



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

INDIVIDUAL FINANCIAL STATEMENTS

**on and for the financial year
ended on December 31st, 2021**

**prepared according to the FSA¹ Norm 36/ 2015
for the approval of Accounting regulations
pertaining to annual individual financial
statements and annual consolidated financial
statements that are applicable to insurance and/
or reinsurance brokerage companies**

¹ *Financial Supervisory Authority*

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TRANSILVANIA BROKER DE ASIGURARE S.A.
FINANCIAL STATEMENT
for the financial year ended December 31st, 2021
(all amounts are in lei ("RON"), if not otherwise specified)

FINANCIAL STATEMENT on
December 31st, 2021

Indicator	No. line	Balance on:	
		01.01.2021	31.12.2021
A. ASSETS			
I. INTANGIBLE ASSETS			
1. Expenses with constitution	1	0	0
2. Expenses with development	2	0	0
3. Concessions, patents, licenses, commercial trademarks, rights and similar assets, if they have been paid for	3	11,886	16,246
4. Commercial fund	4	0	0
5. Pending advance payment for intangible assets	5	0	0
TOTAL (lines 01 to 05)	6	11,886	16,246
II. TANGIBLE ASSETS			
1. Land and buildings	7	3,722,800	3,663,547
2. Technical equipment and machines	8	286,740	1,156,696
3. Other devices, equipment and furniture	9	17,961	25,097
4. Pending advance payment and intangible assets	10	0	0
TOTAL (lines 07 to 10)	11	4,027,501	4,845,340
III. FINANCIAL ASSETS			
1. Shares owned in affiliated companies	12	0	0
2. Loans granted to affiliated companies	13	0	0
3. Shares owned at affiliated companies and companies controlled in a Group	14	0	0
4. Loans granted to affiliated companies and companies controlled in a Group	15	0	0
5. Investment in the form of assets	16	0	0
6. Other loans and bonds	17	20,699	18,084
TOTAL (lines 12 to 17)	18	20,699	18,084
INTANGIBLE ASSETS- TOTAL (lines 06 + 11 + 18)	19	4,060,086	4,879,670
B. CURRENT ASSETS			
I. INVENTORIES			
1. Raw materials and other current assets similar to inventories	20	0	0
2. Advance payment for purchase of inventories	21	3,116	0
TOTAL (lines 20 + 21)	22	3,116	0
II. ACCOUNTS RECEIVABLE			
1. Receivables related to the distribution activity	23	843,018	2,476,445
2. Receivables related to insurance products designed together with insurance companies	23a	0	0
3. Receivables from affiliated companies	24	0	0
4. Receivables from affiliated companies and companies controlled in a Group	25	0	0
5. Other receivables	26	3,310,486	6,165,220
6. Receivables related to unpaid subscribed share capital	27	0	0
7. Receivables related to dividends granted within the financial year	27a	0	0
TOTAL (lines 23 to 27+23a+27a)	28	4,153,504	8,641,665

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III. SHORT TERM INVESTMENT			
1. Shares owned with affiliated companies	29	0	0
2. Other short term investment	30	2,000,000	0
TOTAL (line 29 to 30)	31	2,000,000	0
IV. CASH AND BANK BALANCES	32	4,576,429	10,578,292
CURRENT ASSETS - TOTAL (lines 22 + 28 + 31 + 32)	33	10,733,049	19,219,957
C. EXPENSES IN ADVANCE	34	26,895	49,546
D. DEBT: AMOUNTS TO BE PAID WITHIN ONE YEAR			
1. Loans as a result of bonds' issuance with specific details on convertible bonds	35	0	0
2. Amounts owed to credit institutions	36	433,419	433,419
3. Debt related to distribution activity	37	3,939,878	8,565,862
4. Amounts owed to affiliated companies	38	0	0
5. Amounts owed to affiliated companies and companies controlled in a Group	39	0	0
6. Other debt, including fiscal debt and amounts to be paid to social security	40	666,584	1,406,559
TOTAL (lines 35 to 40)	41	5,039,881	10,405,840
E. NET CURRENT ASSETS/ NET CURRENT DEBT	42	5,720,063	8,863,663
(lines 33 + 34-41-56)			
F. TOTAL ASSETS MINUS TOTAL CURRENT DEBT	43	9,780,149	13,743,333
(lines 19 + 42-55)			
G. DEBT: AMOUNTS TO BE PAID IN MORE THAN ONE YEAR			
1. Loans as a result of bonds' issuance with specific details on convertible bonds	44	0	0
2. Amounts owed to credit institutions	45	2,138,658	1,705,239
3. Debt related to distribution activity	46	0	0
4. Amounts owed to affiliated companies	47	0	0
5. Amounts owed to affiliated companies and companies controlled in a Group	48	0	0
6. Other debt, including fiscal debt and amounts to be paid to social security	49	81,800	658,029
TOTAL (lines 44 to 49)	50	2,220,458	2,363,268
H. PROVISIONS			
1. Provisions for pensions and similar duties	51	0	0
2. Provisions for income taxes	52	0	0
3. Other provisions	53	0	1,236,391
TOTAL (lines 51 to 53)	54	0	1,236,391
I. REVENUES IN ADVANCE			
1. Subsidies	55	0	0
2. Revenues registered in advance	56	0	0
3. Negative commercial fund	57	0	0
TOTAL (lines 55 + 56 + 57)	58	0	0

TRANSILVANIA BROKER DE ASIGURARE S.A.
FINANCIAL STATEMENT
for the financial year ended December 31st, 2021
(all amounts are in lei ("RON"), if not otherwise specified)

J. CAPITAL AND RESERVES			
I. CAPITAL (lines 60 + 61 + 62 + 63)	59	500,000	500,000
1. Paid subscribed capital	60	500,000	500,000
2. Unpaid subscribed capital	61	0	0
Categories similar to share capital	62	0	0
Categories similar to equity	63	0	0
II. CAPITAL PREMIUMS	64	0	0
III. RESERVES FROM RE-EVALUATION	65	0	0
IV. RESERVES (lines 67 + 68 + 69)	66	100,000	100,000
1. Legal reserves	67	100,000	100,000
2. Statutory or contractual reserves	68	0	0
3. Other reserves	69	0	0
Own shares	70	0	0
Earnings related to equity instruments	71	0	0
Loss related to equity instruments	72	0	0
V. PROFIT OR LOSS	BALANCE C	73	1,632,700
REPORTED	BALANCE D	74	0
VI. PROFIT OR LOSS	BALANCE C	75	5,326,991
AT THE END OF FINANCIAL YEAR	BALANCE D	76	0
Distribution of profits	77	0	0
EQUITY - TOTAL (lines 59 + 64 + 65 + 66 - 70 + 71 - 72 + 73 - 74 + 75 - 76 - 77)	78	7,559,691	10,143,674

The financial statements were endorsed on March 22th, 2022, by the Board of Directors, in order to be approved in the General Assembly of Shareholders.

