



**Transilvania Broker**<sup>®</sup>  
BROKER DE ASIGURARE

## PRELIMINARY REPORT<sup>1</sup>

on the financial results of *Transilvania Broker de Asigurare S.A.*

as of 31<sup>st</sup> of December 2022

## TRANSILVANIA BROKER DE ASIGURARE S.A.

Issuer admitted to trading on Main Regulated Market of Bucharest Stock Exchange (Bursa de Valori București S.A.)

|   |   |
|---|---|
| Report Issue Date                             | 21.02.2023  |
| Issuer  | TRANSILVANIA BROKER DE ASIGURARE S.A.                       |
| Registered Office                             | 13, Calea Moldovei Street, Bistrița, Bistrița-Năsăud County |
| Phone Number                                  | +40263-235900, Fax No: +40263-235910                        |
| Taxpayer Identification Number                | 19044296  |
| Trade Register Identification Number          | J06/674/2006  |
| Share Subscribed and Paid Capital             | 500,000 lei   |
| Market where the issued securities are traded | Regulated Spot Market, Main Segment                         |
| Trading Symbol                                | TBK   |

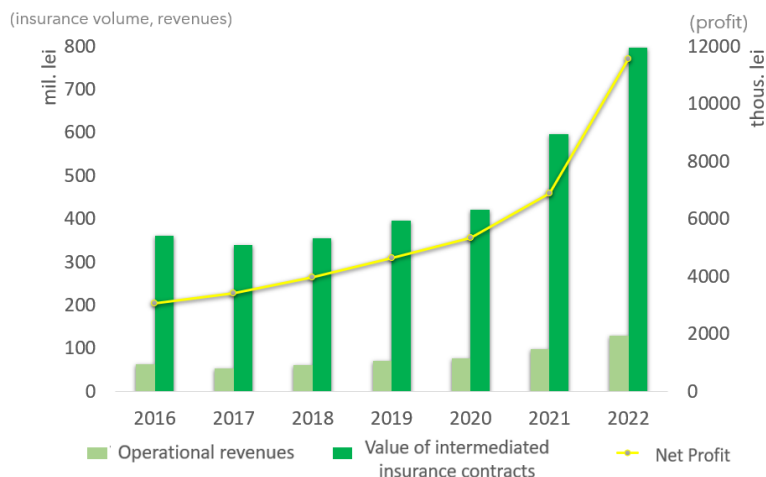
<sup>11</sup> This Report is a convenience translation of the Romanian version 'Raport privind rezultatele financiare anuale preliminare aferente perioadei de raportare încheiate la 31 decembrie 2022' which is to be regarded as the official document.

## 1. RETROSPECTIVE AND PERSPECTIVES

For Transilvania Broker de Asigurare S.A. ("Transilvania Broker", "the Company", "the Company", "the Issuer"), the year 2022 was marked by a particular growth dynamic in performance and result indicators, which led to higher liquidity and capitalisation for Transilvania Broker on the Bucharest Stock Exchange.

In the last quarter of 2022, on the 5th anniversary of its admission to trading on the Regulated Market of the Bucharest Stock Exchange under the trading symbol TBK, despite the generally negative or uncertain evolution of quotations on the Romanian capital market in the context of global economic and geopolitical developments, the TBK share marked a quote level 2.5 times its listing value. The company's capitalization reached 94.75 million lei on November 2, 2022, compared to 36.5 million lei on November 2, 2017. Long-term investors, who bought shares at listing and stayed with Transilvania Broker, obtained, over the five years, a return of almost 230%<sup>2</sup>, more than twice the return calculated for BET-TR over the same period.

With reference to the result indicators, on 31.12.2022, the net turnover of the company was 129.9 M lei,



by 31.3% higher than the figures reported on 31.12.2021, while the positive net result, of 11.6 M lei, exceeded by 68% the net profit in the reference period (2021) – all time high growth rates, fuelled by both the conjunctural developments on the insurance brokerage market, and the investment efforts directed by the Company's management towards the digitalization of services, internal processes and online promotion.

