

Q3 2021 REPORT

TRANSILVANIA BROKER DE ASIGURARE S.A.

Issuer admitted on the Regulated Spot Market - administered by Bursa de Valori București S.A.

Date of Issuance :	Nov. 11, 2021
Name of the Issuer:	TRANSILVANIA BROKER DE ASIGURARE S.A.
Registered Office:	13, Calea Moldovei Street, Bistrița
Phone Number/ Fax:	+40263-235900 / +40263-235910
Taxpayer Identification No:	19044296
Trade Registry No:	J06/674/2006
Subscribed and Paid Share Capital:	500,000 LEI
Market Where The Issued Securities Are Traded	Regulated Spot Market, Main Segment, Standard Category



Contents

1. Significant events and developments in reporting period.....	3
2. Financial Position And Performance of The Issuer During the Reporting Period.....	5
2.1. Financial Performance Analysis.....	5
2.2. Financial Position Analysis.....	6
3. Analysis of the economic and financial indicators.....	8
3.1. Liquidity and solvency ratios	8
3.2. Debt ratios	8
3.3. Profitability and cost efficiency	9



1. Significant events and developments in reporting period



After the first nine months of the current year, Transilvania Broker de Asigurare S.A. (the Issuer, Company, Transilvania Broker) reports **record growth rates for all performance and result indicators**.

Turnover in the first 9 months of the current year **exceeded by more than 20%** the turnover for the same period of the previous year (reference period), while the **net profit increased by 30.9%** in the reporting period compared to the reference period.

On September 30, 2021, the turnover reached **80% of the budgeted revenue** approved in the Ordinary Annual General Meeting of Shareholders dated April 27, 2021, and **89%**

> 90% of Forecasted Profit

of the turnover achieved in 2020. At the same time, the net profit **exceeded 90% of the budgeted level** and **99% of the profit of the last year**.

**99% of
2020 Profit**

Margin indicators evolved favorably, while risk, liquidity and solvency indicators remain within the comfort intervals, reflecting the Company's performance under conditions of financial equilibrium on a short-term, medium and long-term span.

Percentage increase by insurance classes Q32021 vs Q32020



This upward trend was supported by strong increases in the various classes of insurance, such as C1 and C3 (Life insurance and annuities), classes generating high commission levels, with direct positive impact on turnover.

At the same time, noteworthy are the credit insurance class (A14), the assistance insurance for persons travelling in difficulty (A18) and the insurance for financial losses (A16) which registered increasing percentages of 125%, 66% and 63% respectively, compared to the reference period.

On-going Projects

Along the third quarter of 2021, the Company focused on optimizing the platform for online policy issuance that was launched in June, 2021, as new products have been integrated, such as the online issuance of motor third party liability (MTPL) insurance policy for legal entities and the 'Travel' insurance.



Another valuable project for the management of Transilvania Broker is the 'Academia Transilvania' learning & training e-platform. This is an interactive platform dedicated to Transilvania Broker collaborators that provides them with useful materials in order to support their activity: insurance courses, sales courses, specific legislation, damages, primary accounting, computer / IT operation, financial education courses, company presentation materials, work methodologies etc.

"Insurance in your own language", a project addressing the Hungarian-speaking customers is also in an advanced stage of implementation.

4 Years Route on the Stock Market

On November 2, 2021, Transilvania Broker **celebrated 4 years since the first trading day on BVB, The Regulated Market**, for its shares.

The confidence and response of the capital market with respect to the strategic direction and perspectives of Transilvania Broker business is suggestively described by the evolution of the TBK share price.

At the date of preparation of this report, the market capitalization, amounting to 117 million lei, was **2.2 times the level registered at the beginning of the current year** and **3.26 times the level of capitalization since its first trading session** under the TBK trading symbol.



Corporate Events

Regarding the administrative-corporate events in the life of Transilvania Broker, the reporting period marks:

- Prolongation of the strategic partnership with Life Is Hard S.A., provider of customer-oriented IT services and products (software). This will strengthen the growth vector of Transilvania Broker's online platform for policies issuances.
- The Resolution of the Extraordinary General Meeting of Shareholders statutorily held on September 7, 2021 regarding :
 - the splitting of nominal value of the Company's shares, in a division ratio of 1:2, with the registration date February 15, 2022
 - the complementing of the Company's object of activity by 'auxiliary insurance and pension funds activities (distribution of pension products)'
 - the approval of a loyalty program and retaining stimulation for key persons, under a *Stock-Option-Plan*, whereby free shares are granted in a volume of maximum 1% of the share capital. The *Stock Option Plan* will be initiated after the completion of the splitting operation
 - the approval of a redemption program for a maximum number of shares representing at most 0.25% of the share capital in order to implement the incentive plan (the Stock Option Plan)



2. Financial Position And Performance of The Issuer During the Reporting Period

2.1. Financial Performance Analysis

For the first nine months of 2021, the Company reported a record growth rate for turnover and profit, respectively. In comparison to the same period of the previous year (the reference period), the Issuer's turnover and operating revenues increased by 20.1%, and the net positive result by 30.9%. The total turnover, as on September 30, 2021, reaches 80% of the budgeted level, while amounting to 89% of the level reported for the whole year 2020. At the same time, the profit reported for January-September 2021 exceeds 90% of the budgeted value for the current year and 99% of the profit of 2020.