Chairman of Board of Directors,
 Mr. Dan Niculae
 Signature _____

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

TRANSILVANIA BROKER DE ASIGURARE S.A.
PROFIT AND LOSS ACCOUNT
for the financial year ended December 31st, 2021
(all amounts are in lei ("RON"), if not otherwise specified)

PROFIT AND LOSS ACCOUNT
on December 31st, 2021

Indicator	No. In	Results of financial year	
		Previous 31.12.2020	Current 31.12.2021
1. Net turnover (lines 02+09+10-11+12)	01	77,411,931	98,905,785
1.1. Revenues from distribution activity (lines 03+08)	02	77,411,931	98,905,785
a) revenues from distribution of insurance and re-insurance contracts (lines 04+05+06+07)	03	77,411,931	98,905,785
a.1) consultancy services and proposal of insurance and re-insurance contracts	04		
a.2) performance of preliminary actions for concluding contracts, negotiation with insurance and re-insurance companies for conclusion of contracts	05		
a.3) assistance for management and execution of contracts, including claims for compensation	06	16,840	12,235
a.4) other actions related to distribution activities	07	77,395,091	98,893,550
b) revenues from distribution activities pertaining to pension products, investment products and products created by banking credit institutions, non-bank financial institutions, payment institutions or electronic currency institutions	08	0	0
1.2. Revenues from designing insurance products in joint approach with insurance companies	09	0	0
1.3. Revenues from organisation of professional training in insurance and re-insurance	10	0	0
1.4. Granted commercial discounts	11	0	0
1.5. Revenues from royalties and lease	12	0	0
2. Revenues from generating assets	13	0	0
3. Revenues from operating subsidies	14	0	0
4. Other operating revenues	15	0	1,667
wherefrom: revenues from negative commercial fund	16	0	0
5. Revenues from re-valuation of tangible assets	17	0	0
OPERATING REVENUES - TOTAL (lines 01+13+14+15+17)	18	77,411,931	98,907,452
6. a) Expenses with services supplied by third parties	19	2,059,281	3,395,513
wherefrom, expenses with collaborators	20	0	0
b) Expenses with consumable materials and inventory items	21	252,600	223,433
7. Commercial discounts received	22	0	0
8. Expenses with other taxes and assimilated duties	23	101,278	158,572
wherefrom, authorisation to function	24	75,385	98,906
9. Expenses with personnel (line 26+27)	25	2,975,915	3,825,594
a) Salaries and compensations	26	2,894,876	3,724,752
b) Expenses with social security and protection	27	81,039	100,842

TRANSILVANIA BROKER DE ASIGURARE S.A.
PROFIT AND LOSS ACCOUNT
for the financial year ended December 31st, 2021
(all amounts are in lei ("RON"), if not otherwise specified)

10. Expenses with amounts to be paid to agents and auxiliary agents	28	65,510,256	81,280,994
11. Other operating expenses (lines 30 la 34)	29	219,863	302,125
11.1. Expenses with environment protection	30	0	0
11.2. Expenses with re-valuation of tangible assets	31	0	0
11.3. Expenses with disasters and other similar events	32	0	0
11.4. Expenses with compensations, donations and other ceded assets	33	219,863	302,125
11.5. Other operating expenses	34	0	0
12. Adjustment of values related to tangible and intangible assets (lines 36-37)	35	132,964	285,037
a) Expenses	36	132,964	285,037
b) Revenues	37	0	0
13. Adjustment of values related to current assets (lines 39-40)	38	43,895	-17,459
a) Expenses	39	43,895	0
b) Revenues	40	0	17,459
14. Adjustment related to provisions (lines 42-43)	41	0	1,236,391
a) Expenses	42	0	1,236,391
b) revenues	43	0	0
OPERATING EXPENSES - TOTAL	44	71,296,051	90,690,200
(lines 19+21-22+23+25+28+29+35+38+41)			
OPERATING PROFITS OR LOSS			
Profit (lines 18-44)	45	6,115,880	8,217,252
Loss (lines 44-18)	46	0	0
15. Revenues from participating interests	47	0	<u>0</u>
wherefrom: earnings from affiliated companies	48	0	<u>0</u>
16. Revenues from interests	49	33,386	38,573
wherefrom: earnings from affiliated companies	50	0	0
17. Other financial revenues	51	754	959
wherefrom: revenues from other financial assets	52	0	0
FINANCIAL REVENUES - TOTAL (lines 47+49+51)	53	34,140	39,532
18. Adjustments related to financial assets (lines 55-56)	54	0	0
a) Expenses	55	0	0
b) Revenues	56	0	0
19. Expenses with interests	57	61,932	92,202
wherefrom: expenses related to affiliated companies	58	0	0
20. Other financial expenses	59	3,335	10,760
FINANCIAL EXPENSES - TOTAL (lines 54+57+59)	60	65,267	102,962
FINANCIAL PROFITS OR LOSS			
Profit (lines 53-60)	61		
Loss (lines 60-53)	62	31,127	63,430
CURRENT PROFITS OR LOSS			
Profit (lines 18+53-44-60)	63	6,084,753	8,153,822
Loss (lines 44+60-18-53)	64	0	0
TOTAL REVENUES (lines 18+53)	65	77,446,071	98,946,984
TOTAL EXPENSES (lines 44+60)	66	71,361,318	90,793,162

TRANSILVANIA BROKER DE ASIGURARE S.A.
PROFIT AND LOSS ACCOUNT
for the financial year ended December 31st, 2021
(all amounts are in lei ("RON"), if not otherwise specified)

21. GROSS PROFIT OR LOSS			
Profit (lines 65-66)	67	6,084,753	8,153,822
Loss (lines 66-65)	68	0	0
22. Tax on profit	69	757,762	1,269,839
23. Other taxes that have not been included above	70	0	0
24. NET PROFIT OR LOSS OF FINANCIAL YEAR			
Profit (lines 65-66-69-70)	71	5,326,991	6,883,983
Loss (lines 66-65+69+70)	72	0	0

The financial statements were endorsed on March 22th, 2022, by the Board of Directors, in order to be approved in the General Assembly of Shareholders.

