



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

**INDIVIDUAL FINANCIAL STATEMENTS**

**on and for the financial year  
ended on December 31st, 2022**

**prepared according to the FSA<sup>1</sup> 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**

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<sup>1</sup> *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 31<sup>st</sup>, 2021**

Indicator	No. line	Balance on:	
		01.01.2022	31.12.2022
<b>A. ASSETS</b>			
<b>I. INTANGIBLE ASSETS</b>			
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	16,246	15,595
4. Commercial fund	4	0	0
5. Pending advance payment for intangible assets	5	0	0
<b>TOTAL (lines 01 to 05)</b>	<b>6</b>	<b>16,246</b>	<b>15,595</b>
<b>II. TANGIBLE ASSETS</b>			
1. Land and buildings	7	3,663,547	3,597,086
2. Technical equipment and machines	8	1,156,696	958,938
3. Other devices, equipment and furniture	9	25,097	15,621
4. Pending advance payment and intangible assets	10	0	0
<b>TOTAL (lines 07 to 10)</b>	<b>11</b>	<b>4,845,340</b>	<b>4,571,645</b>
<b>III. FINANCIAL ASSETS</b>			
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	18,084	20,271
<b>TOTAL (lines 12 to 17)</b>	<b>18</b>	<b>18,084</b>	<b>20,271</b>
<b>INTANGIBLE ASSETS- TOTAL (lines 06 + 11 + 18)</b>	<b>19</b>	<b>4,879,670</b>	<b>4,607,511</b>
<b>B. CURRENT ASSETS</b>			
<b>I. INVENTORIES</b>			
1. Raw materials and other current assets similar to inventories	20	0	0
2. Advance payment for purchase of inventories	21	0	0
<b>TOTAL (lines 20 + 21)</b>	<b>22</b>	<b>0</b>	<b>0</b>
<b>II. ACCOUNTS RECEIVABLE</b>			
1. Receivables related to the distribution activity	23	2,476,445	2,139,774
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	6,165,220	10,459,473
6. Receivables related to unpaid subscribed share capital	27	0	0
7. Receivables related to dividends granted within the financial year	27a	0	0
<b>TOTAL (lines 23 to 27+23a+27a)</b>	<b>28</b>	<b>8,641,665</b>	<b>12,599,247</b>

**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)*

<b>III. SHORT TERM INVESTMENT</b>			
1. Shares owned with affiliated companies	29	0	0
2. Other short term investment	30	0	6,000,000
<b>TOTAL (line 29 to 30)</b>	<b>31</b>	<b>0</b>	<b>6,000,000</b>
<b>IV. CASH AND BANK BALANCES</b>	<b>32</b>	<b>10,578,292</b>	<b>8,819,527</b>
<b>CURRENT ASSETS - TOTAL (lines 22 + 28 + 31 + 32)</b>	<b>33</b>	<b>19,219,957</b>	<b>27,418,774</b>
<b>C. EXPENSES IN ADVANCE</b>	<b>34</b>	<b>49,546</b>	<b>40,339</b>
<b>D. DEBT: AMOUNTS TO BE PAID WITHIN ONE YEAR</b>			
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	8,565,862	10,778,926
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	1,406,559	3,931,796
<b>TOTAL (lines 35 to 40)</b>	<b>41</b>	<b>10,405,840</b>	<b>15,144,141</b>
<b>E. NET CURRENT ASSETS/ NET CURRENT DEBT</b>	<b>42</b>	<b>8,863,663</b>	<b>12,314,972</b>
(lines 33 + 34-41-56)			
<b>F. TOTAL ASSETS MINUS TOTAL CURRENT DEBT</b>	<b>43</b>	<b>13,743,333</b>	<b>16,922,483</b>
(lines 19 + 42-55)			
<b>G. DEBT: AMOUNTS TO BE PAID IN MORE THAN ONE YEAR</b>			
1. Loans as a result of bonds' issuance with specific details on convertible bonds	44	0	0
2. Amounts owed to credit institutions	45	1,705,239	1,271,820
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	658,029	1,086,829
<b>TOTAL (lines 44 to 49)</b>	<b>50</b>	<b>2,363,268</b>	<b>2,358,649</b>
<b>H. PROVISIONS</b>			
1. Provisions for pensions and similar duties	51	0	0
2. Provisions for income taxes	52	0	0
3. Other provisions	53	1,236,391	515,823
<b>TOTAL (lines 51 to 53)</b>	<b>54</b>	<b>1,236,391</b>	<b>515,823</b>
<b>I. REVENUES IN ADVANCE</b>			
1. Subsidies	55	0	0
2. Revenues registered in advance	56	0	0
3. Negative commercial fund	57	0	0
<b>TOTAL (lines 55 + 56 + 57)</b>	<b>58</b>	<b>0</b>	<b>0</b>