The volume of intermediated premiums increased by 22.2%, while the average gross value of the commission was 18.1%.

PROFIT AND LOSS ACCOUNT

Financial performance indicators (lei)	2020 September 30th	2021 September 30th	Variation (%) Q III 2021 / Q III 2020	Share in the corresponding revenues/ expenditure category (%) Q III 2021
Operating revenues, wherefrom:	57,226,813	68,717,522	+20.1%	100%
Revenues from distribution of contracts	57,212,154	68,710,715	+20.1%	100%
Revenues from other activities related to the distribution activity	14,047	6,140	-56.3%	0%
Other operating revenues	612	667	+0.4%	-
Operating expenses, wherefrom:	52,615,745	62,560,176	+18.9%	100%
Expenses with fees for brokerage assistants	48,594,188	56,711,990	+16.7%	90.7%
Expenses with personnel	2,124,162	2,720,397	+24.5%	4.35%
Expenses with third party services' providers	1,353,627	2,470,817	+82.5%	3.95%
Expenses with disposable and inventory materials	160,931	147,653	-8.3%	0.24%
Expenses with other taxes, fees and similar payments	78,592	121,113	+54.1%	0.19%
Other operating expenses	209,863	207,125	-1.3%	0.33%
Value adjustments related to fixed assets	94,382	198,540	+110.4%	0.18%
OPERATING RESULT	4,611,068	6,157,346	+33.5%	-
Financial revenues	31,387	34,419	+9.7%	-
Financial expenditure	44,226	79,676	+80.2%	-
FINANCIAL RESULT	(12,839)	(45,257)	-	-
GROSS RESULT	4,598,229	6,112,089	+32.9%	-
Tax on profit	559,726	824,604	+47.3%	-
NET RESULT	4,038,503	5,287,485	+30.9%	-



The growth rate of operating expenses in the reporting period as compared to the reference period, was 1.2 p.p. lower than the one related to the operating revenues. This difference determined the increase of the operating result by 33.5%, as compared to September 30, 2020.

Expenditure increases were driven by the most important expenditure class in the total of operating expenses, namely expenses with fees due to brokerage assistants. They increased by 16.7% compared to the first 9 months of 2020, but slightly slower than the revenues from distribution activity. At the same time, expenses with personnel increased during the same period, as a natural result of activity development and implementation of the development strategy.

Expenses with third party services' providers increased by 82.5% compared to the reference period, mainly due to expenses with the optimization and development of the Broker24 platform (+476.1 thousand lei, respectively + 154.4%) and advertising expenses. Along with the launching of the online issuing platform for insurance policies, the promotion activities in the online environment absorbed 44.2% more financial resources as compared to the reference period, which is about 460 thousand lei.

The budget for sponsorships slightly exceeded the level of the reference period, the 207 thousand lei being oriented towards projects and socio-community causes supported by Transilvania Broker, such as the ACS Transilvania children and youth football club, The Bistrita Business Association etc.

Financial revenues and expenditure, of which 97.5% and 87.2%, respectively, are related to interest rates, resulted in a financial loss of 45.3 thousand lei, by 32.4% higher than the loss from financial activity reported on September 30, 2020.

The gross result, amounting to 6,112.1 thousand lei exceeded by 32.9% the level corresponding to the first 9 months of the previous year. The net result increased by 1,249 thousand lei (+ 30.9%), as compared to the same reference period.

2.2. Financial Position Analysis

ASSETS				
Financial position indicators (lei)	2020 September 30th	2021 January 1st	2021 September 30th	Variation (%) Q III 2021 / Q III 2020
Fixed assets	4,039,894	4,060,086	4,947,734	+21.9%
Intangible assets	8,771	11,886	17,975	+51.2%
Tangible assets	4,018,953	4,027,501	4,911,675	+22%
Financial assets	12,170	20,699	18,084	-12.6%
Current assets	11,460,869	10,733,049	21,636,858	+101.6%
Inventories	0	3,116	0	-100%
Receivables, wherefrom:	4,923,319	4,153,504	9,192,892	+121.3%
Distribution activity receivables	806,319	843,018	1,025,958	+21.7%
Other receivables	4,117,000	3,310,486	8,166,934	+146.7%
Short-term investments	0	2,000,000	0	-100%
Cash and cash equivalents	6,537,550	4,576,429	12,443,966	+171.9%
Pre-payments	17,264	26,895	31,439	+16.9%
TOTAL ASSETS	15,518,027	14,820,030	26,616,031	+79.6%

On September 30, 2021, the current assets, in proportion of 81.3% of total assets, doubled their value as compared to the beginning of the year, due to the increase in the value of receivables (+ 121.3%) and cash (171.9%).



Receivables represent 42.5% of total current assets, by 3.8 p.p. higher share as compared to the beginning of the reporting period. The total value of receivables derived from the distribution activity, whose collection term is continuously regulated and monitored through internal procedures and legal provisions, represents 92.5% of the total value of receivables, given that the "other receivables" balance sheet item consists, in proportion of 99%, of receivables in relation to secondary intermediaries (collaborating assistants of Transilvania Broker). Their increase by 178.4% compared to January 1st, 2021, reflects, for the most part, the variation of business intensity over the last settlement cycles of the reporting period. This variance is also found in the dynamics of the collector bank account balances and short-term debts arising from the distribution activity.