Chairman of Board of Directors,
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 Signature _____

Prepared,
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TRANSILVANIA BROKER DE ASIGURARE S.A.
STATEMENT OF CHANGES IN EQUITY
for the financial year ended December 31st, 2021
(all amounts are in lei ("RON"), if not otherwise specified)

2020

Indicator		Balance on January 1st, 2020	Increase		Reduction		Balance on December 31st, 2020
			Total, wherefrom:	Through transfer	Total, wherefrom:	Through transfer	
Subscribed capital		500,000	0		0		500,000
Capital premiums		0	0		0		0
Reserves pertaining to re-valuation		0	0		0		0
Legal reserves		100,000	0		0		100,000
Reserves representing the surplus from re-valuation reserves		0	0		0		0
Other reserves		0	0		0		0
Reported result representing retained earnings or uncovered loss	Balance C	792,926	4,639,774	4,639,774	3,800,000		1,632,700
	Balance D	0					0
Reported result from correcting book keeping errors	Balance C	0					0
	Balance D	0					0
Result of financial year	Balance C	4,639,774	5,326,991		4,639,774	4,639,774	5,326,991
	Balance D	0					0
Distribution of profit		0					0
Total equity		6,032,700	9,966,765	4,639,774	8,439,774	4,639,774	7,559,691

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TRANSILVANIA BROKER DE ASIGURARE S.A.
STATEMENT OF CHANGES IN EQUITY
for the financial year ended December 31st, 2021
(all amounts are in lei ("RON"), if not otherwise specified)

2021

Indicator		Balance on January 1st, 2021	Increase		Reduction		Balance on December 31st, 2021
			Total, wherefrom:	Through transfer	Total, wherefrom:	Through transfer	
Subscribed capital		500,000	0		0		500,000
Capital premiums		0	0		0		0
Reserves pertaining to re-valuation		0	0		0		0
Legal reserves		100,000	0		0		100,000
Reserves representing the surplus from re-valuation reserves		0	0		0		0
Other reserves		0	0		0		0
Reported result representing retained earnings or uncovered loss	Balance C	1,632,700	5,326,991	5,326,991	4,300,000		2,659,691
	Balance D	0					0
Reported result from correcting book keeping errors	Balance C	0					0
	Balance D	0					0
Result of financial year	Balance C	5,326,991	6,883,983		5,326,991	5,326,991	6,883,983
	Balance D	0					
Distribution of profit		0					
Total equity		7,559,691	12,210,974	5,326,991	9,626,991	5,326,991	10,143,674

The financial statements were endorsed on March 22th, 2022 by the Board of Directors, in order to be approved in the General Assembly of Shareholders.

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TRANSILVANIA BROKER DE ASIGURARE S.A.
CASHFLOWS STATEMENT
for the financial year ended December 31st, 2021
(all amounts are in lei ("RON"), if not otherwise specified)

Indicator	No. ln	Results of the reporting period	
		Previous 31.12.2020	Current 31.12.2021
CASHFLOW FROM OPERATIONAL ACTIVITY			
1. Cash received from distribution activity	1	389,996,712	563,042,147
2. Cash paid pertaining to the distribution activity	2	377,837,236	545,365,974
3. Cash received from different debtors	3	0	0
4. Cash paid to suppliers and different creditors	4	1,907,526	2,629,214
5. Cash paid to and on behalf of employees	5	2,973,609	3,665,144
6. Payments pertaining to special funds in the distribution activity	6	73,079	88,903
7. Other cash payments afferent to operational activity	7	861,342	1,320,643
8. Cash paid as dividends transferred to shareholders	8	3,610,585	4,085,662
9. Cash paid as interests pertaining to the loans and lease contracts	9	61,920	92,202
10. Paid tax on profits	10	788,636	1,022,640
NET CASH GENERATED FROM (PAID IN) OPERATIONAL ACTIVITY (lines 01-02+03-04-05-06-07-08-09-10)	11	1,882,781	4,771,765
CASHFLOWS OUT OF INVESTMENT ACTIVITY			
1. Cash paid for purchase of tangible and intangible assets	12	1,980,094	231,816
2. Cash received from sale of tangible and intangible assets	13	0	0
3. Cash paid for purchase of equity based financial instruments or of debt owed to other entities	14	0	0
4. Cash received from sale of equity based instruments or debt based instruments towards other entities	15	0	0
5. Cash paid for purchase of interests in joint ventures	16	0	0
6. Cash received from sale of interests in joint ventures	17	0	0
7. Cash paid in the form of loans granted to third parties	18	8,529	0
8. Cash received from reimbursement of loans granted to third parties	19	0	2,615
9. Cash paid for other short-term investments	20	2,000,000	0
10. Cash received from the transfer of other short-term investments	21	0	2,000,000
11. Cash received from interests generated by debt instruments	22	0	0
10. Cash received from dividends generated by equity based financial instruments	23	0	0
12. Cash received from banking interests	24	33,386	38,573
NET CASH GENERATED FROM (USED IN) INVESTMENT ACTIVITY	25	-3,955,235	1,809,373

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

for the financial year ended December 31st, 2021

(all amounts are in lei ("RON"), if not otherwise specified)

(lines 12-11-13+14-15+16-17+18+19+20+21)			
CASHFLOWS RELATED TO FINANCING ACTIVITY			
1. Cash received from issue of shares or other equity based financial instruments	26	0	0
2. Cash paid to owners in order to redeem the company's shares	27	0	0
3. Cash received from issue of bonds, debt securities or other loans	28	1,611,713	0
4. Cash paid to reimburse borrowed amounts	29	239,236	433,419
5. Cash received from funds borrowed from shareholders	30	22,220	17,050
6. Cash paid for reimbursement of amounts borrowed from shareholders	31	18,820	20,450
7. Cash paid for financial lease contracts	32	59,533	162,456
8. Cash received from government programs	33		20,000
NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES	32	1,316,344	-579,274
(lines 23-24+25-26+27-28-29)			
CASH AND CASH EQUIVALENTS ON JANUARY 1ST	33	5,332,539	4,576,429
NET INCREASE OR DECREASE OF CASH AND CASH EQUIVALENTS (rd.10+22+30)	34	-756,110	6,001,863
CASH AND CASH EQUIVALENTS ON DECEMBER 31ST (rd. 31+32)	35	4,576,429	10,578,292

The financial statements were endorsed on March 22th, 2022, by the Board of Directors, in order to be approved in the General Assembly of Shareholders.

Chairman of Board of Directors,
Mr. Dan Niculae
Signature _____

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

1. GENERAL OVERVIEW

1.1 Description of the Company

TRANSILVANIA BROKER de ASIGURARE S.A. is a company operating in the insurance distribution field, set up and registered in 2006. It runs its activities in compliance with provisions of Companies Law 31/1990 and the Insurance Distribution Law no. 236/ 2018. The company is licensed by the Financial Supervisory Authority to provide insurance brokerage in the field of commercial insurances under no. 114.420 of November 21st, 2006 and is enrolled in the Insurance Brokers' register under no. RBK-374. It observes all regulations issued by the Financial Supervisory Authority with respect to intermediation of commercial insurance. The Company has been public listed on Bucharest Stock Exchange as of November 2nd, 2017. Its registered office is in Bistrița, 13, Calea Moldovei street, postal code 420096, Bistrița-Năsăud County, has Trade Register no.: J06/674/2006 and Fiscal Code:19044296.

On December 31st, 2021, The Company operates in the following business offices:

- Sibiu, 10, Justitiei Street, Sibiu County;
- Bucharest, 1st District, 59, A5 block, 4th stairway, 1st floor, Apt.66² Buzesti Street;
- Pitești, 3, Intrarea Rozelor Street, Arges County;
- Cluj-Napoca, 22/1, Sarmisegetuza Street, Cluj County.