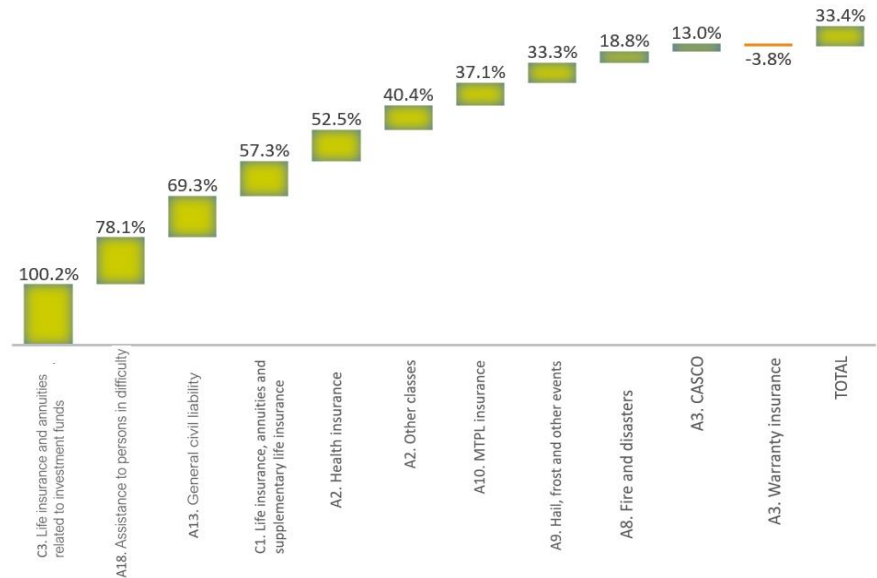
This dynamic was driven by a 34.1% increase in the volume of insurance contracts as compared to 2021, on a commission level of 16.3%, adjusted to the particular conditions of the insurance market in 2022 and by a net profit margin of 8.9%, itself up 28% on the previous year.

In the reporting period (2022), the values of all the indicators assessing the financial position, i.e. current liquidity, financial solvency and leverage ratio, are positioned outside the risk ranges and reflect the balance of the financial position in both the short and long term. The company dispose of the resources

<sup>2</sup> The yield was calculated as the ratio between the investor's gain over the analysis period, on one hand, which sums up the dividends/share and the price difference between the end date of the 5 years and the start date and, on the other hand, the price/share at the listing date, where prices have been adjusted so as not to be affected by the TBK face value share split.

and capital necessary to meet all its obligations without constraint, regardless of maturity, and to cover the budget required to implement its investment and dividend policies.

In 2022, Transilvania Broker recorded **increases in the volume of intermediated insurance contracts for 78% of the classes of insurance, and for all classes of insurance with a significant contribution to the total volume of premiums written except for the guarantee insurance class.** Among these, class A13 (General liability, excluding MTPL) stands out, where the volume of intermediated premiums increased from 10.6 million lei to 17.9 million lei (+69.3%), as well as the classes of health insurance,



life insurance and annuities, where the growth rates recorded were 52.5% (A2 - health), 100.2% (C3 Life insurance and annuities related to investment funds) and 57.3% (C1 - Life insurance, annuities and supplementary life insurance).

Following the decisions of the statutory bodies, in 2022 the operation of the **share face value split** was completed, so that, as of 16 February 2022, the share capital of the Company in the amount of 500,000 lei is divided into 5,000,000 shares with a nominal value of 0.1 lei each.

Moreover, the secondary object of activity of the Company has been completed with the following activities: *intermediation of roadside assistance, medical and other after-sales services for its own clients, such as the ascertainment or instrumentation of damages, except for liquidation according to the applicable national legislation.* The Ordinary Shareholders' General Meeting approved, with the favourable vote of all participating shareholders, the extension of the terms of office of the members of the Board of Directors for the next four years. By resolution of the Ordinary General Meeting of Shareholders on 18 January 2023, Ms. Bobu Carmen Loredana was elected Administrator to the vacant position following the resignation of Mr. Barna Erik, her term of office ending with the term of office of the other members of the Board.

With the marking of record financial results, Transilvania Broker's **social responsibility engagement** intensified in 2022, its sponsorship for projects in the social and educational area exceeding 400 thousand lei, **by 35% higher than in the previous year.**

In 2022, Transilvania Broker granted its shareholders gross dividend of 1.5 lei/share held, in accordance with the AGOA resolution of 27.04.2022. Adjusted to the new nominal value of the share, the value of the dividend granted in 2022 is by 74.4% higher than in the previous year.