The value of provisions established on September 30, 2021 for the depreciation of receivables amounts to 87.4 thousand lei, of which 43.7 thousand lei pertain to the depreciation of customer receivables, whereas 43.5 thousand lei are for the depreciation of receivables in relation to suppliers.

The cash and cash equivalent category registers an increase by 2.7 times in the reporting period, as compared to the beginning of the year, and by 120.3% as compared to the same period of 2020. The growth dynamics were registered both at the level of the Issuer's own cash and also at the level of its cash in transit, which are to be settled with the insurers in a very short time horizon. The Issuer's own cash, in proportion of 41.8% of the total cash and cash equivalents, increased by 112.7% : from 2,444.1 thousand lei registered at the beginning of 2021, to 5,199.1 thousand lei on September 30, 2021, mainly as a result of the incorporation of the profit effected in the first 9 months of 2021.

Amounts available in the collector accounts that mediate the settlement with the insurers have increased by 3.4 times, as compared to the beginning of the year: from 2,132.3 thousand lei, to 7,244.8 thousand lei. This evolution parallels the dynamics of receivables deriving from the distribution activity and the short-term debt related to brokerage activity, reflecting significant differences in the intensity of activity over the last settlement cycles pertaining to the different reporting periods.

The share of current assets in total assets (81.3%) increased by almost 9 p.p., as compared to the beginning of the period. The share of fixed assets, in turn, decreased from 27.4% on January 1, 2021, to 18.6% at the end of the reporting period, on account of the increase in the value of fixed assets to a significantly smaller extent than that of current assets. The increase by 21.9% in the value of non-current assets was driven by investments amounting to 1,076.6 thousand lei mobilized in means of transport, equipment, installations, office supplies. On September 30, 2021, the depreciation rate of the Company's tangible fixed assets was 39.9%.

EQUITY AND DEBT	2020 September 30th	2021 January 1st	2021 September 30th	Variation (%) Q III 2021 / Q III 2020
Current debt	8,397,925	5,039,881	15,561,320	+208.8%
Bank loans	200,400	433,419	433,419	-
Debts incurring from distribution activity	5,896,783	3,939,878	14,040,529	+256.4%
Other short-term debt	2,300,742	666,584	1,087,372	+63.1%
Non-current debt	848,900	2,220,458	2,507,535	+12.9%
Long-term debt	848,900	2,138,658	1,813,596	-15.2%
Other long-term debt		81,800	693,939	+748.3%
Total debt	9,246,825	7,260,339	18,068,855	+148.9%
Share capital	500,000	500,000	500,000	-
Reserves, wherefrom:	100,000	100,000	100,000	-
Legal reserves	100,000	100,000	100,000	-
Retained earnings	1,632,699	1,632,700	2,659,691	+62.9%
Result of the period	4,038,503	5,326,991	5,287,485	-0.74%
Equity	6,271,202	7,559,691	8,547,176	+13.1%
TOTAL EQUITY AND DEBT	15,518,027	14,820,030	26,616,031	+79.6%



Debts with a maturity of up to one year increased 3.1 times during the reporting period: from 5,039.9 thousand lei to 15,561.3 thousand lei, due to the evolution of debts related to the distribution activity, which increased 3.6 times on September 30, 2021 compared to the beginning of the year. In the same manner with the evolution of receivables from brokerage activity and, respectively, with the balance of collector accounts designated for the amounts transiting the Company's bank accounts in order to be settled with the insurers, the dynamics of this liability reflects the differences in the intensity of activity over the last settlement cycles pertaining to the reporting period.

Debts with a maturity of more than one year increased by 13%, respectively by 287.1 thousand lei, as a result of the increase in the value of "other debts", from 81.8 thousand lei on January 1, 2021, to 693.9 thousand lei on September 30, 2021, representing two newly concluded financial leasing contracts. At the same time, the value of long-term bank loans decreased by 15.2% as a result of the reimbursement of due installments.

The increase in the value of retained earnings and the result of the reporting period brought forth the equity increase of 2,276 thousand lei, as compared to the similar period of 2020 (+ 36.3%), and of 987.5 thousand lei as compared to the beginning of the period (+13.1%). Equity represents 32.1% in the financing structure of the Company, decreasing by 18.9 p.p. compared to the beginning of the financial year, as a result of the sharp increase in the value of short-term debts related to the distribution activity.

3. Analysis of the economic and financial indicators

3.1. Liquidity and solvency ratios

Liquidity and solvency indicators	Calculation formula	Sept.30, 2019	Dec.31, 2019	Sept.30, 2020	Benchmark
Current ratio	Current assets / Current debt	1.365	2.130	1.390	>2
Cash ratio	Cash/ Current debt	0.778	0.908	0.800	>0.5
Solvency ratios	Total assets / Total debt	1.678	2.041	1.473	>1
	Equity/ (Equity + Total Debt)*100	88.1%	77.3%	77.3%	>30%

The dynamics and the level of current liquidity ratio are mainly determined by the depiction, at a given moment, of short-term debt and current assets derived from the distribution activity. This captures a specific moment in the dynamics of cash flows related to the last settlement cycles between Transilvania Broker and the insurers, on the one hand, and the assistants on the other hand. The ratio value can vary significantly from one settlement cycle to another.