**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)*

<b>J. CAPITAL AND RESERVES</b>			
<b>I. CAPITAL</b> (lines 60 + 61 + 62 + 63)	<b>59</b>	<b>500,000</b>	<b>500,000</b>
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
<b>II. CAPITAL PREMIUMS</b>	<b>64</b>	<b>0</b>	<b>0</b>
<b>III. RESERVES FROM RE-EVALUATION</b>	<b>65</b>	<b>0</b>	<b>0</b>
<b>IV. RESERVES</b> (lines 67 + 68 + 69)	<b>66</b>	<b>100,000</b>	<b>100,000</b>
1. Legal reserves	67	100,000	100,000
2. Statutory or contractual reserves	68	0	0
3. Other reserves	69	0	0
<b>Own shares</b>	70	0	125,000
<b>Earnings related to equity instruments</b>	71	0	0
<b>Loss related to equity instruments</b>	72	0	0
<b>V. PROFIT OR LOSS</b> <b>BALANCE C</b>	<b>73</b>	<b>2,659,691</b>	<b>2,043,674</b>
<b>REPORTED</b> <b>BALANCE D</b>	<b>74</b>	<b>0</b>	<b>0</b>
<b>VI. PROFIT OR LOSS</b> <b>BALANCE C</b>	<b>75</b>	<b>6,883,983</b>	<b>11,529,337</b>
<b>AT THE END OF FINANCIAL YEAR</b> <b>BALANCE D</b>	<b>76</b>	<b>0</b>	<b>0</b>
<b>Distribution of profits</b>	<b>77</b>	<b>0</b>	<b>0</b>
<b>EQUITY - TOTAL</b> (lines 59 + 64 + 65 + 66 - 70 + 71 - 72 + 73 - 74 + 75 - 76 - 77)	<b>78</b>	<b>10,143,674</b>	<b>14,048,011</b>

The financial statements were endorsed on March 22th, 2023, 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, 2022**

Indicator	No. ln	Results of financial year	
		Previous 31.12.2021	Current 31.12.2022
1. Net turnover (lines 02+09+10-11+12)	01	98,905,785	129,892,569
1.1. Revenues from distribution activity (lines 03+08)	02	98,905,785	129,892,569
a) revenues from distribution of insurance and re-insurance contracts (lines 04+05+06+07)	03	98,905,785	129,892,569
a.1) consultancy services and proposal of insurance and re-insurance contracts	04	0	0
a.2) performance of preliminary actions for concluding contracts, negotiation with insurance and re-insurance companies for conclusion of contracts	05	0	0
a.3) assistance for management and execution of contracts, including claims for compensation	06	12,235	184,513
a.4) other actions related to distribution activities	07	98,893,550	129,708,056
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	1,667	38,333
wherefrom: revenues from negative commercial fund	16	0	0
5. Revenues from re-valuation of tangible assets	17	0	0
<b>OPERATING REVENUES - TOTAL</b> (lines 01+13+14+15+17)	<b>18</b>	<b>98,907,452</b>	<b>129,930,902</b>
6. a) Expenses with services supplied by third parties	19	3,395,513	4,101,472
wherefrom, expenses with collaborators	20	0	0
b) Expenses with consumable materials and inventory items	21	223,433	193,327
7. Commercial discounts received	22	0	0
8. Expenses with other taxes and assimilated duties	23	158,572	192,576
wherefrom, authorisation to function	24	98,906	129,819
9. Expenses with personnel (line 26+27)	25	3,825,594	4,550,308
a) Salaries and compensations	26	3,724,752	4,402,901
b) Expenses with social security and protection	27	100,842	147,407