Shareholders' structure as of December 31st, 2021 is as follows:

Shareholder Name	No. Shares	Nominal Value (lei)	Ownership quota (%)
LOGIN GABRIEL	1,051,060	210,212.00	42.0424
NICULAE DAN	660,709	132,141.80	26.4283
Natural persons	686,816	137,363.20	27.4726
Legal persons	101,415	20,283.00	4.0566
TOTAL	2,500,000	500,000.00	100.0000

1.2. Corporate Governance

The members of the Board of Directors of Transilvania Broker de Asigurare S.A. for the period January 1st- April 26, 2021, are as follows:

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

By the Financial Supervisory Authority (FSA) Decision no. 518 / 19.04.2021, the amendments to the Articles of Association to the Company were ratified, in accordance with the OGSM resolution no. 12 / 29.07.2020, regarding the change of the number of members of the Board of Directors of the Company from 3 (three) persons to 5 (five) persons and the appointment of Mr. Login Gabriel and Mr. Barna Erik as members.

Thus, for the period April 26 - December 31, 2021, the Board of Directors of the company was comprised of the following persons:

- NICULAE Dan – Chairman;
- DENEȘ Daniela Tasia – Member;
- ȚUICĂ Gabriel Alexandru– Member;
- LOGIN Gabriel – Member;
- BARNA Erik – Member.

The increase in the number of members of the Board of Directors was decided for a better compliance with the relevant principles of corporate governance endorsed by the Bucharest Stock Exchange Code.

On December 31st, 2021, the management team of the company consisted of the following persons:

- Dan NICULAE – General Manager;
- Ioan COTIAC – Executive Director;
- Camelia-Mariana LOGIN– Head of Financial- Accounting Department;
- Oana PÂRȚIU VASILICHI – Head of Accounting Department.

The executive management have competencies and responsibilities in compliance with their job descriptions. They are all employed for an indefinite period.

The members of the Board of Directors and of the Executive Management team have not been involved in litigations or administrative legal proceedings related to their activity for the Issuer.

2. ACCOUNTING POLICIES

The Company prepares its financial statements in compliance with the Accounting Law 82/1992, republished with further amendments and with FSA Norm no. 36/2015 regarding approval of Accounting regulations related to annual individual financial statements and annual consolidated financial statements applicable to insurance and/ or re-insurance brokerage companies, with further amendments ("FSA Norm 36/ 2015"). The management of the Company acknowledges, expressly and unreservedly, the compliance of the annual individual financial statements with the FSA Norm 36/2015.

The annual individual financial statements were endorsed by the Board of Directors in their meeting on March 22th, 2022.

The main accounting policies applied when preparing the financial statements are described below. They have been applied in a consistent manner for the reported years, except for cases when it is otherwise mentioned.

2.1. Basis for valuation

The annual individual financial statements are prepared on the basis of historical cost convention, except for the cases when it is otherwise mentioned.

2.2. Currency

Book keeping is made in Romanian and the national currency („RON” or „LEI”). These financial statements are presented in Romanian LEI.

2.3. Accounting valuations and estimates

Preparing the financial statements in accordance with "FSA Norm 36/2015" involves the management of the Company doing certain estimates that influence the reported values for assets and liabilities and the presentation of contingent assets and liabilities at the date of the financial statements, as well as of values of income and expense pertaining to the reported period. The real results may be different from the estimated ones. The estimates are reviewed on a periodic basis.

Examples of valuation, estimates, assumptions applied by the Company are described below:

- (a) Adjusting entries for depreciation of accounts receivables

Assessment for depreciation of accounts receivables is individually made and stays on the best estimate of the management regarding the current value of cashflows to be received. In order to estimate these cashflows, the management make certain estimates with regards to the financial position of partners.

(b) Legal procedures

The Company makes revision of unsolved legal proceedings, by watching the evolution in Court and the current situation on each reporting date, in order to estimate provisions and grounding in the financial statements accordingly. Among aspects that are taken into account in the decision making process for provisioning we mention: litigation type or claims for potential compensation levels, the progress of trial (including progress after financial statements' report date, but before the statements are issued).

(c) Taxation

The fiscal system in Romania is undergoing a period of consolidation and harmonisation with the European legislation. Yet, there are still different interpretations for the fiscal legislation. There are cases when the Fiscal Authorities may treat certain aspects in a different manner and consequently impose additional taxes, as well as corresponding delay penalties. The management of the Company considers tax obligations included in the financial statements to be adequate.

2.4. Significant general financial reporting principles

The financial statement for the financial year ended December 31st, 2021, were prepared in compliance with the following general financial reporting principles:

Principle of Business Continuity

These financial statements were prepared on the basis of business continuity principle, which states that the Company shall continue its activity in a normal manner for the predictable future and shall not enter into incapacity or significant reduction of activity. In order to assess the applicable level of this assumption, the management analyzes the predictions related to future cashflows. Consequently, the management considers that the Company shall be able to continue its activities in the predictable future and so, applying the business continuity principle in preparing the financial statements is well grounded.

On December 31st, 2021, the Company registered **net profits** in the amount of **6,883,983 lei**, with **net current assets** in the amount of **8,863,663 lei**.

Principle of the Permanence of Methods

The Company applies the same rules, methods and methodology with regards to accounting registration and presentation of the elements of assets, liabilities, equity, allowing for comparison in time of information published by the Company.

Principle of Prudence

While preparing the financial statements the following were taken into account:

- all adjustments generated by depreciation of assets' valuation;
- only profits achieved at the date of the financial statements were recorded;
- liabilities occurring in the current or previous financial year were recorded, though they took shape between the statement date and the date of its preparing.

Principle of Accounting Commitments

The effects of transactions and other events are admitted only when these occur (and not along with payment or in-cashing of corresponding cash or cash equivalents) and are recorded in book keeping and reported in the financial statements of the reported periods. The income and expenses pertaining directly and at the same time to a certain transaction are simultaneously recorded in book keeping by direct association of the expenses to the corresponding revenues and the distinctive highlight of these incomes and expenses.

Principle of Intangibility

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

Principle of Separate Valuation of Assets and Liabilities

Separate determination of each asset and liability was made in order to have a corresponding total value of a category in the financial statement.

Principle of No Offsetting

The values of assets and liabilities/ equity were not set off to each other, neither setting off income to expenses were made.

Principle of Valuation At Purchase Or Production Cost

All titles presented in the financial statements are approached on the principle of historical cost.

Principle of Significance Threshold

The titles that have a significant value are approached distinctively in the financial statements.

The book-keeping and presentation of the titles in the financial position and the profit and loss account considering the economic context of transaction or of commitment

The economic and financial events and operations were recorded in book keeping as they occurred, on the basis of justifying documents. When disparities are found between the economic context of a transaction and its legal form, the Company registers the transaction in its accounting system by compliance to the economic context correspondingly.