The cash ratio highlights, conversely, the Company's high capacity to cover current debts at the expense of cash; their balance covers debts with a maturity of less than 1 year in proportion of 80%, significantly above the benchmark (50%).

For the third quarter of the financial year 2021, the solvency ratios register comfort levels both in terms of the extent to which the Company's assets can finance total debts as well as the Company's self-financing capacity and ability to meet its payment obligations.

3.2. Debt ratios

Risk ratios	Calculation formula	Sept.30, 2020	Dec.31, 2020	Sept.30, 2021	Benchmark
Long-term debt ratio	Long-term debt / (Equity + Long-term debt) *100	11.9%	22.70%	22.68%	<50%
Total debt ratio	Total debt / Total assets *100	59.6%	48.99%	67.89%	<80%



The ratios calculated for determining the Company's level of indebtedness present values significantly lower than the benchmark, indicating that the Company is positioned in a low risk area.

On September 30, 2021, the long-term debt ratio remains at the same level as registered at the beginning of the year. The increase in equity with the retained earnings and the result for the period (+ 13.1%) is accompanied by a similar percentage increase in long-term debt (+ 12.93%). At the same time, the increase in short-term debt due to the intensification of brokerage activity over the last settlement cycle, compared to the beginning of the reporting period, led to an increase of total debt ratio to a greater extent than the increase in the value of total assets, both in comparison with the reference period as well as relative to the end of the previous year. However, it remains at a level significantly below the 80% benchmark.

3.3. Profitability and cost efficiency

Performance indicators	Calculation formula	Sept. 30, 2020	Sept. 30, 2021
Operating profit margin	Operating result / Turnover *100	8.06%	8.96%
Net profit margin	Net profit / Turnover *100	7.06%	7.69%
Return on equity	Net profit / Equity *100	64.40%	84.31%
Return on long-term capital	Net profit / (Equity + Long-term debt)*100	56.72%	74.26%

On September 30, 2021, the Company registers a favorable evolution for all performance indicators, against the background of an increase in net profit by 30.9%, as compared to the first 9 months of 2020. This is a significantly higher rate than the turnover, equity or permanent capital growth.

THE FINANCIAL STATEMENTS ON THE BASIS OF WHICH THIS REPORT WAS PREPARED HAVE NOT BEEN AUDITED.

Chairman of Board of Directors
Transilvania Broker de Asigurare S.A.,

Mr. DAN NICULAE

[signature]

L.S

Bistrita,
On Nov. 11, 2021



Balance Sheet Transilvania Broker de Asigurare S.A.
on September 30, 2021 (lei)

	01 ianuarie 2021	30 septembrie 2021
Non-current Assets, wherefrom :	4,060,086	4,947,734
Intangible assets	11,886	17,975
Tangible assets	4,027,501	4,911,675
Financial assets	20,699	18,084
Current assets, wherefrom:	10,733,049	21,636,858
Inventories	3,116	0
Receivables related to the distribution activity and other receivables	4,153,504	9,192,892
Short-term investments	2,000,000	0
Cash and cash equivalents	4,576,429	12,443,966
Pre-payments	26,895	31,439
TOTAL ASSETS	14,820,030	26,616,031
Current Debt, wherefrom:	5,039,881	15,561,320
Debt related to the distribution activity	3,939,878	14,040,529
Amounts owed to credit institutions	433,419	433,419
Commercial liabilities and other debts	666,584	1,087,372
Net current assets/ Net current debt	5,720,063	6,106,977
Total assets minus Current debts	9,780,149	11,054,711
Non-current Debt, wherefrom:	2,220,458	2,507,535
Amounts owed to credit institutions	2,138,658	1,813,596
Oter non-current debt	81,800	693,939
TOTAL DEBT	7,260,339	18,068,855
Paid and subscribed share capital	500,000	500,000
Unpaid subscribed share capital	-	-
Reserves	100,000	100,000
Retained earnings	1,632,700	2,659,691
Result of the period	5,326,991	5,287,485
EQUITY	7,559,691	8,547,176
EQUITY AND DEBT	14,820,030	26,616,031

CEO,
Mr. Gabriel Login

Chief Accountant,
Mrs. Oana Pârțiu-Vasilichi



Profit and Loss Statements Transilvania Broker de Asigurare S.A.
on September 30, 2021 (lei)

	September 30, 2020	September 30, 2021
Operating Revenues	57,226,813	68,717,522
Revenues from distribution activity	57,226,201	68,716,855
Revenues from other activities related to the main activity	14,047	6,140
Other revenues	612	667
Operating Expenditure	52,615,745	62,560,176
Expenses with commission fees for brokerage assistants	48,594,188	56,711,990
Expenses with third party services providers	1,353,627	2,470,817
Expenses with personnel	2,124,162	2,720,397
Expenses with disposable and inventory materials	160,931	147,653
Expenses with other taxes, fees and similar payments	78,592	121,113
Value adjustments for current assets	0	(17,459)
Value adjustments for non-current assets	94,382	198,540
Other operating expenses	209,863	207,125
Operating Profit or Loss	4,611,068	6,157,346
Financial Revenues	31,387	34,419
Financial Expenditure	44,226	79,676
Financial Profit or Loss	(12,839)	(45,257)
Gross Profit or Loss	4,598,229	6,112,089
Tax on profit	559,726	824,604
Net Profit or Loss for the reported period	4,038,503	5,287,485