**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	81,280,994	105,807,588
11. Other operating expenses (lines 30 la 34)	29	302,125	2,130,855
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	302,125	2,128,824
11.5. Other operating expenses	34	0	2,031
12. Adjustment of values related to tangible and intangible assets (lines 36-37)	<b>35</b>	<b>285,037</b>	<b>354,905</b>
a) Expenses	36	285,037	354,905
b) Revenues	37	0	0
13. Adjustment of values related to current assets (lines 39-40)	<b>38</b>	<b>-17,459</b>	<b>95,098</b>
a) Expenses	39	0	95,098
b) Revenues	40	17,459	0
14. Adjustment related to provisions (lines 42-43)	<b>41</b>	<b>1,236,391</b>	<b>-720,568</b>
a) Expenses	42	1,236,391	515,823
b) revenues	43	0	1,236,391
<b>OPERATING EXPENSES - TOTAL</b>	<b>44</b>	<b>90,690,200</b>	<b>116,705,561</b>
(lines 19+21-22+23+25+28+29+35+38+41)			
<b>OPERATING PROFITS OR LOSS</b>			
Profit (lines 18-44)	<b>45</b>	8,217,252	13,225,341
Loss (lines 44-18)	<b>46</b>	0	0
15. Revenues from participating interests	47	0	0
wherefrom: earnings from affiliated companies	48	0	0
16. Revenues from interests	49	38,573	126,117
wherefrom: earnings from affiliated companies	50	0	0
17. Other financial revenues	51	959	9,852
wherefrom: revenues from other financial assets	52	0	0
<b>FINANCIAL REVENUES - TOTAL ( lines 47+49+51)</b>	<b>53</b>	<b>39,532</b>	<b>135,969</b>
18. Adjustments related to financial assets (lines 55-56)	<b>54</b>	<b>0</b>	<b>0</b>
a) Expenses	55	0	0
b) Revenues	56	0	0
19. Expenses with interests	57	92,202	131,187
wherefrom: expenses related to affiliated companies	58	0	0
20. Other financial expenses	59	10,760	11,057
<b>FINANCIAL EXPENSES - TOTAL (lines 54+57+59)</b>	<b>60</b>	<b>102,962</b>	<b>142,244</b>
<b>FINANCIAL PROFITS OR LOSS</b>			
Profit (lines 53-60)	<b>61</b>		
Loss (lines 60-53)	<b>62</b>	63,430	6,275
<b>CURRENT PROFITS OR LOSS</b>			
Profit (lines 18+53-44-60)	<b>63</b>	<b>8,153,822</b>	<b>13,219,066</b>
Loss (lines 44+60-18-53)	<b>64</b>	0	0
<b>TOTAL REVENUES (lines 18+53)</b>	<b>65</b>	<b>98,946,984</b>	<b>130,066,871</b>
<b>TOTAL EXPENSES (lines 44+60)</b>	<b>66</b>	<b>90,793,162</b>	<b>116,847,805</b>

**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)*

<b>21. GROSS PROFIT OR LOSS</b>			
Profit (lines 65-66)	<b>67</b>	8,153,822	13,219,066
Loss (lines 66-65)	<b>68</b>	0	0
<b>22. Tax on profit</b>	<b>69</b>	1,269,839	1,689,729
23. Other taxes that have not been included above	70	0	0
<b>24. NET PROFIT OR LOSS OF FINANCIAL YEAR</b>			
Profit (lines 65-66-69-70)	<b>71</b>	<b>6,883,983</b>	<b>11,529,337</b>
Loss (lines 66-65+69+70)	<b>72</b>	0	0

The financial statements were endorsed on March 22th, 2023, 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.**  
**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					
<b>Total equity</b>		<b>7,559,691</b>	<b>12,210,974</b>	<b>5,326,991</b>	<b>9,626,991</b>	<b>5,326,991</b>	<b>10,143,674</b>

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

2022

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
Own Shares		0	125,000		0		125,000
Reported result representing retained earnings or uncovered loss	Balance C	2,659,691	6,883,983	6,883,983	7,500,000		2,043,674
	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	6,883,983	11,529,337		6,883,983	6,883,983	11,529,337
	Balance D	0					0
Distribution of profit		0					0
<b>Total equity</b>		<b>10,143,674</b>	<b>18,288,320</b>	<b>6,883,983</b>	<b>14,383,983</b>	<b>6,883,983</b>	<b>14,048,011</b>