2.5 Currency exchange

Transactions in foreign currency are correspondingly changed into LEI at the exchange rate at the date of transaction.

The LEU/EUR exchange rates on December 31st, 2020 and December 31st, 2021 were :

Currency	December 31st, 2020	December 31st, 2021
LEU/EUR	4.8694	4.9481

2.6 Intangible Assets

The tangible assets that comply with the admittance provisions contained by FSA Norm 36/2015 are considered by cost minus accrued amortisation.

The costs pertaining to purchase of computer technology softwares are capitalised and amortised on the basis of linear method of useful lifespan.

Concessions, patents, licenses, commercial trademarks, titles and similar assets are recorded at purchase costs.

Licenses and other intangible assets are following linear amortisation method for an estimated 3-year period.

2.7 Tangible Assets

Cost / Valuation

The tangible assets acknowledged as assets are initially valued by the Company at purchase cost, and thereafter valuation is made at cost minus accrued amortisation and loss resulted from accrued depreciation. The cost of a tangible asset title is formed of: purchase cost, including non reimbursable taxes and any other expenses directly corresponding to getting the asset to the location and its placement into the necessary conditions to be operational and functional, such as delivery and handling costs, packing and mounting, professional fees, after deductions of any commercial discounts.

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The expenses with maintenance and repairing works on tangible assets are recorded by the Company in the profit and loss account the moment they occur; as for the significant improvements made to the tangible assets which increase their value or extend their useful lifespan or significantly increase the capacity to generate economic benefits by the Company, they are capitalised.

The tangible assets that are undergoing execution workings shall be approached as tangible assets after reception, putting into use or commissioning, as it is the case.

Amortisation

Amortisation is calculated for the amortisable value, which is the costs of the asset or a different value that replaces the cost. Amortisation is recorded in the profit and loss account by using the linear amortisation method for the estimated useful lifespan for each component of a tangible asset. The useful lifespan periods for the reporting period are:

- Land improvements 10 years;
- Building (workings) 40 years;
- Technical appliances (installations) 3 - 6 years;
- Transportation means 5 - 6 years;
- Furniture and office equipment 3 - 5 years.

The amortisation periods followed in accounting are not different to those used for fiscal reasons.

Tangible assets used in conditions of financial lease contracts or purchased in instalments payment

On December 31st, 2021, the company has 3 financial leasing contracts underway, that were concluded in 2020, respectively 2021, for a period of 5 years, having as object three means of transport with an entry value of 670,432 lei. As of December 31, 2021, the book value of this tangible fixed asset held under financial lease is 585.478 lei.

In 2021, the Company purchased a means of transport with an entry value of 487,094 lei, for which the debt remaining in balance on December 31, 2021 will be paid in monthly installments until December 2025.

De-recognition

The tangible assets that have been disposed or scrapped are removed from the Financial Statement together with the accrued corresponding amortisation value.

Any gain or loss out of disposal of a tangible asset is determined by comparing income resulted from disposal to the accounting value and are recorded at net value in the profit or loss of the period.

2.8 Financial Assets

Financial assets are initially registered at the purchase cost or the value determined through their purchase agreement. Thereafter they are recorded at the purchase entry value minus accrued adjustments for any value loss event.

2.9 Depreciation of intangible assets

The accounting value of the Company' s assets, other than inventories, is analysed at the date of each reporting financial statement in order to find if there are any decreases. If such a decrease is probable, the recoverable value of the corresponding asset is estimated. Correction of values of intangible and tangible assets and their aligning to the inventory value is made, depending on the type of depreciation, either by way of recording an additional amortisation, in case of irreversible depreciation, or by way of recording or extension of adjustments for depreciation, in case of reversible depreciation.

Resuming Depreciation Adjustments

The loss resulting from an investment made by the Company in financial instruments or from a receivable account is reconsidered when subsequent increase of the recoverable value may be linked to a certain event that occurred after the loss due to depreciation was recorded.

In case of other assets, an adjustment on depreciation grounds is reconsidered if a change occurred in the estimates made in determining the recoverable value.

2.10 Commercial receivables

Commercial receivables are recognised and recorded at their initial amount to be received minus the adjustments on depreciation grounds for the amounts not to be collected any-longer. The adjustments for depreciation are made when there are proofs pointing at the fact that the Company will not be able to in-cash the receivables at the due date initially agreed on. The receivables that are not collectable are recorded as expenses when they are identified as such.

2.11 Cash and cash equivalents

Cash available is formed of cash and accounts balance with banks. In the cashflow statements the cash and cash equivalents consist of cash and bank accounts' balance.

2.12 Financial debt (liabilities)

Commercial obligations are recorded at the cost value, which represents the value of contractual obligation to be paid in the future for goods and services received, irrespective of having been invoiced or not to the Company. For the liabilities in lei whose deduction is made depending on a certain currency exchange rate, potential positive or negative difference resulting from their valuation is recorded as income or expenses, as the case.

2.13 Leasing Contracts

The financial leasing contracts, which transfer to the Company all the risks and benefits of the tangible fixed assets leased, are capitalized at the start of the lease at the acquisition value of the leased assets. Lease payments are separated between interest expense and lease debt reduction. Interest expense is recorded directly in the profit and loss account. Assets capitalized under a finance lease are amortised on a basis consistent with the normal amortisation policy for similar assets.

2.14 Provisions

Provisions are recognised when the Company has a current obligation (legal or by implied consent) generated by a previous event, it is probable that resources might be disposed of in order to honour the obligation and the expense may be reasonably estimated. The value of a provision represents the best estimate of probable expenses or, in case of an obligation, of the amount necessary to discharge it.

2.15 Share capital

The share registered capital, consisting of common shares, is registered at the value settled on the basis of articles of incorporation. The Company recognises any changes to the share capital only after their approval by the General Assembly of Shareholders.

2.16 Legal Reserves

Legal reserves are constituted at the rate of 5% of the gross profits recorded at the end of financial year, until all reserves reach 20% of paid share capital, in compliance with legal provisions in force. On December 31st, 2021 the Company has registered a legal reserve at the level provided for by the legal provisions, 20% of the share capital respectively.

2.17 Dividends

Dividends are recognised in the period in which their distribution is approved for. Dividends' distribution is made after approval of financial statements.

2.18 Reported result

The accounting loss reported is covered by the profits of current financial year, after the approval of annual financial statements, according to the law.

Registration of profits' distribution in the accounting system is made in the year subsequent to the General Assembly of Shareholders approving the profits' distribution by recording dividends granted to shareholders, reserves and any other destinations, as per the law. One cannot change registrations made pertaining to profits' distribution.

2.19 Financial Instruments

The financial instruments used by the Company mainly consist of cash, accounts receivable, debt. They are assessed in compliance with accounting policies above mentioned under Note 2.

2.20 Recognition of Revenues (Income)

Operating Revenues

Revenues consist of amounts or values that have been received and those to be received both as a result of current activities and as earnings from any other sources.

The operating revenues of the Company comprise income from distribution activity and other operating revenues.