CEO,
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Cashflow Statements Transilvania Broker de Asigurare S.A.
on September 30, 2021 (lei)

Indicators	January 1, 2021	September 30, 2021
CASHFLOW FROM OPERATIONAL ACTIVITY		
1. Cash received from distribution activity	389,996,712	395,947,287
2. Cash paid pertaining to the distribution activity	377,837,236	378,855,753
3. Cash received from sundry debtors	0	7,198
4. Cash paid to suppliers and different creditors	1,907,526	2,347,865
5. Cash paid to and on behalf of employees	2,973,609	2,599,866
6. Payments pertaining to special funds in the distribution activity	73,079	64,530
7. Other cash payments afferent to operational activity	861,342	690,562
8. Cash paid as dividends transferred to shareholders	3,610,585	4,300,000
9. Cash paid as interests pertaining to the loan	61,920	64,088
10. . Paid tax on profits	788,636	733,082
NET CASH GENERATED FROM (PAID IN) OPERATIONAL ACTIVITY	1,882,781	6,298,739
CASHFLOW OUT OF INVESTMENT ACTIVITY		
1. Cash paid for purchase of assets	1,980,094	0
2. Cash received from reimbursement of loans granted to third parties	8,529	0
3. Cash received from interests generated by debt instruments	33,386	33,542
4. Cash payments for other short-term investments	2,000,000	0
NET CASH GENERATED FROM (USED IN) INVESTMENT ACTIVITY	-3,955,235	33,542
CASHFLOW RELATED TO FINANCING ACTIVITY		
1. Cash received from issuance of bonds, debt securities or other loans	1,611,713	0
2. Cash paid to reimburse borrowed amounts	239,236	325,872
3. Cash received from funds borrowed from shareholders	22,220	15,450
4. Cash paid for reimbursement of amounts borrowed from shareholders	18,820	15,450
5. Cash paid for financial lease contracts	59,533	138,872
NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES	1,316,344	-464,744
CASH AND CASH EQUIVALENTS on January 1st, 2021	5,332,539	6,576,429
NET INCREASE OR DECREASE OF CASH AND CASH EQUIVALENTS	-756,110	5,867,537
CASH AND CASH EQUIVALENTS ON SEPTEMBER 30, 2021	4,576,429	12,443,966

CEO,
Mr. Gabriel Login

Chief Accountant,
Mrs. Oana Pârțu-Vasilichi



EQUITY CHANGES IN THE REPORTING PERIOD (September 30, 2021)

Item name		2021 January 1 st balance	Increases		Decreases		2021 September 30 th balance
			Total, of which:	By transfer	Total, of which:	By transfer	
Subscribed capital		500,000	0	0	0	0	500,000
Capital premium		0	0	0	0	0	0
Revaluation reserves		0	0	0	0	0	0
Legal reserves		100,000	0	0	0	0	100,000
Reserves representing the surplus realised on revaluation reserves		0	0	0	0	0	0
Other reserves		0	0	0	0	0	0
Retained earnings representing retained profit or loss							
	Sold C	1,632,700	5,326,991	0	4,300,000	4,300,000	2,659,691
	Sold D	0	0	0	0	0	0
Retained earnings representing retained profit or loss							
	Sold C	0	0	0	0	0	0
	Sold D	0	0	0	0	0	0
Result for the financial year							
	Sold C	5,326,991	5,287,485	0	5,326,991	0	5,287,485
	Sold D	0	0	0	0	0	0
Total own capital		7,559,691	10,614,476	0	9,626,991	4,300,000	8,547,176

Drawn up,

CEO,
Mr. Gabriel Login

Chief Accountant,
Mrs. Oana Pârțiu-Vasilichi



EXPLANATORY NOTES TO THE ACCOUNTING REPORTS

DRAFTED ON SEPTEMBER 30, 2021

1. Intangible Assets

The intangible assets that meet the recognition criteria provided by Standard 36/2015 are presented at the cost of acquisition, wherefrom the accumulated depreciation was subtracted.

The costs for the purchase of software are capitalized and paid off on a straight-line method basis over its lifetime.

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

Licenses and other intangible assets are depreciated using the straight-line method over an estimated period of 3 years.

2. Tangible Assets

Cost / Evaluation

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

The expenditures with maintenance and repairs of tangible assets are recorded by the Company in the profit and loss account when incurred, while the significant improvements brought to tangible assets, which increase the value or duration of their useful life, or which increase significantly their capacity to generate economic benefits by the Company, are capitalized.

The tangible fixed assets in progress are included in the category of fixed assets completed after their acceptance, commissioning or start-up, as appropriate.