For the year 2023, Transilvania Broker will carry on its projects to digitise sales and promote its products online. The development of the online issuing platform will absorb the necessary resources so that, **by the end of 2023, it will accommodate, fully functional, a new insurance class in the platform (home insurance), together with insurance-related services (roadside assistance and home technical assistance).**

A new priority direction for the company's management will be investment in education: education of the public on the importance of insurance but also the ongoing training of the company's key human resource, brokerage assistants. In this respect, the Academia Transilvania project will take the form of a stand-alone e-learning platform, which will allow the entire network of assistants access to the courses and materials they need to respond promptly and professionally to all the needs of the insurance market. The same platform will provide information materials for the general public in a section dedicated to Transilvania Broker clients.

In terms of marketing and promotion concerns, the management of Transilvania Broker de Asigurare intends to launch a pilot office branding programme, which aims at a unified brand message for a first selection of Transilvania Broker locations.

## 2. FINANCIAL PERFORMANCE AND POSITION

### 2.1. FINANCIAL PERFORMANCE ANALYSIS

| Profit and loss account   |                     |                     |                            |   |
|---|---------------------|---------------------|----------------------------|---|
| (Financial performance indicators, lei)                             | 2021<br>December 31 | 2022<br>December 31 | Variation (%)<br>2022/2021 | Share in the<br>corresponding revenues /<br>expenditure category<br>(%), 2022 |
| <b>Operating Revenues</b> , of which:                               | <b>98,907,452</b>   | <b>129,911,793</b>  | <b>+31.35%</b>             | <b>100%</b>   |
| Intermediation activity revenues                                    | 98,905,785          | 129,892,569         | +31.33%                    | 100%  |
| Other operating revenues  | 1,667               | 19,224              | +1053.2%                   |   |
| <b>Operating Expenditures</b> , of which:                           | <b>90,690,200</b>   | <b>116,673,253</b>  | <b>+28.7%</b>              | <b>100%</b>   |
| Expenses with fees for brokerage<br>agents and auxiliary assistants | 81,280,994          | 105,807,588         | +30.2%                     | 90.7%   |
| Personnel expenses  | 3,825,594           | 4,550,308           | +18.9%                     | 3.9%  |
| Expenses with third party<br>services' providers                    | 3,395,513           | 4,069,164           | +19.8%                     | 3.5%  |
| Other operating expenses  | 302,125             | 2,130,855           | +605.3%                    | 1.83%   |
| Material expenses   | 223,433             | 193,327             | -13.5%                     | 0.17%   |
| Expenses with other taxes, fees and similar<br>payments             | 158,572             | 192,576             | +21.4%                     | 0.17%   |
| Amortization expenses   | 285,037             | 354,905             | +24.5%                     | 0.3%  |
| Current assets depreciation expenditure                             | -17,459             | 95,098              | +644.7%                    | 0.08%   |
| Adjustments on provisions   | 1,236,391           | -720,568            | -158.3%                    | -   |
| <b>Operating Result</b>   | <b>8,217,252</b>    | <b>13,238,540</b>   | <b>+61.1%</b>              | <b>-</b>  |
| <b>Financial Revenues</b>   | 39,532              | 135,969             | +243.9%                    | -   |
| <b>Financial Expenditures</b>                                       | 102,962             | 142,244             | +38.2%                     | -   |
| <b>Financial Result</b>   | <b>(63,430)</b>     | <b>(6,275)</b>      | <b>+90%</b>                | <b>-</b>  |
| <b>GROSS RESULT</b>   | <b>8,153,822</b>    | <b>13,232,265</b>   | <b>+62.3%</b>              | <b>-</b>  |
| Tax on profit   | 1,269,839           | 1,680,505           | +32.3%                     | -   |
| <b>NET RESULT</b>   | <b>6,883,983</b>    | <b>11,551,760</b>   | <b>+67.8%</b>              | <b>-</b>  |

**Income from insurance contracts distribution activity**, an element that is identified with Net Turnover, recorded the highest growth rate since the listing of TBK shares, i.e. +31.3% compared to the previous year, on the account of the increase in the volume of intermediated premiums by 33.4%, from 596,454.2 thousand lei in the reference period (2021) to 795,698.3 thousand lei in the reporting period. The average commission, calculated as the ratio of the value of revenues from distribution activity to the value of intermediated premiums, was 16.3%, a level adjusted to the particular conditions in the insurance market.