The turnover is formed of revenues from consultancy services and proposal of insurance and/or re-insurance contracts and revenues from other errands related to the distribution activity.

The revenues of the Company are registered along with provision of services, on the basis of the invoice or, occasionally, on the basis of the provisions contained by the Contracts signed by the Company.

Revenues from Interests

Interests are recognised periodically, by share quota of the income correspondingly generated, on the basis of accounting principle pertaining to commitments.

2.21 Taxes

The Company registers tax on current profit, in compliance with the legislation in Romania in force in this respect at the date of financial statements. The debt pertaining to taxes is registered in the period it refers to.

2.22 Accounting Errors

The errors found in book keeping may refer either to the current financial year or to the previous ones. Correction is made at the date of findings, in the profit and loss accounts. Correction of significant errors in previous financial years is made on the basis of reported result.

3. RISK MANAGEMENT

Interest Rate Risk

The Company is exposed to the interest rate risk due to the long term loans contracted in 2018 and 2020 on a variable interest rate. The risk is partially compensated by means of "overnight" deposits also on variable interest rate.

Currency Risk

The Company is not exposed to this risk as its activities are performed on the domestic market; on reporting date the Company records insignificant balances related to debts denominated in foreign currency (the debt regarding the financial leasing contract underway).

Credit Risk

The Company deploys commercial relations only with well known third parties, which ground for the credit client financing. Account receivables are monitored on a permanent basis, hence the exposure of the Company to the risk of receivables that cannot be in-cashed is very low.

4. INTANGIBLE ASSETS

GROSS VALUE / Assets categories	Initial balance January 1st, 2021	Increase	Reduction		Final balance December 31st, 2021
			Total	wherefrom: scrapping	
Licenses and other intangible assets	87,686	13,612			101,298
TOTAL	87,686	13,612	0	0	101,298

AMORTISATION / Assets categories	Initial balance January 1st, 2021	Amortisation during the year	Amortisation of assets that were removed	Final balance December 31st, 2021
Licenses and other intangible assets	75,800	9,252		85,052
TOTAL	75,800	9,252	0	85,052

Accounting value	11,886			16,246
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In 2021, the accounting value of elements of intangible assets' type (licenses and information technology softwares) increased by 37%, mainly as a result of licenses acquisitions. The total value of purchase of intangible assets in 2021 was 13,612 lei. The amortisation afferent to intangible assets was recognised by the Company at a level of 9,252 lei in 2021.

5. TANGIBLE ASSETS

GROSS VALUE / Assets categories	Initial balance January 1st, 2021	Increase	Reduction		Final balance December 31st, 2021
			Total	wherefrom: dismemberment and scrapping	
Land and buildings	3,811,840	7,193		0	3,819,033

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Technical appliances and machines	999,445	1,063,813		0	2,063,258
Other appliances, equipment and furniture	103,767	22,617		0	126,384
Advance and under process tangible assets	0	0		0	0
TOTAL	4,915,052	1,093,624	0	0	6,008,676

AMORTISATION / Assets categories	Initial balance January 1st, 2021	Amortisation during the year	Amortisation of assets that were removed	Final balance December 31st, 2021
Land improvement workings	3,219	1,931		5,150
Buildings	85,821	64,515		150,336
Technical appliances and machines	712,705	193,858		906,563
Other appliances, equipment and furniture	85,806	15,481		101,287
TOTAL	887,551	275,785	0	1,163,336

Accounting value	4,027,501			4,845,340
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Along 2021 year, the accounting value of the tangible assets increased by 20% as compared to the end of 2020. Investments in equipment, technical appliances and furniture in 2021 amounted to 1,086,430 lei, of which 506,520 lei represent the entry value of the means of transportation acquired through financial leasing. In 2021, no sales or scrappings of tangible assets took place.

The Company recognised the amount of 275,785 lei as amortisation afferent to tangible assets in 2021.

On December 31st, 2021 the Company does not have any adjustments with regards to depreciation of tangible assets.

6. FINANCIAL ASSETS

The financial assets contained in the financial statement refer to guarantees that were paid for the lease contracts for business offices, as well as for contracts signed with utilities providers accordingly.

GROSS VALUE	Initial balance January 1st, 2021	Increase	Reduction	Final balance December 31st, 2021
Guarantees and current receivables	20,699		2,615	18,084
TOTAL	20,699	0	2,615	18,084

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ADJUSTMENT FOR DEPRECIATION	Initial balance January 1st, 2021	Increase	Reduction	Final balance December 31st, 2021
Guarantees and current receivables	0	0	0	0
TOTAL	0	0	0	0
Accounting value	20,699			18,084

7. COMMERCIAL RECEIVABLES AND OTHER RECEIVABLES

The Company's receivables, analyzed according to liquidity, imply the following situation:

Receivables categories	No. ln.	Balance on January 1st, 2021	Balance on December 31st, 2021	Liquidity term		
				Under 1 year	1 - 5 years	Over 5 years
0	1	2	3 = 4 + 5 + 6	4	5	6
TOTAL RECEIVABLES (line 1 to 8 - ln.9 + +ln.10+ln.11), wherefrom:		4,153,504	8,641,665	8,641,665	0	0
Receivables related to distribution activity	1	886,913	2,520,339	2,520,339		0
<i>Adjustments for depreciation of receivables related to distribution activity</i>	2	-43,895	-43,895	-43,895		
Receivables from affiliated companies	3	0	0	0		0
Advance payments for services provision	4	978,757	989,435	989,435		0
Advance payments to personnel and corresponding receivables	5	0	0	0		0
Receivables in relation with State Budget	6	0	0	0		0
Receivables in relation with social insurance budget	7	83,294	119,043	119,043		0
Receivables related to unpaid subscribed share capital	8	0	0	0		0
Receivables in relation to different debtors	9	2,309,414	5,100,263	5,100,263		0
<i>Adjustments for depreciation of receivables from different debtors</i>	10	-60,980	-43,521	-43,521		0
Deductions from operations under progress to be clarified	11	0	0	0		0

Receivables related to distribution activity are not interest bearing and generally have a payment term of under 30 days.

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Bad debt receivables are separately registered in book keeping. When it is estimated that an account receivable is not to be fully in-cashed, adjustment for value loss is registered in book keeping in the amount that cannot be recovered. On December 31st, 2021, the adjustments constituted for the depreciation of receivables related to distribution activity amounted to 43,895 lei and represent 100% of the value of bad debt receivables.

Receivables in the form of advance payments for services provision in the amount of 978,435 lei represent amounts paid in advance to certain distribution agents, which compensate with the amounts owed to them for the intermediated policies.

Receivables in relation with different debtors mainly refer to amounts that are to be paid to the Company by the agents in the distribution activity in the month of January 2022, namely 5,100,263 lei. Out of this, 84,705 lei represent receivables from other debtors and part of this are sent to the Court for recovery. The company makes estimates regarding the risk to not recover the receivables registered as of December 31st, 2021, and so adjustments for value depreciation of receivables in relation with other debtors are made in the amount of 43,521 lei.