Depreciation

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

- Landscaping 10 years;
- Construction 40 years;



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

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

Tangible assets held under financial leasing

On September 30, 2021, the Company has three ongoing financial leasing contracts having as object means of transportation:

- contract concluded in 2020 for a period of 5 years, with an entry value of 163,912 lei; on September 30, 2021, the book value of this tangible fixed asset held under financial leasing is 122,937 lei;
- contract concluded in 2021 for a period of 5 years, with an entry value of 141,913 lei; on September 30, 2021, the book value of this tangible fixed asset held under financial leasing is 136,000 lei;
- contract concluded in 2021 for a period of 5 years, with an entry value of 364,607 lei; on September 30, 2021, the book value of this tangible fixed asset held under financial leasing is 354,479 lei.

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Assets de-registration

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

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

3. Financial Assets

Financial assets are initially recorded at the acquisition cost or value determined in the contract for their acquisition. Further, the financial assets are recorded at the entry value less the adjustments accumulated for the value loss.

4. Commercial Receivables

Trade receivables are recognized and recorded at the initial amount to be received less the adjustments for depreciation for the non-collectible amounts. The adjustments are made when there is evidence that the Company will not be able to collect receivables on the initially agreed maturity. Non-collectible receivables are recorded as expenses when they are identified.



5. Cash and Cash Equivalent

Liquid assets consist of cash at the cashier's office and bank accounts. For the Cash Flow Statement, cash and cash equivalents include cash at the cashier's office and bank accounts.

6. Financial Debts

Trade obligations are recorded at cost, which represents the amount of the obligation that will be paid in the future for the goods and services received, whether or not they have been invoiced to the Company. For the debts in RON, the settlement of which is made according to the exchange rate of a currency, any favorable or unfavorable differences resulting from their valuation are recorded in financial income or expenses, as appropriate.

7. Leasing Contracts

The financial leasing contracts, which transfer to the Company all the risks and benefits pertaining to leased tangible fixed assets, are capitalized at the start of the lease in 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 income statement.

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

8. Provisions

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

9. Share Capital

The share capital, made of general shares, is registered at the value established based on the articles of incorporation. The company acknowledges the changes in the share capital only after their approval in the General Assembly of the Shareholders.



10. Legal Reserves

Legal reserves represent 5% of the gross profit at the end of the financial year until the total legal reserves reach 20% of the paid-up share capital in accordance with the legal provisions. On September 30, 2021, the Company has a legal reserve at the level required by the regulatory documents, respectively 20% of the share capital.

11. Securities

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

12. Income Recognition

Operating Incomes

The amounts or values received or to be received on own behalf from current activities, as well as gains from any other sources are included in the category of incomes. The operating incomes of the Company include incomes from the distribution activity, as well as from other operating incomes. The turnover of the Company is made of incomes that come from counseling and proposal of insurance and/or reinsurance contracts and incomes from other activities related to the distribution activity.

The Company's incomes are recorded as the services are provided based on the invoice or under other conditions provided for in the contracts signed by the Company.

Incomes from the sale of goods

Incomes from the sale of goods are recorded when the goods are delivered to the buyers, when they are delivered based on invoice or in other conditions provided for in the contract, which certifies the transfer of the property right on the said goods to the clients.

Incomes from royalties, rents and interests

These are recognized as follows:

- interest shall be recognized periodically, on a pro rata basis, as the income is generated, based on the accrual accounting;
- royalties and rents are recognized based on accrual accounting, according to the contract.



13. Taxes and Duties

The company records in the accounts tax on the current profit, according to the Romanian legislation in force on the date of the financial situations. The debts related to taxes and duties are recorded in the period to which they relate.

14. Accounting Errors

The errors found in the accounts may relate either to the current financial year or to the previous financial years. The corrections of errors are made on the date of their finding.

The correction of errors related to the current financial year is made at the expense of the profit and loss account. The correction of significant errors related to the previous financial years is made at the expense of the retained earnings.

15. Currency Conversions

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

The RON/EUR exchange rates on December 31, 2020 and September 30, 2021 were as follows:

Moneda	December 31, 2020	September 30, 2021
LEU/EUR	4.8694	4.9471

16. INTANGIBLE ASSETS

GROSS VALUE / Assets elements	Initial balance January 1, 2021	Increases	Decreases		Final balance September 30, 2021
			Total	Din care: casari	
Licenses and other intangible assets	87,686	1,367	0	0	89,053
TOTAL	87,686	1,367	0	0	89,053



DEPRECIATION / Assets elements	Initial balance January 1, 2021	Depreciation during the year	Depreciation for the assets taken out of evidence	Final balance September 30, 2021
Licenses and other intangible assets	75,800	6,156		81,956
TOTAL	75,800	6,156	0	81,956

Book value	11,886			17,975
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The company acquired intangible assets in the first 9 months of 2021, amounting to 12,245 lei. The depreciation related to intangible assets recognized by the Company for the first 9 months of 2021 is 6,156 lei.