**Operating expenses** increased in 2022 at a slower pace than income (+28.7%), a development that led to a gross operating result of RON 13,232.3 thousand, 62.3% higher than in the reference period and a gross margin of 10.2%, +22.7% higher than that calculated for the result for 2021.

Expenses with commissions granted to brokerage assistants, which concentrate 90.7% of total operating expenses, increased by 30.2%, compared to 2021, in line with the dynamics of revenues from distribution activity.

The share of human resource costs falls slightly below 4% of total operating expenses, with the absolute value of these costs increasing by 18.9% compared to 2021, in line with the development of the activity as a whole.

During the reporting period, the balance sheet position on *provisions for risks and expenses* had a particular dynamic given the cancellation of the provision for litigation set up in 2021 in connection with the claims requested by Asirom Vienna Insurance Group, and the setting up, on the principle of prudence, of the provision for litigation against the insurer Omnisig Vienna insurance Group in the amount of 390.8 thousand lei, as well as other provisions for risks in the amount of 125 thousand lei.

The digitization projects implemented and initiated in 2022 led to a **51% increase in software development expenses** compared to the same period of the previous year, exceeding 1,500 thousand lei, while the **promotion and marketing actions** mainly in the online environment attracted expenses amounting to 824.4 thousand lei, 44.3% higher than in the reference period. The dynamics of these subcategories of expenditure thus justify the increase of 673.7 thousand lei in "expenditure on services provided by third parties".

The positive evolution of the income and result indicators was also converted in favour of **the social-educational projects supported by the Issuer**, with the value of sponsorships increasing by 35% in 2022 compared to the reference year 2021.

**Financial income and expenses**, which, in the reporting period, consisted of 92.7% and 92.2% interest related revenues and costs, generated a financial loss in the amount of 6.3 thousand lei, almost 10 times lower than the negative financial result for 2021.

The **gross profit** amounting to 13,232.3 thousand lei, adjusted with 1,680.5 thousand lei tax on profit, generated, as of 31.12.2022, a **positive net result of 11,551.8 thousand lei, by 67.8% higher than that level reported at 31.12.2021** - the highest growth percentage reported by Transilvania Broker for a financial year.

