 487,094 lei. As of March 31, 2025, the balance debt is of 73,000 lei, which will be repaid in monthly installments until December, 2025.

Derecognition

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

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

3. FINANCIAL FIXED ASSETS

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

4. TRADE RECEIVABLES

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

5. CASH AND CASH EQUIVALENTS

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

6. FINANCIAL DEBTS

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

7. LEASING CONTRACTS

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

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



8. PROVISIONS

Provisions are recognized when the Company has a current obligation (legal or implied) generated by a previous event. It is likely that an outflow of resources will be required to settle the obligation, and the debt can be estimated reliably. The value of a provision represents the best estimate of the probable expenditure, or, in the case of an obligation, the amount required to settle the obligation.

9. SHARE CAPITAL

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

10. LEGAL RESERVES

Legal reserves represent 5% of the gross profit recorded at the end of the financial year until the total legal reserves reach 20% of the paid-up share capital in accordance with the legal provisions. As at March 31, 2025, the Company has a legal reserve at the level required by the regulatory documents, respectively 20% of the share capital.

11. SECURITIES

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

12. INCOME RECOGNITION

Operating Incomes

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

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

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

Incomes from the sale of goods

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

Incomes from royalties, rents and interests

These are recognized as periodically, on a pro rata basis, as the income is generated, based on the accrual accounting.

13. TAXES AND DUTIES

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

14. ACCOUNTING ERRORS

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



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

15. CURRENCY EXCHANGE

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

The LEU/EUR exchange rates as of March 31, 2024 and March 31,2025 were as follows:

Currency	March 31, 2024	March 31, 2025
LEU/EUR	4,9695	4,9773

16. INTANGIBLE ASSETS

GROSS VALUE / Fixed Asset Items	Initial balance January 1, 2025	Increases	Decreases		Final balance March 31, 2025
			Total	Of which, scrappings	
Licenses and other intangible assets	122,688	15,268	0	0	137,956
TOTAL	122,688	15,268	0	0	137,956

AMORTISATION / Fixed Asset Items	Initial balance January 1, 2025	Amortisation during the period	Amortisation for assets removed from the books	Final balance March 31, 2025
Licenses and other intangible assets	120,386	1,482	0	121,869
TOTAL	120,386	1,482	0	121,869
Valoare contabila	2,302			16,087

In the first 3 months of 2025, the company acquired intangible assets amounting to 15,268 lei. Amortisation of intangible fixed assets recognised by the Company in the first 3 months of 2025 is 1,482 lei.

17. TANGIBLE ASSETS

GROSS VALUE / Fixed Asset Items	Initial balance January 1, 2025	Increases	Decreases		Final balance March 31, 2025
			Total	Of which, Dismantling and scrapping	
Lands and buildings	3,819,033	0	0	0	3,819,033
Technical installations and machines	2,171,375	7,580	0	0	2,178,955
Other installations, devices and fixtures	126,384	0	0	0	126,384
Prepayments and tangible assets in progress	0	0	0	0	0
TOTAL	6,116,793	7,580	0	0	6,124,373



DEPRECIATION / Fixed Asset Items	Initial balance January 1, 2025	Depreciation during the period	Depreciation of assets derecognized	Final balance March 31, 2025
Landscaping	10,943	483	0	11,426
Buildings	343,925	16,132	0	360,058
Technical installations and machines	1,684,378	59,118	0	1,743,856
Other installations, devices and fixtures	122,486	1,465	0	123,952
TOTAL	2,162,093	77,199	0	2,239,292
Book Value	3,954,700			3,885,081

During the first 3 months of 2025, there were no investments into landscaping or buildings, technical installations and means of transport. The value of investment in equipment was if 7,580 lei.

The value of the depreciation recognized by the Company in the first 3 months of 2025 for tangible fixed assets is 77,199 lei.

18. FINANCIAL FIXED ASSETS

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

GROSS VALUE	Initial balance January 1, 2025	Increases	Decreases	Final balance March 31, 2025
Guarantees and long-term receivables	10,890	0	0	10.890
Ownership interests - equity	0	300.000	0	300.000
TOTAL	10,890	0	0	310.890

IMPAIRMENT ADJUSTMENTS	Initial balance January 1, 2025	Increases	Decreases	Final balance March 31, 2025
Guarantees and long-term receivables	0	0	0	0
Ownership interests - equity	0			
TOTAL	0	0	0	0

Book Value	10,890	0	846	310,890
-------------------	---------------	----------	------------	----------------