The financial statements were endorsed on March 22th, 2023 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.**  
**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 31.12.2021	Current 31.12.2022
<b>CASHFLOW FROM OPERATIONAL ACTIVITY</b>			
1. Cash received from distribution activity	1	563,042,147	773,110,159
2. Cash paid pertaining to the distribution activity	2	545,365,974	749,226,517
3. Cash received from different debtors	3	0	5,508
4. Cash paid to suppliers and different creditors	4	2,629,214	3,665,778
5. Cash paid to and on behalf of employees	5	3,665,144	4,527,204
6. Payments pertaining to special funds in the distribution activity	6	88,903	125,480
7. Other cash payments afferent to operational activity	7	1,320,643	1,772,930
8. Cash paid as dividends transferred to shareholders	8	4,085,662	7,126,481
9. Cash paid as interests pertaining to the loans and lease contracts	9	92,202	131,187
10. Paid tax on profits	10	1,022,640	1,692,828
<b>NET CASH GENERATED FROM (PAID IN) OPERATIONAL ACTIVITY</b> (lines 01-02+03-04-05-06-07-08-09-10)	<b>11</b>	<b>4,771,765</b>	<b>4,847,262</b>
<b>CASHFLOWS OUT OF INVESTMENT ACTIVITY</b>			
1. Cash paid for purchase of tangible and intangible assets	12	231,816	80,559
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	
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	0	0
8. Cash received from reimbursement of loans granted to third parties	19	2,615	0
9. Cash paid for other short-term investments	20	0	6,000,000
10. Cash received from the transfer of other short-term investments	21	2,000,000	0
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	38,573	132,814
<b>NET CASH GENERATED FROM (USED IN) INVESTMENT ACTIVITY</b>	<b>25</b>	<b>1,809,373</b>	<b>-5,947,745</b>

**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 13-12+15-14+17-16+19-18+21-20+22+23+24)			
<b>CASHFLOWS RELATED TO FINANCING ACTIVITY</b>			
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	125,000
3. Cash received from issue of bonds, debt securities or other loans	28	0	0
4. Cash paid to reimburse borrowed amounts	29	433,419	433,419
5. Cash received from funds borrowed from shareholders	30	17,050	11,600
6. Cash paid for reimbursement of amounts borrowed from shareholders	31	20,450	11,600
7. Cash paid for financial lease contracts	32	162,456	99,864
8. Cash received from government programs	33	20,000	0
<b>NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES</b>	<b>32</b>	<b>-579,274</b>	<b>-658,283</b>
(lines 23-24+25-26+27-28-29)			
<b>CASH AND CASH EQUIVALENTS ON JANUARY 1ST</b>	<b>33</b>	<b>4,576,429</b>	<b>10,578,292</b>
<b>NET INCREASE OR DECREASE OF CASH AND CASH EQUIVALENTS (rd.10+22+30)</b>	<b>34</b>	<b>6,001,863</b>	<b>-1,758,766</b>
<b>CASH AND CASH EQUIVALENTS ON DECEMBER 31ST (rd. 31+32)</b>	<b>35</b>	<b>10,578,292</b>	<b>8,819,527</b>

The financial statements were endorsed on March 22th, 2023, 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, 2022, The Company operates in the following business offices:

- Sibiu, 10, Justitiei Street, Sibiu County;
- Bucharest, 1st District, 21D Elena Caragiani Street, flat 1;
- Pitești, 3, Intrarea Rozelor Street, Arges County;
- Cluj-Napoca, 22/1, Inau Street, Cluj County.

Shareholders' structure as of December 31st, 2022 is as follows:

<b>Shareholder Name</b>	<b>No. Shares</b>	<b>Nominal Value (lei)</b>	<b>Ownership quota (%)</b>
LOGIN GABRIEL	2,105,229	210,522,90	42,1046
NICULAE DAN	1,322,597	132,259,70	26,4519
Natural persons	1,337,411	133,741,10	26,7482
Legal persons	234,763	23,476,30	4,6953
<b>TOTAL</b>	<b>5,000,000</b>	<b>500,000,00</b>	<b>100,0000</b>

### **1.2. Corporate Governance**

The members of the Board of Directors of Transilvania Broker de Asigurare S.A. for the period January 1st- October 25, 2022, are as follows:

- Dan NICULAE – Chairman;
- Daniela Tasia DENEȘ – Member;

- Gabriel Alexandru ȚUICĂ – Member
- Gabriel LOGIN – Member
- Erik BARNA - Member

With effect from 25 October 2022, one Director position has become vacant as a result of the resignation of Mr Barna Erik from his second term as a member of the Board. At the General Shareholders' Meeting of 18.01.2023, the new director, Mrs. BOBU Carmen, was appointed, and the duties will be exercised only after obtaining the approval decision issued by the A.S.F.