## 2.2. FINANCIAL POSITION ANALYSIS

| <b>ASSETS</b>                               |                      |                     |                            |   |
|---|----------------------|---------------------|----------------------------|---|
| Financial position indicators<br>(lei)      | 2021<br>December 31, | 2022<br>December 31 | Variation (%)<br>2022/2021 | Share in Total<br>Assets,<br>e.o. 2022      |
| <b>Non-current Assets</b>                   | <b>4,879,670</b>     | <b>4,607,511</b>    | <b>-5.6%</b>               | <b>14.4%</b>                                |
| Intangible Assets                           | 16,246               | 15,595              | -4%                        | 0.05%                                       |
| Tangible Assets                             | 4,845,340            | 4,571,645           | -5.7%                      | 14.3%                                       |
| Financial Assets                            | 18,084               | 20,271              | +12.1%                     | 0.06%                                       |
| <b>Current Assets</b>                       | <b>19,219,957</b>    | <b>27,418,774</b>   | <b>+42.7%</b>              | <b>85.5%</b>                                |
| Inventories                                 | 0                    | 0                   | -                          | -   |
| Receivables, of which:                      | 8,641,665            | 12,599,247          | +45.8%                     | 39.3%                                       |
| <i>Receivables from distribution activ.</i> | <i>2,476,445</i>     | <i>2,139,774</i>    | <i>-13.6%</i>              | <i>6.7%</i>                                 |
| <i>Other receivables</i>                    | <i>6,165,220</i>     | <i>10,459,473</i>   | <i>+69.7%</i>              | <i>32.6%</i>                                |
| Short term investment                       | 0                    | 6,000,000           | -                          | -   |
| Cash and cash equivalents                   | 10,578,292           | 8,819,527           | -16.6%                     | 27.5%                                       |
| <b>Pre-payments</b>                         | <b>49,546</b>        | <b>40,339</b>       | <b>-18.6%</b>              | <b>0.13%</b>                                |
| <b>TOTAL ASSETS</b>                         | <b>24,149,173</b>    | <b>32,066,624</b>   | <b>+32.8%</b>              | <b>100%</b>                                 |
| <b>EQUITY AND DEBT</b>                      |                      |                     |                            |   |
| Financial position indicators<br>(lei)      | 2021<br>December 31  | 2022<br>December 31 | Variation (%)<br>2022/2021 | Share in total<br>liabilities,<br>e.o. 2022 |
| <b>Current Debt</b>                         | <b>10,405,840</b>    | <b>15,121,718</b>   | <b>+45.3%</b>              | <b>47.2%</b>                                |
| Bank loans                                  | 433,419              | 433,419             | -                          | 1.35%                                       |
| Brokerage activity related short term debt  | 8,565,862            | 10,778,926          | +25.8%                     | 33.6%                                       |
| Other short-term debt                       | 1,406,559            | 3,909,373           | +178%                      | 12.2%                                       |
| <b>Provisions</b>                           | <b>1,236,391</b>     | <b>515,823</b>      | <b>-58.3%</b>              | <b>1.6%</b>                                 |
| <b>Non-current Debt</b>                     | <b>2,363,268</b>     | <b>2,358,649</b>    | <b>-0.2%</b>               | <b>7.4%</b>                                 |
| Bank long-term debt                         | 1,705,239            | 1,271,820           | -25.4%                     | 4%  |
| Other debt                                  | 658,029              | 1,086,829           | +65.2%                     | 3.4%  |
| <b>Total Debt</b>                           | <b>12,769,108</b>    | <b>17,480,367</b>   | <b>+37%</b>                | <b>54.5%</b>                                |
| <b>Share Capital</b>                        | <b>500,000</b>       | <b>500,000</b>      | <b>-</b>                   | <b>-</b>                                    |
| <b>Reserves, of which:</b>                  | <b>100,000</b>       | <b>100,000</b>      | <b>-</b>                   | <b>-</b>                                    |
| Legal reserves                              | 100,000              | 100,000             | -                          | -   |
| Owned shares                                |                      | (125,000)           | -                          | -   |
| <b>Retained earnings</b>                    | <b>2,659,691</b>     | <b>2,043,674</b>    | <b>-23.2%</b>              | <b>6.4%</b>                                 |
| <b>Result of the period</b>                 | <b>6,883,983</b>     | <b>11,551,760</b>   | <b>+67.8%</b>              | <b>36%</b>                                  |
| <b>Equity</b>                               | <b>10,143,674</b>    | <b>14,070,434</b>   | <b>+38.7%</b>              | <b>43.9%</b>                                |
| <b>TOTAL EQUITY AND DEBT</b>                | <b>24,149,173</b>    | <b>32,066,624</b>   | <b>+32.8%</b>              | <b>100%</b>                                 |

As of 31.12.2022, **current assets**, the category with the largest share of total assets (85.5%), are made up of cash and short-term investments (which together represent 54% of current assets and 46.2% of total assets) followed by receivables (which represent 46% of current assets and 39.3% of total assets).

**Cash and cash equivalents** recorded by the Issuer as at 31.12.2022, in the amount of 8,819.5 thousand lei, registered a decrease of 1,758.8 thousand lei (-16.6%), as compared to 31.12.2021, a dynamic justified primarily by the establishment of the term bank deposit - evidenced by the balance sheet item *short-term investments* - in amount of 6,000 thousand lei. The funds in collector bank accounts, which record the cash in transit for settlement with insurers in a short time horizon, represent 71.9% (6,340.1 thousand lei). The increase of these amounts by 49.6% compared to the reference period, in parallel with the dynamics of claims derived from distribution activity and short-term liabilities related to distribution activity, reflects a significant difference in the intensity of activity during the last settlement cycles of the reporting periods.