17. TANGIBLE ASSETS

GROSS VALUE / Assets elements	Initial balance January 1, 2021	Increases	Decreases		Final balance September 30, 2021
			Total	Of which: disposal	
Lands and buildings	3,811,840	7,193	0	0	3,819,033
Technical installations and means of transport	999,445	1,046,747	0	0	2,046,192
Other installations, devices and fixtures	103,767	22,617	0	0	126,384
Prepayments and pending tangible assets	0	0	0	0	0
TOTAL	4,915,052	1,076,558	0	0	5,991,610

DEPRECIATION / Assets elements	Initial balance January 1, 2021	Depreciation during the year	Depreciation for the assets taken out of evidence	Final balance September 30, 2021
Landscaping	3,219	1,448	0	4,667
Buildings	85,821	48,382	0	134,204
Technical installations and means of transport	712,705	130,831	0	843,536
Other installations, devices and fixtures	85,806	11,722	0	97,529
TOTAL	887,551	192,384	0	1,079,935
Book value	4,027,501			4,911,674



During the first 9 months of 2021, investments in landscaping and buildings are in the amount of 7,193 lei; the investments in technical installations and means of transport during the first 9 months of 2021 amounted to 1,046,747 lei.

The value of the depreciation recognized by the Company in the first 9 months of 2021 for tangible fixed assets is 192,384 lei.

18. FINANCIAL ASSETS

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

GROSS AMOUNT	Initial balance January 1, 2021	Increases	Decreases	Final balance September 30, 2021
Guarantees and long-term receivables	20,699	0	2,615	18,084
TOTAL	20,699	0	0	18,084

AJUSTARI DEPRECIERE	Initial balance January 1, 2021	Increases	Decreases	Final balance September 30, 2021
Guarantees and long-term receivables	0	0	0	0
TOTAL	0	0	0	0

Book value	20,699		2,615	18,084
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19. COMMERCIAL RECEIVABLES AND OTHER RECEIVABLES

Receivables elements	Row no.	Balance on January 1, 2021	Balance on September 30, 2021	Liquidity term		
				Under 1 year	1 - 5 years	Over 5 years
0	1	2	3 = 4 + 5 + 6	4	5	6
TOTAL RECEIVABLES (rows 1 to 8 – row 9+row 10+row 11), of which:		4,153,504	9,192,891	9,192,891	0	0
Receivables related to the distribution activity	1	886,913	1,069,853	1,069,853	0	0
Adjustments for the depreciation of receivables related to the distribution activity	2	-43,895	-43,895	-43,895	0	0
Pre-payments for provision of services	3	978,757	513,978	513,978	0	0
Pre-payments for personnel and other related receivables	4	0	0	0	0	0
Receivables related to the state budget	5	0	0	0	0	0



Receivables related to the social insurance budget	6	83,294	97,588	97,588	0	0
Receivables related to the subscribed and unpaid share capital	7	0	0	0	0	0
Receivables from various debtors	8	2,309,414	7,551,978	7,551,978	0	0
Adjustments for the depreciation of receivables from various debtors	9	-60,980	-43,521	-43,521	0	0
Settlement from operations pending to be clarified	10	0	46,909	46,909	0	0

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

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

20. CASH AND CASH EQUIVALENTS

Indicator	December 31, 2020	September 30, 2021
Current and collector accounts at banks (RON)	2,926,761	8,317,357
Deposit accounts (RON)	1,649,662	4,123,770
Cash in the cashier's office (RON)	7	1,839
Other values (RON)	0	0
Treasury advance money	0	1,000
TOTAL	4,576,423	12,443,966

21. TRADE DEBTS AND OTHER DEBTS

Debts elements	Row no.	Balance on January 1, 2021	Balance on September 30, 2021	Maturity date		
				Under 1 year	1 - 5 years	Over 5 years
0	1	2	3 = 4 + 5 + 6	4	5	6
TOTAL DEBTS (rows 1 to 15), of which:		7,260,339	18,068,853	15,561,	2,512,868	0
Bond issue loans	1	0	0	0	0	0
Amounts owed to credit institutions	2	2,572,077	2,247,013	433,419	1,813,594	0
Receivables related to the distribution activity	3	3,939,878	14,040,529	14,040,529	0	0
Amounts owed to affiliated entities	4	0	0	0	0	0
Debts from leasing contracts	5	104,937	476,519	98,580	377,939	0
Debts to the suppliers and various creditors	6	113,909	575,364	259,364	316,000	0
Debts to personnel	7	115,516	259,045	259,045	0	0



Amounts owed to assistants and auxiliary assistants	8	34,425	23,011	23,011	0	0
Debts to the social insurance budget	9	93,384	111,910	111,910	0	0
Debts to the state budget	10	214,804	309,480	309,480	0	0
Debts to special funds in the distribution activity	11	20,186	24,373	24,373	0	0
Debts with other taxes, fees and assimilated payments	12	0	0	0	0	0
Debts with the amounts to be refunded to the shareholders	13	3,400	0	0	0	0
Debts with the dividends due to the shareholders	14	1,610	1,610	1,610	0	0
Settlement from operations pending to be clarified	15	46,212	0	0	0	0

The Company's debts as of September 30, 2021 mostly relate to debts owed to insurance companies, amounts settled in October 2021.

Debts to financial-banking institutions are represented by two investment loans. The long-term loan in the amount of 1,400,000 lei was contracted by the Company in 2018, in order to finance the acquisition of a building in Bistrita (the current headquarters of the Company) and two land lots related to the construction, in a total amount of 1,698,272 lei. The loan is reimbursed in equal installments set for a period of 84 months, the final maturity being on December 1, 2025. The amount remaining to be reimbursed on September 30, 2021 is 848,900 lei. The Company constituted the following guarantees for the received loan: security on bank accounts opened with the bank; real estate mortgage on the construction and the two land lots. The second loan, amounting to 1,611,713 lei, was contracted in 2020 to finance the acquisition of a building and related land in Bucharest; the reimbursement of this loan is made in 84 equal monthly installments, with the final maturity on September 29, 2027. As of September 30, 2021, the balance of this loan is 1,398,113 lei. The building and land lots financed by this loan are mortgaged in favor of the bank. For both loans, the interest rate is set according to the 6-month ROBOR index and the bank's margin.