On December 31st, 2022, the management team of the company consisted of the following persons:

- LOGIN Gabriel – General Director;
- COTIAC Ioan – Executive Director;
- PÂRȚIU VASILICHI Oana – Head of Accounting Dept.

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, 2023.

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, 2022, 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, 2022, the Company registered **net profits** in the amount of **11,529,337 lei**, with **net current assets** in the amount of **12,314,972 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, 2021 and December 31st, 2022 were :

Currency	December 31st, 2021	December 31st, 2022
LEU/EUR	4,9481	4,9474

## ***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.

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, 2022 , 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, 2022, the book value of this tangible fixed asset held under financial lease is 473,740 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, 2022, of 348,400 lei, 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, 2022 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, 2022	Increase	Reduction		Final balance December 31st, 2022
			Total	wherefrom: scrapping	
Licenses and other intangible assets					
<b>TOTAL</b>					

AMORTISATION / Assets categories	Initial balance January 1st, 2022	Amortisation during the year	Amortisation of assets that were removed	Final balance December 31st, 2022
Licenses and other intangible assets	85,052	14,672		99,724
<b>TOTAL</b>	<b>85,052</b>	<b>14,672</b>	<b>0</b>	<b>99,724</b>

<b>Accounting value</b>	<b>16,246</b>			<b>15,595</b>
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In 2022, the accounting value of elements of intangible assets' type (licenses and information technology softwares) decreased by 4%, mainly as a result of amortisation registration. The total value of purchase of intangible assets in 2022 was 14,021 lei. The amortisation afferent to intangible assets was recognised by the Company at a level of 14,672 lei in 2022.

## 5. TANGIBLE ASSETS

GROSS VALUE / Assets categories	Initial balance January 1st, 2022	Increase	Reduction		Final balance December 31st, 2022
			Total	wherefrom: dismemberment and scrapping	
Land and buildings	3,819,033			0	3,819,033
Technical appliances and machines	2,063,258	66,538		0	2,129,797
Other appliances, equipment and furniture	126,384			0	126,384
Advance and under process tangible assets	0			0	0
<b>TOTAL</b>	<b>6,008,676</b>	<b>66,538</b>	<b>0</b>	<b>0</b>	<b>6,075,214</b>

AMORTISATION / Assets categories	Initial balance January 1st, 2022	Amortisation during the year	Amortisation of assets that were removed	Final balance December 31st, 2022
Land improvement workings	5,150	1,931		7,081
Buildings	150,336	64,530		214,866
Technical appliances and machines	906,563	264,296		1,170,859
Other appliances, equipment and furniture	101,287	9,476		110,763
<b>TOTAL</b>	<b>1,163,336</b>	<b>340,233</b>	<b>0</b>	<b>1,503,569</b>

<b>Accounting value</b>	<b>4,845,340</b>			<b>4,571,645</b>
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Along 2022 year, the accounting value of the tangible assets decreased by 6% as compared to the end of 2021. Investments in equipment, technical appliances and furniture in 2022 amounted to 66,538 lei. In 2022, no sales or scrappings of tangible assets took place. The Company recognised the amount of 340,233 lei as amortisation afferent to tangible assets in 2022.



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On December 31st, 2022 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.

<b>GROSS VALUE</b>	<b>Initial balance January 1st, 2022</b>	<b>Increase</b>	<b>Reduction</b>	<b>Final balance December 31st, 2022</b>
Guarantees and current receivables	18,084	2,188		20,271
<b>TOTAL</b>	<b>18,084</b>	<b>2,188</b>	<b>0</b>	<b>20,271</b>

<b>ADJUSTMENT FOR DEPRECIATION</b>	<b>Initial balance January 1st, 2022</b>	<b>Increase</b>	<b>Reduction</b>	<b>Final balance December 31st, 2022</b>
Guarantees and current receivables	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Accounting value</b>	<b>18,084</b>			<b>20,271</b>
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## 7. COMMERCIAL RECEIVABLES AND OTHER RECEIVABLES