Of the total cash items, as at 31.12.2022, the company's own cash and cash equivalents represent 28.1%, i.e. 2,479.5 thousand lei, an apparent decrease of 61% as compared to the end of the previous year. Taking into account, however, the short-term investment in the form of bank short-term deposits, the own funds at the **company's disposal in the short term sum up to 8,479.5 thousand lei, by 33.7% more than in the reference period**. This development, primarily due to the incorporation of the profit made during the financial year, is all the more relevant as the amount allocated for the payment of dividends in the reporting period was double that of 2021.

As regards the value of **receivables** reported as at 31.12.2022, whereas 85.7% of the value of "other receivables" represents receivables from secondary intermediaries (Transilvania Broker's collaborating assistants), the total value of receivables derived from distribution activity, whose collection term is regulated and continuously monitored through internal procedures and legal provisions, represents 72.4% of the total value of receivables. The 20% increase compared to 01.01.2022 reflects, for the most part, the variation in the intensity of activity in the last settlement cycles of the reporting period, which is also reflected in the dynamics of the balance of bank collection accounts and short-term liabilities derived from distribution activity.

The adjustments set for impairment of receivables from customers was of 138.9 thousand lei, while the amount of adjustments for receivables from sundry debtors recorded as at 31.12.2022 was of 43.5 thousand lei.

The value of the Issuer's **non-current assets** decreases its share in total assets, in the reporting period, from 20.2% to 14.4%, as a result of the reduction of their absolute value by 5.6%, mainly due to the adjustment with amortization. The impact of depreciation on the balance sheet position was somewhat offset by investments in equipment amounting to 66.5 thousand lei.

In the Issuer's balance sheet, total debt, which increased by 36.9% compared to the previous year, contributed 54.5% to the financing of assets in 2022.

**Short-term debt**, which account for 86.5% of total debt and 47.2% of total liabilities, and whose value increased by 45.3% in the reporting period as compared to the reference period, consist of 73.6% of current debt related to intermediation activity, whose maturity and payment is legally regulated according to the specific nature of insurance intermediation activity. Similar to the evolution of the receivables derived from



insurance intermediation activity and, respectively, the balance of the collecting accounts for the amounts transiting the Company's bank accounts for settlement with insurers, the dynamics of this category of liabilities reflect differences in the intensity of activity in the last settlement cycles of the reporting periods.

**Payables** to various creditors amount to 224.2 thousand lei, representing 1.5% of total current debt, while other payables to staff and the public budget total 878.6 thousand lei, i.e. 5.8% of total short term debt.

**Non-current debts**, that is debt falling due after more than one year, totalling 2,358.6 thousand lei and 0.2% lower than in the previous year, represent bank loans contracted in the last two financial years to co-finance the purchase of tangible assets for the change of the head office and the development of the Bucharest working point, leasing contracts concluded for the purpose of financing the investment in means of transport and other long-term debts. While the value of long-term bank loans decreases by 25.4% due to the repayment of the due instalments, the value of financial leasing contracts decreases by 100.2 thousand lei (-22.2%). The value of the position other long-term liabilities mainly represents the amount payable to Asirom Vienna Insurance Group related to the settled litigation.

During the reporting period, the **provision** in the amount of 1,236.4 thousand lei set up for the litigation with Asirom Vienna Insurance Group was written off, following the completion of the lawsuit and the recognition of related losses. In the same period, the Company's management decided to set up a new provision for a litigation with the insurer Omniasig Vienna Insurance Group in the amount of 390.8 thousand lei, as well as the provision related to the share buyback operation within the implementation of the Stock-Option-Plan program.

The increase in the result of the reporting period by 67.8%, partially offset by the decrease in the retained earnings following the payment of dividends, leads to an **increase in equity by 3,926.8 thousand lei as compared to the previous year (+38.7%)**. Equity represents 44% in the Company's financing structure, a percentage up by about 2 p.p. as compared to the beginning of 2022.