Debts owed to state budget, social security budgets and personnel, representing due taxes and fees, refer to amounts paid on the due maturity date.

22. PROVISIONS

The Company did not deem necessary to set up provisions on September 30, 2021.



23. SHARE CAPITAL

Indicator	December 31, 2020	September 30, 2021
Value of the subscribed and paid share capital (RON)	500,000	500,000
Number of ordinary shares	2,500,000	2,500,000
Nominal value (RON/share)	0,20	0,20

24. RESERVES

Reserves	December 31, 2020	September 30, 2021
Legal reserves	100,000	100,000

25. NET TURNOVER

Nature of achieved incomes	September 30, 2020	September 30, 2021
Incomes from the distribution activity, of which:	57,226,201	68,716,855
Incomes from counseling and proposal of insurance and/or reinsurance contracts	57,212,571	68,710,715
Other activities related to the distribution activity	13,630	6,140
Incomes from the creation of insurance products in association with insurers	0	0
Incomes from the organization of professional training courses in insurance and re-insurance	0	0
Commercial discounts granted	0	0
Incomes from royalty, commercial leasing and rentals	0	0

26. EXPENSES WITH PERSONNEL

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

Indicator	September 30, 2020	September 30, 2021
Expenses with the employees' remuneration	2,018,734	2,591,392
Expenses related to lunch vouchers granted to employees	48,281	58,635
Expenses with insurance and social insurance	11,675	11,936
Labor insurance contribution	45,472	58,434
Expenses with personnel training	2,083	120
TOTAL:	2,126,245	2,720,517



27. ANALYSIS OF OTHER EXPENSES AND OF THE OPERATING OUTCOME

a) OPERATING RESULT

Indicator	Accounting reporting on September 30, 2020	Accounting reporting on September 30, 2021
1. Net turnover	57,226,201	68,716,855
2. Cost of the goods sold and services rendered (3+4)	48,810,318	56,928,090
3. Costs related to the main activity	48,810,318	56,928,090
4. Costs related to auxiliary activities	0	0
5. Gross outcome related to the net turnover (1-2)	8,415,883	11,788,765
6. General administrative expenses	3,849,653	5,729,221
7. Other operating income	31,998	52,545
8. Operating result (5-6+7)	4,598,229	6,112,089

b) OTHER OPERATING EXPENSES

Indicator	Value on September 30, 2020	Value on September 30, 2021
Energy and water expenses	33,693	36,825
Expenses on maintenance and repairs	23,557	82,610
Royalties, commercial leasing and rental expenses	95,985	139,253
Insurance premiums expenses	73,384	76,894
Expenses with personnel training	2,083	120
Expenses with collaborators	0	0
Expenses on commissions and fees	0	0
Protocol, advertising and publicity expenses	326,902	483,500
Transport of goods and of personnel expenses	0	0
Expenses with travels, assignments and transfers	2,141	8,973
Postage and telecommunications expenses	134,727	157,805
Expenses with bank services and assimilated services	88,788	137,707
Other expenses with third party services	572,367	1,347,130
TOTAL	1,353,627	2,470,817



28. TAX ON PROFIT

Indicator	Value on September 30, 2020	Value on September 30, 2021
1. Gross profit or loss	4,038,503	5,287,485
2. Elements similar to incomes	0	0
3. Legal reserves	0	0
4. Non-taxable incomes	0	17,459
5. Non-deductible expenditure	815,570	1,114,538
6. Difference of financially non-deductible depreciation	4,659	57,651
7. Taxable profit / fiscal loss for the reporting year (row 1+2-3-4+5+6)	4,858,732	6,442,215
8. Fiscal loss from the previous years	0	0
9. Taxable profit/ fiscal loss to be recovered from the previous years (row 7-8)	4,858,732	6,442,215
10. Current tax on profit (row 9*16%)	777,397	1,030,754
11. Tax related to reinvested profit	0	0
12. Tax on due profit (row 10-11)	777,397	1,030,754
13. Tax on profit due for 1st quarter	401,814	535,046
14. Expenses with sponsorships	155,479	206,151
15. Bonus 10%	62,192	0
16. Impozit pe profit datorat la sfarsitul perioadei	157,912	289,558

29. OTHER INFORMATION

Information on the relation with affiliated entities and other related parties

The Company does not have contributions in other entities.

Expenses with rentals and leasing

The company has two ongoing financial leasing contracts, whose balance on September 30, 2021 amounts to 476,519 lei.

The rentals expenses are in the amount of 139,253 lei. The rentals are related to the locations used by the Company as secondary offices.

30. Aspects related to the environment

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



31. Commitments - Guarantees granted to third parties

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

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

CEO,
Mr. Gabriel Login

Drawn up,
Mrs. Pârțiu Vasilichi Oana
Head of the Accounting Department