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

<b>Receivables categories</b>	<b>No. ln.</b>	<b>Balance on January 1st, 2022</b>	<b>Balance on December 31st, 2022</b>	<b>Liquidity term</b>		
				<b>Under 1 year</b>	<b>1 - 5 years</b>	<b>Over 5 years</b>
0	1	2	3 = 4 + 5 + 6	4	5	6
<b>TOTAL RECEIVABLES (line 1 to 8 - ln.9 + +ln.10+ln.11), wherefrom:</b>		<b>8,641,665</b>	<b>12,599,247</b>	<b>12,599,247</b>	<b>0</b>	<b>0</b>
Receivables related to distribution activity	1	2,520,339	2,278,767	2,278,767		0
<i>Adjustments for depreciation of receivables related to distribution activity</i>	2	-43,895	-138,993	-138,993		
Receivables from affiliated companies	3	0	0	0		0
Advance payments for services provision	4	989,435	1,612,816	1,612,816		0

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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	119,043	127,297	127,297		0
Receivables related to unpaid subscribed share capital	8	0	0	0		0
Receivables in relation to different debtors	9	5,100,263	6,837,925	6,837,925		0
<i>Adjustments for depreciation of receivables from different debtors</i>	10	-43,521	-43,521	-43,521		0
Receivables on invoices to be issued	11	0	1,924,955	1,924,955		
Deductions from operations under progress to be clarified	12	0	0	0		0

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

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, 2022, the adjustments constituted for the depreciation of receivables related to distribution activity amounted to 138,993 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 2023, namely 6,837,925 lei. Out of this, 69,744 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, 2022, and so adjustments for value depreciation of receivables in relation with other debtors are made in the amount of 43,521 lei.

<b>Adjustments for depreciation of receivables</b>	<b>December 31<sup>st</sup>, 2021</b>	<b>December 31<sup>st</sup>, 2022</b>
<b>Beginning of reported period</b>	<b>104,875</b>	<b>87,416</b>
Accrued during the year	0	95.098
Removed during the year	17,459	0
<b>End of reported period</b>	<b>87,416</b>	<b>182,514</b>

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## 8. SHORT TERM INVESTMENTS

On December 31st, 2022, the company registered short term investments in total amount of 6,000,000 lei.

## 9. CASH AND CASH EQUIVALENTS

Indicator	December 31 <sup>st</sup> , 2021	December 31 <sup>st</sup> , 2022
Current balance with bank accounts (lei)	4,547,991	8,816,233
Deposit balance with bank accounts (lei)	6,030,249	0
Cash in the Company' treasury (lei)	52	3,293
Other titles(lei)	0	0
Cash advance payments (lei)	0	0
<b>TOTAL</b>	<b>10,578,292</b>	<b>8,819,527</b>

## 10. COMMERCIAL DEBT AND OTHER DEBT

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

Debt category	No. ln.	Balance on January 1st, 2022	Balance on December 31st, 2022	Reimbursement term		
				Under 1 year	1 - 5 years	Over 5 years
0	1	2	3 = 4 + 5+ 6	4	5	6
<b>TOTAL DEBT (ln.1 to 15), wherefrom:</b>		<b>12,769,108</b>	<b>17,502,790</b>	<b>15,144,141</b>	<b>2,358,649</b>	<b>0</b>
Loan out of bonds issue	1	0	0	0	0	0
Amounts owed to credit institutions	2	2,138,658	1,705,239	433,419	1,271,820	0
Debt related to distribution activity	3	8,565,862	10,778,926	10,778,926	0	0
Debt to affiliated companies	4	388,900	348,400	97,200	251,200	0
Debt related to lease contracts	5	452,156	351,999	103,968	248,031	0
Debt to suppliers and creditors	6	260,404	3,229,034	2,641,437	587,597	0
Debt to personnel	7	289,878	305,870	305,870	0	0
Debt to agents and auxiliary agents	8	18,393	80,333	80,333	0	0
Debt to social insurance budget	9	112,779	123,544	123,544	0	0
Debt to State Budget	10	465,445	465,688	465,688	0	0
Debt to special funds in the distribution activity	11	30,189	34,528	34,528	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	0	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	44,833	77,619	77,619	0	0

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

The liabilities of the Company on December 31st, 2022 mainly refer to debt towards insurance companies and were paid in January 2023, namely 10,778,926 lei (8.565.862 lei in 2021).

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 2022 is 598,400 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.