### 3. ANALYSIS OF KEY ECONOMIC AND FINANCIAL INDICATORS

#### 3.1. Liquidity and solvency indicators

| Indicators      | Calculation formula          | 31.12.2021 | 31.12.2022 | Benchmark |
|-----------------|------------------------------|------------|------------|-----------|
| Current Ratio   | Current Assets/ Current Debt | 1.847      | 1.813      | >2        |
| Cash Ratio      | Cash / Current Debt          | 1.02       | 0.58       | >0.8      |
| Solvency ratios | Total Assets / Total Debt    | 1.891      | 1.834      | >1        |
|                 | Equity / (Equity+Debt) *100  | 81.1%      | 85.6%      | >30%      |

**Liquidity ratios** show comfort range values, while mentioning that these indicators reflect the particularities of the insurance intermediation activity, in which the terms of settlement for claims and debts in relation to insurers and, respectively, assistants are legally and procedurally regulated. In this framework, the relevance of general and current liquidity is relatively low, while the indicator of quick liquidity is only a snapshot in the dynamics of settlement cycles.

During the reporting period, the increase in the value of total assets was higher than the increase in the Company's total liabilities, a difference mainly fuelled by the increase in the value of current assets. For this reason, the overall **solvency ratio** is decreasing in value but remains significantly and comfortably above the minimum benchmark.

The ratio of own **capital to total permanent capital** also increases from 81.1% to 85.6%, confirming once again the Issuer's high self-financing capacity and ability to meet its payment obligations.

#### 3.2. Debt Ratios

| Risk indicators                        | Calculation formula              | 31.12.2021 | 31.12.2022 | Benchmark |
|--|----------------------------------|------------|------------|-----------|
| Long-term debt to capitalisation ratio | LT Debt / (LT Debt+Equity) * 100 | 19%        | 14.4%      | <50%      |
| Debt-to-equity ratio                   | Total Debt/ Total Assets *100    | 53%        | 54.5%      | <80%      |

In 2022, the equity value increased by 3,926.8 thousand lei, while the absolute value of long-term debt slightly decreased (-4.6 thousand lei). As a result, the **debt ratio indicator**, which relates borrowed capital to permanent capital, decreases its value, expressing a low level of financial risk in conditions of high financial balance. Also, the position of the leverage ratio in relation to the maximum reference threshold confirms the company's high capacity to honour the commitments undertaken, an adequate credit risk management, as well as continued easy access to funding on the money markets.

### 3.3. Margin and profit indicators

| Profitability indicators      | Calculation formula                         | 2021        | 2022        |
|-------------------------------|---|-------------|-------------|
|                               |   | December 31 | December 31 |
| Gross operating profit margin | Operating result / Turnover *100            | 8.30%       | 10.2%       |
| Net profit margin             | Net profit / Turnover *100                  | 6.96%       | 8.9%        |
| Return on equity              | Net profit / Equity *100                    | 67.9%       | 82.1%       |
| Return on long-term capital   | Net profit / (Equity + Long-term debt) *100 | 55%         | 70.3%       |

At the end of the reporting period, the **profitability of Transilvania Broker de Asigurare business grew at a higher pace than ever before, with profit margins increasing by 23% (gross operating margin) and 28% (net profit margin).**

The increase in equity to a significantly lesser extent than the increase in net profit, against the backdrop of a decrease in retained earnings as a result of the payment of a substantial dividend, leads to significant increases in the **financial return margin and the return on permanent capital, to the direct benefit of the company's shareholders.**

**THE FINANCIAL STATEMENTS ON WHICH THIS REPORT IS BASED ARE BEING AUDITED.**

President of the Board of  
Transilvania Broker de Asigurare S.A.,  
**NICULAE DAN**