Adjustments for depreciation of receivables	December 31st, 2020	December 31st, 2021
Beginning of reported period	60,980	104,875
Accrued during the year	43,895	0
Removed during the year	0	17,459
End of reported period	104,875	87,416

8. SHORT TERM INVESTMENTS

On December 31st, 2021, the Company does not have short term investments.

9. CASH AND CASH EQUIVALENTS

Indicator	December 31st, 2020	December 31st, 2021
Current balance with bank accounts (lei)	2,926,761	4,547,991
Deposit balance with bank accounts (lei)	1,649,662	6,030,249
Cash in the Company' treasury (lei)	7	52
Other titles(lei)	0	0
Cash advance payments (lei)	0	0
TOTAL	4,576,429	10,578,292

10. COMMERCIAL DEBT AND OTHER DEBT

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The Company's debts, analyzed according to due date, assume the following situation:

Debt category	No. In.	Balance on January 1st, 2021	Balance on December 31st, 2021	Reimbursement term		
				Under 1 year	1 - 5 years	Over 5 years
0	1	2	3 = 4 + 5 + 6	4	5	6
TOTAL DEBT (ln.1 to 15), wherefrom:		7,260,339	12,769,108	10,405,840	2,188,504	174,764
Loan out of bonds issue	1	0	0	0	0	0
Amounts owed to credit institutions	2	2,572,077	2,138,658	433,419	1,530,475	174,764
Debt related to distribution activity	3	3,939,878	8,565,862	8,565,862	0	0
Debt to affiliated companies	4	0	388,900	97,200	291,700	0
Debt related to lease contracts	5	104,937	452,156	100,160	351,995	0
Debt to suppliers and creditors	6	113,909	260,404	246,070	14,334	0
Debt to personnel	7	115,516	289,878	289,878	0	0
Debt to agents and auxiliary agents	8	34,425	18,393	18,393	0	0
Debt to social insurance budget	9	93,384	112,779	112,779	0	0
Debt to State Budget	10	214,804	465,445	465,445	0	0
Debt to special funds in the distribution activity	11	20,186	30,189	30,189	0	0
Debt related to other taxes and afferent releases	12	0	0	0	0	0
Debt related to amounts to be reimbursed to shareholders	13	3,400	0	0	0	0
Debt for dividends shareholders are entitled to	14	1,610	1,610	1,610	0	0
Deductions from operations under process to get clarified	15	46,212	44,833	44,833	0	0

The liabilities of the Company on December 31st, 2021 mainly refer to debt towards insurance companies and were paid in January 2022, namely 8,565,862 lei (3.939.878 lei in 2020).

The liabilities towards financial-banking institutions are represented by two loans for investment purposes. 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 Bistrița (the current headquarters of the Company) and two land parcels associated to the respective building, in a total amount of 1,698,272 lei. The loan has equal reimbursement instalments for a period of 84 months, having the final maturity date on December 1st, 2025. The amount remaining to be reimbursed at the end of 2021 is 798,800 lei.

The following guarantees were settled by the Company for this loan: pledge over accounts opened with the bank; pledge over the building and the two land lots.

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The second loan, amounting to 1,611,713 lei, was contracted in 2020 to finance the purchase of a building and related land in Bucharest; the reimbursement of this loan is made in 84 equal monthly installments, with the final maturity date on September 29th, 2027. As of December 31st, 2021, the balance of this loan is 1,339,858 lei. The building and land lot 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 to the bank's margin.

At the end of 2021, there is three financial leasing contracts underway with a total debt of 452,156 lei, the maturity of which is as follows:

Financial Leasing Obligations	December 31st, 2020	December 31st, 2021
With maturity up to one year	23,137	100.160
With maturity of over one year	81,800	351.995
Total	104,937	452.155

Debt to State budget consists of taxes owed and refers to amounts that were duly paid. Debt to personnel and social insurance budget are presented correspondingly to their destination.

Deductions from operations under process to be clarified are in the amount of 44,833 lei on December 31st, 2021, and are generated by wrong in-cashing in the Company's accounts; the amounts were clarified until the annual financial statement was prepared.

11. PROVISIONS

In 2021, the Company created a provision for the litigation related to the claims of Asirom Vienna Insurance Group S.A. in the form of damages incurred as a result of incorrect issuance of an insurance policy. The provision was estimated at 1,236,391 lei, representing the amounts admitted by the Bistrita Court following the appeal filed by Asirom. The company considers that this amount is the best estimate of the amount needed to settle the damages established by the court.

Related to this litigation, the Company presented in the Explanatory Notes to the financial statements prepared for 2020 a contingent debt at the level of financial claims which were then estimated at 2,117,833 lei.

12. SHARE CAPITAL

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Indicator	December 31st, 2020	December 31st, 2021
Paid subscribed share capital (lei)	500,000	500,000
Number of ordinary shares	2,500,000	2,500,000
Nominal value (lei/share)	0,20	0,20

On September 7, 2021, the Extraordinary General Meeting of Shareholders decided to split the nominal value of the Company's shares in a 1: 2 division ratio, the nominal value of the share changing, consequently, from 0.2 lei at 0.1 lei. The share capital of the Company amounting to 500,000 lei is divided into 5,000,000 shares with a nominal value of 0.1 lei each. By Decision no. 1426/11 November 2021, the Financial Supervisory Authority approved the request of the Company regarding the splitting of the nominal value of the shares. Last trading date for the shares of Transilvania Broker de Asigurare S.A. before the division operation is February 11, 2022.

13. RESERVES

Reserves	December 31, 2020	December 31, 2021
Legal reserves	100,000	100,000

14. DISTRIBUTION OF PROFITS

Indicator	Financial year ended on December 31st, 2020	Financial year ended on December 31st, 2021
Current net profit	5,326,991	6,883,983
Reported profit		2,659,691
Net profit to be distributed	5,326,991	9,543,674
Legal reserve	0	0
Other reserves	0	0
Dividends to be paid	4,300,000	7,500,000
Profit that is not distributed	1,026,991	2,043,674

The Board of Directors shall present their opinion regarding destinations for the profits to be distributed. The profit that is not distributed, in the amount of 2,043,674 lei, shall be transferred into the reported result and shall be the subject of the Resolution of General Shareholders' Assembly. All registrations in the book keeping with regards to destinations of accounting profits shall be made after the GSM's Resolution.

15. NET TURNOVER

Type of revenues	Deecember 31 st , 2020	Deecember 31 st , 2021
Revenues from distribution activity, wherefrom:	77,411,931	98,905,785
Consultancy and proposal of insurance and/ or re-insurance contracts	0	0
Assistance for management and execution of contracts, including claims for compensation	16,840	12,235
Other distribution related activities	77,395,091	98,893,550
Design of insurance products together with insurance companies	0	0
Organisation of training courses in insurance and re-insurance fields	0	0
Commercial deductions granted	0	0
Royalties, lease and rents	0	0

For the preparation of the Profit and Loss Account as of December 31, 2021, two types of income for the year 2020 have been reclassified. Thus, the amount of 77,395,091 lei was reclassified from "revenues from Consultancy and proposal of insurance and/ or re-insurance contracts" to "Other distribution related activities", and the amount of 16,840 lei, reported in 2020 as "Other distribution related activities" is registered as "Assistance for management and execution of contracts, including claims for compensation".