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, 2022, the balance of this loan is 1,106,839 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 2022, there are three financial leasing contracts underway with a total debt of 351,999 lei, the maturity of which is as follows:

<b>Financial Leasing Obligations</b>	<b>December 31<sup>st</sup>, 2021</b>	<b>December 31<sup>st</sup>, 2022</b>
With maturity up to one year	100,160	103,968
With maturity of over one year	351,995	248,031
<b>Total</b>	<b>452,155</b>	<b>351,999</b>

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 77,619 lei on December 31st, 2022, and are generated by wrong in-cashing in the Company's accounts from brokerage assistants or from insured persons not included on policies. These will be compensated with consequent payments or will be reimbursed on request.

## 11. PROVISIONS

he provision for litigation set up in 2021 in the amount of 1,236,391 lei, in connection with claims requested by Asirom Vienna Insurance Group S.A. in the form of damages incurred as a result of the erroneous issuance of an insurance policy, was reversed to income in 2022, it remained irrelevant as a result of the court's decision which obliged the Company to pay the amount of 1,654,527.48 lei. As such, the Company paid, under a settlement agreement signed with Asirom Vienna Insurance Group S.A., during 2022 the amount of 500,000 lei, with the difference to be paid as follows: 577,263.74 lei in 2023 and 577,263.74 lei in 2024.

Both the Company and Asirom Vienna Insurance Group S.A. appealed against the decisions of the Court of Appeal of Cluj. The Company considers that the conditions for the recognition of a new provision in its accounts in relation to this dispute are not met. In 2022, the Company has made a provision for litigation in relation to claims requested by Omniasig Vienna Insurance Group S.A. in the form of damages and legal expenses incurred in a damage case. The provision was estimated at 390,823.35 lei, representing the amount of the claims requested by the claimant. The company considers that this amount represents the best estimate of the amount needed to pay the damages established by the court.

For the benefits to be granted by the Company to key persons in the form of own shares, a provision in the amount of 125,000 lei was set aside as at 31 December 2022, representing the redemption value of own shares.

## 12. SHARE CAPITAL

<b>Indicator</b>	<b>December 31<sup>st</sup>, 2021</b>	<b>December 31<sup>st</sup>, 2022</b>
Paid subscribed share capital (lei)	500,000	500,000
Number of ordinary shares	2,500,000	5,000,000
Nominal value (lei/share)	0,20	0,10

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

<b>Reserves</b>	<b>December 31, 2021</b>	<b>December 31, 2022</b>
Legal reserves	100,000	100,000

### 14. DISTRIBUTION OF PROFITS

<b>Indicator</b>	<b>Financial year ended on December 31st, 2021</b>	<b>Financial year ended on December 31st, 2022</b>
<b>Current net profit</b>	6,883,983	11,529,337
<b>Reported profit</b>	2,659,691	2,043,674
<b>Net profit to be distributed</b>	<b>9,543,674</b>	<b>13,573,011</b>
Legal reserve	0	0
Other reserves	0	0
Dividends to be paid	7,500,000	10,000,000
Profit that is not distributed	<b>2,043,674</b>	<b>3,573,011</b>

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 3,573,011 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

<b>Type of revenues</b>	<b>Deecember 31<sup>st</sup>, 2021</b>	<b>Deecember 31<sup>st</sup>, 2022</b>
<b>Revenues from distribution activity, wherefrom:</b>	<b>98,905,785</b>	<b>129,892,569</b>
Consultancy and proposal of insurance and/ or re-insurance contracts	0	0
Assistance for management and execution of contracts, including claims for compensation	12,235	184,513
Other distribution related activities	98,893,550	129,708,056
<b>Design of insurance products together with insurance companies</b>	<b>0</b>	<b>0</b>
<b>Organisation of training courses in insurance and re-insurance fields</b>	<b>0</b>	<b>0</b>
<b>Commercial deductions granted</b>	<b>0</b>	<b>0</b>
<b>Royalties, lease and rents</b>	<b>0</b>	<b>0</b>

## 16. EXPENSES WITH PERSONNEL

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

<b>Indicator</b>	<b>On December 31<sup>st</sup>, 2021</b>	<b>On December 31<sup>st</sup>, 2022</b>
Expenses with personnel salaries	3,644,240	4,303,699
Expenses with meal vouchers granted to employees	80,512	99,202
Expenses with social insurance and security	19,436	50,545
Insurance contribution for employees	81,406	96,862
Expenses with training of employees	180	3,804
<b>TOTAL, wherefrom:</b>	<b>3,825,774</b>	<b>4,554,112</b>
Expenses with personnel in executive management	407,896	483,172

b) Board of Directors:

<b>Nume si prenume</b>	<b>Funcția</b>	<b>Gross payments during 2022</b>
NICULAE DAN	Chairman	169,332
TUICA GABRIEL ALEXANDRU	Member	7,692
DENES DANIELA TASIA	Independent member	123,600
LOGIN GABRIEL	Member	174,000
BARNA ERIK	Member	8,548
<b>TOTAL</b>		<b>483,172</b>

## 17. ANALYSIS OF OTHER EXPENSES AND OF OPERATING RESULT

a) OPERATING RESULT

<b>Indicator</b>	<b>Financial year ended on December 31<sup>st</sup>, 2021</b>	<b>Financial year ended on December 31<sup>st</sup>, 2022</b>
1. Net turnover	98,905,785	129,892,569
2. Costs of services performed (3+4)	85,429,107	110,684,846
3. Expenses related to main activity	85,205,674	110,491,519

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4. Expenses related to auxiliary activites	223,434	193,327
5. Gross result afferent to net turnover (1-2)	<b>13,476,678</b>	<b>19,207,723</b>
6. Selling costs	2,495,422	3,134,790
7. General administrative expenses	2,765,671	2,885,925
8. Other operating revenues	1,667	38,333
9. Operating result(5-6-7+8)	<b>8,217,252</b>	<b>13,225,341</b>

**b) OTHER OPERATING EXPENSES**

Indicators	Year 2021	Year 2022
Expenses with energy and water	76,288	75,805
Expenses with maintenance and repairing workings	95,385	71,373
Expenses with royalties, lease and rents	184,270	199,277
Expenses with insurance premiums	105,262	123,712
Expenses with perosnnel's training	180	3,804
Expenses with third parties collaborators	0	0
Expenses with fees and commisions	0	0
Expenses with protocol, promotion and advertising	682,090	896,406
Expenses with transportation of goods and personnel	0	0
Expenses with travel and transfers	12,856	14,654
Expenses with post and telecommunication	212,457	185,981
Expenses with banking services and related	226,248	306,731
Other expenses with services provided by third parties	1,800,475	2,223,731
<b>TOTAL</b>	<b>3,395,513</b>	<b>4,101,472</b>

**18. TAX ON PROFIT**

Indicator	Year 2021	Year 2022
1. Accounting profit or loss	8,153,822	13,219,066
2. Items similar to income		
3. Legal reserve		
4. Income that is not taxable	130,942	1,381,769
5. Expenses that are not deductible	1,809,856	1,242,792
6. Difference in amortisation that is not fiscally deductible	87,882	120,921
<b>7. Taxable profit / Fiscal loss for the reporting year (ln. 1+2-3-4+5+6)</b>	<b>9,920,618</b>	<b>13,201,010</b>
8. Fiscal loss from previous years	0	0
<b>9. taxable profit / Fiscal loss to be recovered in the next years(ln. 7-8)</b>	<b>9,920,618</b>	<b>13,201,010</b>



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<b>10. Tax on current profit (ln. 9*16%)</b>	<b>1,587,299</b>	<b>2,112,162</b>
11. Tax on the reinvested profit	0	0
<b>12. Owed tax on profit (ln. 10-11)</b>	<b>1,587,299</b>	<b>2,112,162</b>
13. Tax on profit owed for Q I + II + III	814,729	1,247,593
14. Expenses with sponsorships	317,460	422,432
<b>15. Tax on profit owed at the end of reported period (ln. 12-13-14-15)</b>	<b>455,110</b>	<b>442,136</b>

## 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, 2022, the balance of the Company's debt related to this transaction is 348,400 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.

On March 17th, 2023, the decision of the Financial Supervisory Authority Council for the withdrawal of Euroins Romania's operating license and the promotion of the request for the opening of bankruptcy proceedings was made public, "noting the indications of the company's insolvency". In this context, the management of Transilvania Broker de Asigurare S.A. assessed the possible financial impact on the insurance brokerage activity, which is expected to continue until 2023. Following this assessment, the Management of the Company has determined that no negative consequences are foreseen during the period under review, which could affect the profitability of the issuer or normal operating performance conditions.

### Expenses with rents and leases

The expenses with the rents registered in 2022 in the amount of 199,277 lei are related to the locations used by the Company as working points.

For the year 2022, the interest expenses related to the leasing contract are in the amount of 16,075 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 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;

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- 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, 2023, 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 \_\_\_\_\_