Financial Position, *Transilvania Broker de Asigurare S.A.*

As of December 31, 2022

| Financial position indicators<br>(lei)      | 2021<br>December 31 | 2022<br>December 31 |
|---|---------------------|---------------------|
| <b>Non-current Assets</b>                   | <b>4,879,670</b>    | <b>4,607,511</b>    |
| Non-tangible assets                         | 16,246              | 15,595              |
| Tangible assets                             | 4,845,340           | 4,571,645           |
| Financial assets                            | 18,084              | 20,271              |
| <b>Current Assets</b>                       | <b>19,219,957</b>   | <b>27,418,774</b>   |
| Inventories                                 | 0                   | 0                   |
| Receivables, of which:                      | 8,641,665           | 12,599,247          |
| <i>Receivables from distribution activ.</i> | <i>2,476,445</i>    | <i>2,139,774</i>    |
| <i>Other receivables</i>                    | <i>6,165,220</i>    | <i>10,459,473</i>   |
| Short term investment                       | 0                   | 6,000,000           |
| Cash and cash equivalents                   | 10,578,292          | 8,819,527           |
| <b>Prepayments</b>                          | <b>49,546</b>       | <b>40,339</b>       |
| <b>TOTAL ASSETS</b>                         | <b>24,149,173</b>   | <b>32,066,624</b>   |
| <b>Current Debt</b>                         | <b>10,405,840</b>   | <b>15,121,718</b>   |
| Short term bank loans                       | 433,419             | 433,419             |
| Debt related to distribution activity       | 8,565,862           | 10,778,926          |
| Other short term debt                       | 1,406,559           | 3,909,373           |
| <i>Net current assets/ Net current debt</i> | <i>8,863,663</i>    | <i>12,337,395</i>   |
| <i>Total assets minus Current debts</i>     | <i>13,743,333</i>   | <i>16,944,906</i>   |
| <b>Long-term Debt</b>                       | <b>2,363,268</b>    | <b>2,358,649</b>    |
| Long-term loans                             | 1,705,239           | 1,271,820           |
| Other debt                                  | 658,029             | 1,086,829           |
| <b>Provisions</b>                           | <b>1,236,391</b>    | <b>515,823</b>      |
| <b>Share Capital</b>                        | <b>500,000</b>      | <b>500,000</b>      |
| <b>Reserves, of which:</b>                  | <b>100,000</b>      | <b>100,000</b>      |
| Legal reserves                              | 100,000             | 100,000             |
| Own shares                                  |                     | (125,000)           |
| <b>Retained earnings</b>                    | <b>2,659,691</b>    | <b>2,043,674</b>    |
| <b>Reporting period profit</b>              | <b>6,883,983</b>    | <b>11,551,760</b>   |
| <b>Total Equity</b>                         | <b>10,143,674</b>   | <b>14,070,434</b>   |
| <b>TOTAL EQUITY AND DEBT</b>                | <b>24,149,173</b>   | <b>32,066,624</b>   |

CEO,  
Mr. Gabriel Login

CFO,  
Ms. Oana Pârțiu-Vasilichi

**Profit and Loss Account *Transilvania Broker de Asigurare S.A.***  
*as of December 31, 2022 (lei)*

|  | 2021, December 31 | 2022, December 31  |
|--|-------------------|--------------------|
| <b>Operating Revenues</b>  | <b>98,907,452</b> | <b>129,911,793</b> |
| Distribution activity Revenues                                   | 98,905,785        | 129,892,569        |
| Other operating Revenues   | 1,667             | 19,224             |
| <b>Operating Expenditures</b>                                    | <b>90,690,200</b> | <b>116,673,253</b> |
| Expenses with fees for brokerage agents and auxiliary assistants | 81,280,994        | 105,807,588        |
| Expenses with third party  | 3,395,513         | 4,069,164          |
| Material expenses  | 223,433           | 193,327            |
| Expenses with other taxes, fees and similar payments             | 158,572           | 192,576            |
| Personnel expenses   | 3,825,594         | 4,550,308          |
| Other operating expenses   | 302,125           | 2,130,855          |
| Amortization expenses  | 285,037           | 354,905            |
| Current assets depreciation expenditure                          | (17,459)          | 95,098             |
| Adjustments on provisions  | 1,236,391         | (720,568)          |
| <b>Operating result (profit / loss)</b>                          | <b>8,217,252</b>  | <b>13,238,540</b>  |
| Financial revenues   | 39,532            | 135,969            |
| Financial expenditures   | 102,962           | 142,244            |
| <b>Financial result (profit / loss)</b>                          | <b>(63,430)</b>   | <b>(6,275)</b>     |
| <b>Gross result (profit / loss)</b>                              | <b>8,153,822</b>  | <b>13,232,265</b>  |
| Tax on profit  | 1,269,839         | 1,680,505          |
| <b>Net Result (profit / loss) of the reporting period</b>        | <b>6,883,983</b>  | <b>11,551,760</b>  |

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