19. TRADE RECEIVABLES AND OTHER RECEIVABLES

Receivables elements	Row No.	Balance on January 1, 2025	Balance on March 31, 2025	Liquidity term		
				Under 1 year	1 - 5 years	Over 5 years
0	1	2	3 = 4 + 5 + 6	4	5	6
TOTAL RECEIVABLES (rows 1 to 8 – row 9 + row 10 + row 11), of which:		13.816.551	13.315.702	13.315.702	0	0
Receivables related to the distribution activity	1	787.117	584.363	584.363	0	0
Adjustments for the depreciation of receivables related to the distribution activity	2	-138.993	-138.993	-138.993	0	0
Pre-payments for provision of services	3	666.000	574.472	574.472	0	0
Pre-payments for personnel and other related receivables	4	0	0	0	0	0
Receivables related to the state budget	5	108.769	108.769	108.769	0	0
Receivables related to the social insurance budget	6	82.830	81.982	81.982	0	0
Receivables related to the subscribed and unpaid share capital	7	0	0	0	0	0
Receivables from various debtors	8	11.134.450	12.131.466	12.131.466	0	0
Adjustments for the depreciation of receivables from various debtors	9	-26.357	-26.357	-26.357	0	0
Settlement from operations pending to be clarified	10	0	0	0	0	0

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

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

As of March 31, 2025, the provisions for the impairment of receivables related to the distribution activity amount to 138,993 lei and represent 100% of the value of uncertain receivables. Receivables representing advances for services amounting to 574,472 lei represent amounts paid as advances to assistants in the distribution activity, which are settled against commissions owed to them for the policies intermediated.

Receivables from various debtors, totaling 12,131,466 lei, mainly refer to amounts to be reimbursed to the Company by the assistants in the distribution activity in April 2025. Of this amount, 34,691 lei represent receivables from various debtors, some of which refer to receivables with legal actions in progress.



The Company makes estimates regarding the risk of non-recovery of the receivables recorded as of March 31, 2025. In accordance with these estimates, the Company has recorded provisions for impairment of receivables from various debtors amounting to 26,357 lei.

20. SHORT TERM INVESTMENTS

As of March 31, 2025, short-term investments are represented by a bank deposit in the amount of 3,000,000 lei, with maturity on 15.06.2025.

21. CASH AND CASH EQUIVALENTS

Indicator	December 31, 2024	March 31, 2025
Current and collector accounts at banks (RON)	8,381,975	8,923,223
Deposit accounts (RON)	0	3,000,000
Cash in the cashier's office (RON)	5	838
Other values (RON)	0	0
Treasury pre-payments	0	0
TOTAL	8,381,980	8,924,061

22. TRADE PAYABLES AND OTHER DEBTS

Debt elements	Row No.	Balance on Jan 1, 2025	Balance on March 31, 2025	Maturity date		
				Under 1 year	1 - 5 years	Over 5 years
0	1	2	3 = 4 + 5 + 6	4	5	6
TOTAL DEBT (rows 1 to 15), of which:		15,738,328	21,466,400	21,005,141	461,259	0
Bond issue loans	1	0	0	0	0	0
Amounts owed to credit institutions	2	838,402	730,047	322,264	407,783	0
Debt related to the distribution activity	3	13,671,242	19,513,626	19,513,626	0	0
Amounts owed to affiliated entities	4	97,300	73,000	73,000	0	0
Debt from leasing contracts	5	140,920	113,154	61,011	52,143	0
Debt to the suppliers and various creditors	6	164,233	132,782	132,782	0	0
Debt to personnel	7	380,460	408,159	408,159	0	0
Amounts owed to assistants and auxiliary assistants	8	14,536	15,015	15,015	0	0
Debt to the social insurance budget	9	167,433	182,952	182,952	0	0
Debt to the state budget	10	30,375	659	656	0	0
Debt to special funds in the distribution activity	11	28,557	14,000	14,000	0	0
Debt with other taxes, fees and assimilated payments	12	0	0	0	0	0



Other Debt	13	6,333	5,333	4,000	1,333	0
Debt with the dividends due to the shareholders	14	0		0	0	0
Settlement from operations to be clarified	15	198,536	277,678	277,678	0	0

The Company's payables as of March 31, 2025 mostly refer to debt towards insurance companies, amounts settled in the first half of April 2025.

Debts owed to financial-banking institutions are represented by two investment loans. The long-term loan in the amount of 1,400,000 lei was contracted by the Company in 2018, in order to finance the acquisition of a building in Bistrita (the current headquarters of the Company) and two land lots related to the construction, in a total amount of 1,698,272 lei. The loan is reimbursed in equal installments set for a period of 84 months, the final maturity being on December 1, 2025. The amount remaining to be reimbursed as of March 31, 2025 is 144,782 lei. The Company constituted the following guarantees for the received loan: security on bank accounts opened with the bank; real estate mortgage on the construction and the two land lots. The second loan, amounting to 1,611,713 lei, was contracted in 2020 to finance the acquisition of a building and related land in Bucharest; the reimbursement of this loan is made in 83 equal monthly installments, with the final maturity on September 29, 2027. As of March 31, 2025, the balance of this loan is 585,265 lei. The building and land lots financed by this loan are mortgaged in favor of the bank. For both loans, the interest rate is set according to the 6-month ROBOR index and the bank's margin.