16. EXPENSES WITH PERSONNEL

- a) Salaries and corresponding taxes, other expenses related to employees

Indicator	On December 31 st , 2020	On December 31 st , 2021
Expenses with personnel salaries	2,828,364	3,644,240
Expenses with meal vouchers granted to employees	66,512	80,512
Expenses with social insurance and security	17,975	19,436
Insurance contribution for employees	63,064	81,406
Expenses with training of employees	2,489	180
TOTAL, wherefrom:	2,978,404	3,825,774
Expenses with personnel in executive management	304,716	407,896

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b) Board of Directors:

Nume si prenume	Funcția	Gross payments during 2021
NICULAE DAN	Chairman	169,332
TUICA GABRIEL ALEXANDRU	Member	2,564
DENES DANIELA TASIA	Independent member	120,000
LOGIN GABRIEL	Member	116,000
BARNA ERIK	Member	0
TOTAL		407,896

17. ANALYSIS OF OTHER EXPENSES AND OF OPERATING RESULT

a) OPERATING RESULT

Indicator	Financial year ended on December 31st, 2020	Financial year ended on December 31st, 2021
1. Net turnover	77,411,931	98,905,785
2. Costs of services performed (3+4)	68,816,645	85,429,107
3. Expenses related to main activity	68,564,045	85,205,674
4. Expenses related to auxiliary activities	252,600	223,434
5. Gross result afferent to net turnover (1-2)	8,595,286	13,476,678
6. Selling costs	1,331,054	2,495,422
7. General administrative expenses	1,148,353	2,765,671
8. Other operating revenues	0	1,667
9. Operating result(5-6-7+8)	6,115,880	8,217,252

b) OTHER OPERATING EXPENSES

Indicators	Year 2020	Year 2021
Expenses with energy and water	45,915	76,288
Expenses with maintenance and repairing workings	154,808	95,385
Expenses with royalties, lease and rents	122,525	184,270
Expenses with insurance premiums	96,700	105,262
Expenses with personnel's training	2,489	180
Expenses with third parties collaborators	0	0

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Expenses with fees and commissions	0	0
Expenses with protocol, promotion and advertising	472,679	682,090
Expenses with transportation of goods and personnel	0	0
Expenses with travel and transfers	3,564	12,856
Expenses with post and telecommunication	176,181	212,457
Expenses with banking services and related	129,609	226,248
Other expenses with services provided by third parties	854,810	1,800,475
TOTAL	2,059,281	3,395,513

18. TAX ON PROFIT

Indicator	Year 2020	Year 2021
1. Accounting profit or loss	6,084,753	8,153,822
2. Items similar to income		
3. Legal reserve		
4. Income that is not taxable	0	130,942
5. Expenses that are not deductible	486,056	1,809,856
6. Difference in amortisation that is not fiscally deductible	6,989	87,882
7. Taxable profit / Fiscal loss for the reporting year (ln. 1+2-3-4+5+6)	6,577,798	9,920,618
8. Fiscal loss from previous years	0	0
9. taxable profit / Fiscal loss to be recovered in the next years(ln. 7-8)	6,577,798	9,920,618
10. Tax on current profit (ln. 9*16%)	1,052,448	1,587,299
11. Tax on the reinvested profit	0	0
12. Owed tax on profit (ln. 10-11)	1,052,448	1,587,299
13. Tax discount	84,196	0
14. Tax on profit owed for Q I + II + III	559,726	814,729
15. Expenses with sponsorships	210,490	317,460
16. Tax on profit owed at the end of reported period (ln. 12-13-14-15)	198,036	455,110

19. MISCELLANEOUS

Insight on relations with affiliated companies and other related parties

The Company does not own shares in other entities.

In 2021, the Company purchased a means of transportation worth 487,094 lei from Mr. Niculae Dan, Chairman of the Board and shareholder of the Company. On December 31,

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2021, the balance of the Company's debt related to this transaction is 388,900 lei and will be paid monthly, until December 2025.

Subsequent events

The events that occur, favourably or not, between the date of the financial statements and the date the latter are approved to be published, are defined as subsequent events.

There were no subsequent events requiring adjustments to the annual financial statements.

Expenses with rents and leases

The expenses with the rents registered in 2021 in the amount of 184,270 lei are related to the locations used by the Company as working points.

For the year 2021, the interest expenses related to the leasing contract are in the amount of 9,496 lei.

Contingencies

Taxation

All amounts owed to the State for taxes were paid and correspondingly recorded at the date of the financial statement. The fiscal procedure in Romania is undergoing a consolidation period and there might be the case that different interpretation of same events occur on the Fiscal Authorities' side. This might incur into additional taxes and penalties.

When the State finds violations of the legal provisions in force in Romania, any of the following might be performed: confiscation of amounts correspondingly, imposition of additional fiscal duties, fines, delay penalties (calculated to the amounts remained to be paid). Hence, fiscal sanctions resulted from violations of legal provisions may reach significant amounts to be paid to the State.

The Company considers that all taxes, penalties and interests have been paid in due time and in full.

The fiscal year in Romania stays open for review for 5 years.

Environmental Aspects

The Company has no knowledge of any potential negative impact of its activities on the environment that should be measured. The result of such potential effects is unknown

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and the management of the Company does not consider necessary to create provisions for such potential expenses related to the environment.

Commitments- Guarantees granted to third parties

The Company provided the following guarantees for the long term loans contracted from the bank:

- Pledge on the Company's accounts opened with the bank;
- Pledge on real estate: 100- sqm land, cadastral number 8452, as per Real Estate Register Extract 61938 with Bistrita Cadaster Office;
- Pledge on real estate: 500- sqm land, cadastral number 56884 and the building under cadaster number 56884-C1, as per Real Estate Register Extract 56884 with Bistrita Cadaster Office;
- Pledge on real estate: the building consisting of an apartment located in Bucharest, cadastral number 253777-C1-U1, registered in the Real Estate Register Extract 253777-C1-U1 of the Municipality of Bucharest, 1st District, together with the share of afferent parts of 3126/10000 of the common parts and dependencies, as well as the share of 9000/100 of the urban land with an area of 270 sqm, having cadastral no. 253777, registered in the Land Registry with no. 253777-C1-U1 at the Municipality of Bucharest, 1st District.

The financial statements were endorsed by the Board of Directors on March 22th, 2022, in order to be approved by the General Assembly of Shareholders.

Chairman of Board of Directors,
Mr. Dan Niculae
Signature _____

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