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

23. SHARE CAPITAL

Indicator	December 31, 2024	March 31, 2025
Value of the subscribed and paid share capital (RON)	500,000	500,000
Number of ordinary shares	5,000,000	5,000,000
Nominal value (RON/share)	0,10	0,10

24. REZERVE

Reserves	December 31, 2024	March 31, 2025
Legal Reserves	100,000	100,000



25. NET TURNOVER

Nature of achieved income	March 31, 2024	March 31, 2025
Income from the distribution activity, of which:	25,371,662	26,508,006
Income from advisory services regarding insurance and/or reinsurance contracts	0	0
Assistance providing for contract management and execution, including claims for compensation	241,102	301,748
Other activities related to the distribution activity	25,130,560	26,203,268
Income from the development of insurance products in association with insurers	0	0
Income from the activity of pension products distribution	0	2,990
Trade discounts granted	0	0
Other operating incomes	1,680	1,880
TOTAL OPERATING INCOME	25,373,342	26,509,886

26. PERSONNEL EXPENSES

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

Indicator	March 31, 2024	March 31, 2025
Expenses with the employees' remuneration	1,296,190	1,199,599
Expenses related to lunch vouchers granted to employees	67,980	59,640
Expenses with insurance and social insurance	22,003	0
Labor insurance contribution	29,248	26,992
Expenses with personnel training	36,500	0
TOTAL:	1,451,921	1,286,231

27. ANALYSIS OF OTHER EXPENSES AND OF THE OPERATING RESULT

a) OPERATING RESULT

Indicator	Accounting reporting as of March 31, 2024	Accounting reporting as of March 31, 2025
1. Net turnover	25,371,662	26,508,006
2. Cost of the goods sold and services rendered (3+4)	22,894,430	26,447,029
3. Costs related to the main activity	22,809,086	26,365,722
4. Costs related to auxiliary activities	85,344	81,307
5. Gross Result related to Net Turnover (1-2)	2,477,232	60,977
6. General administrative expenses	1,451,921	1,286,231
7. Other operating incomes	2,462	1880
8. Operating Result (5-6+7)	1,027,773	-1,223,374



b) OTHER OPERATING EXPENDITURE

Indicators	Value as of March 31, 2024	Value as of March 31, 2025
Energy and water expenses	26,739	26,659
Expenses on maintenance and repairs	19,609	11,205
Royalties, commercial leasing and rental expenses	24,088	24,697
Insurance premiums expenses	50,339	53,554
Protocol, advertising and publicity expenses	48,125	37,796
Expenses with travels, assignments and transfers	3,193	12,503
Postage and telecommunications expenses	40,891	43,811
Expenditure on bank and assimilated services services	191,193	282,926
Other expenses with third party services' providers	440,755	1,049,695
TOTAL	844,932	1,542,847

28. TAX ON PROFIT

Indicator	Value as of March 31, 2024	Value as of March 31, 2025
1. Gross profit or loss	851,782	-1,223,915
2. Elements similar to incomes	0	0
3. Legal reserves	0	0
4. Non-taxable incomes	0	0
5. Non-deductible expenditure	195,900	0
6. Difference of financially non-deductible depreciation	28,817	0
7. Taxable profit / fiscal loss for the reporting year (row 1+2-3-4+5+6)	1,076,499	-1,223,915
8. Fiscal loss from the previous years	0	0
9. Taxable profit/ fiscal loss to be recovered from the previous years (row 7-8)	1,076,499	-1,223,915
10. Current tax on profit (row 9*16%)	172,240	0
11. Tax related to reinvested profit	0	0
12. Tax on due profit (row 10-11)	172,240	0
13. Tax on profit due for 1 st and 2 nd quarter	172,240	0
14. Expenses with sponsorships	13,726	0
15. Tax on profit at the end of the reporting period	158,514	0



29. OTHER INFORMATION

Information on the relation with affiliated entities and other related parties

The Company holds 100% in the share capital of its daughter company, Transilvania Financial Services SRL.

Expenses with rentals and leasing

The company has three ongoing financial leasing contracts, whose balance on March 31, 2025 amounts to 113,154 lei.

The expenses with the rentals are in the amount of 24,697 lei. The rentals are related to the locations employed by the Company as secondary offices.

30. Aspects related to the environment

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

31. Commitments - Guarantees granted to third parties

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

- Movable guarantee (collateral) on the bank accounts opened with the bank;
- Real estate guarantee (collateral) on the land with an area of 100 sqm, cadastral no. 8452, registered in the Land Registry no. 61938 of Bistrita Municipality;
- Real estate guarantee (collateral) on the urban land with an area of 500 sqm, cadastral no. 56884 and the construction built on it, cadastral no.56884-C1, building registered in the Land Registry no. 56884 of Bistrita Municipality;
- Real estate guarantee (collateral) over an apartment located in Bucharest, cadastral no. 253777-C1-U1, registered in the Land Registry no. 253777-C1-U1 pertaining to the Municipality of Bucharest, 1st District, together with the share of corresponding parts of 3126/10000 out of the common parts and dependencies, as well as on the share of 9000/100 of the urban land with an area of 270 sqm, having cadastral no.253777, registered in the Land Registry no. 253777-C1-U1 pertaining to the Municipality of Bucharest, 1st District.

CEO,

Mr. Sorin-Ștefan Baltașiu

Signature _____

Prepared by,

Mrs. Oana Pârțiu Vasilichi, CFO

Signature _____