



Transilvania Broker[®]
BROKER DE ASIGURARE

2022 ANNUAL REPORT

Issue Date	April 27th, 2023
Name of Company	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 on	Regulated Spot Market, Main Segment
Trading Symbol	TBK



Contents

RETROSPECTIVE and OUTLOOKS	1
1. Analysis of the Company's activities	3
1.1. General assessment.....	6
1.2. Assessment of the technical operations of the Company.....	9
1.3. Assessment of sales activity	13
1.4. Assessment of the Company's personnel	15
1.5. Perspective approach.....	15
1.6. Assessment of the impact of Issuer's activity on the environment	16
1.7. Assessment of research and development activity.....	17
1.8. Assessment of the Company's risk management.....	17
2. Tangible assets of the Company	19
3. The market for the securities issued by the Company	19
4. Corporate Governance	22
4.1. Issuer's management – Corporate Governance Structures	22
4.2. The Statement of the Company regarding the compliance with the Corporate Governance Code, Bucharest Stock Exchange	25
5. Analysis of the economic financial position of the Company	29
5.1. FINANCIAL POSITION ANALYSIS	29
5.2. FINANCIAL PERFORMANCE EVOLUTION.....	31
6. Litigations	33

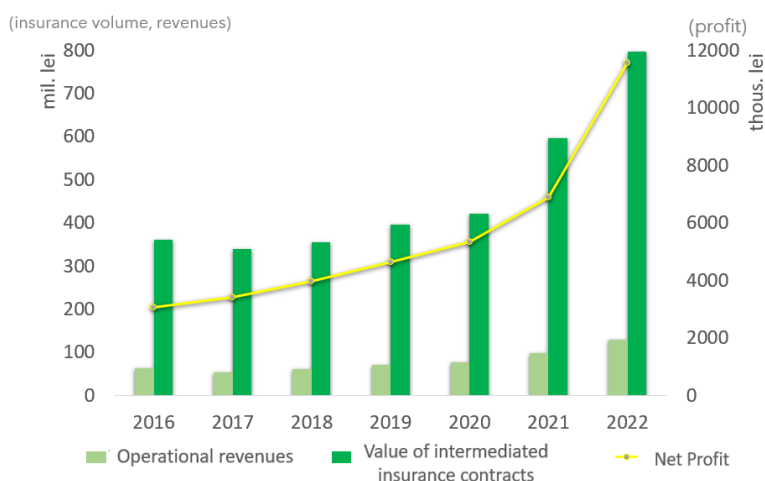


RETROSPECTIVE and OUTLOOKS

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%¹, 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.

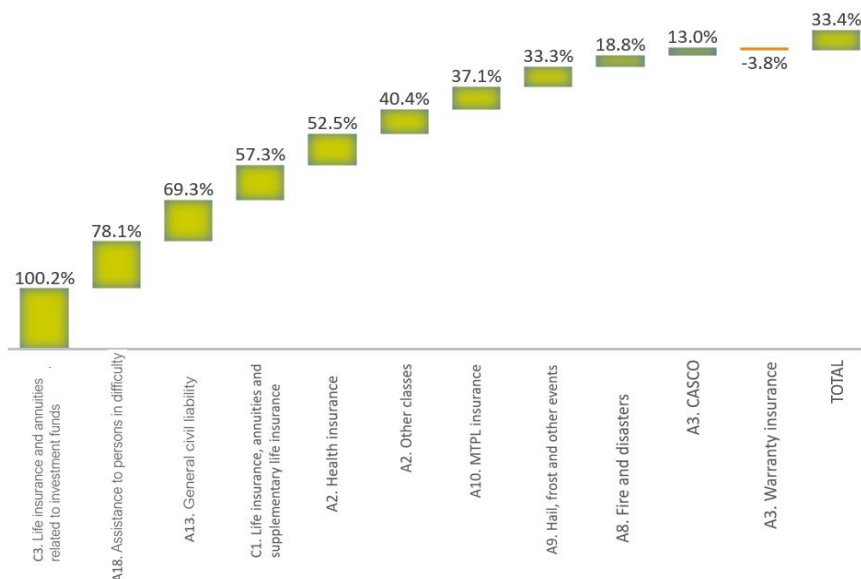
This dynamic was driven by a 34.1% increase in the volume of insurance contracts as compared to 2021, on a commission level of 16.3%, adjusted to the particular conditions of the insurance market in 2022 and by a net profit margin of 8.9%, itself up 28% on the previous year.

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 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.

¹ 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.



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).**

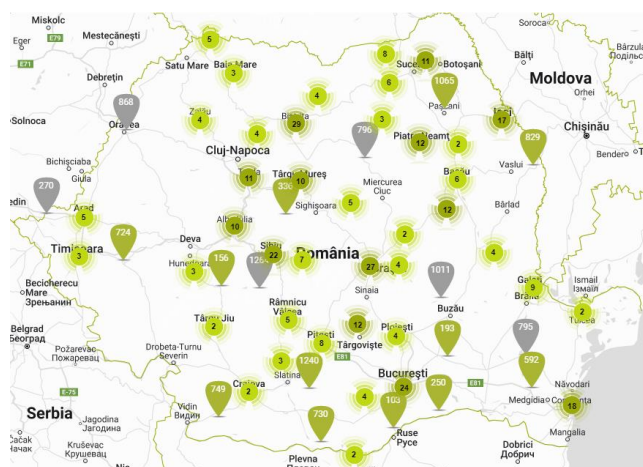


A new priority direction for the company's management will be investment in education: education of the public on the importance of insurance but also the ongoing training of the company's key human resource, brokerage assistants. In this respect, the Academia Transilvania project will take the form 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.

1. Analysis of the Company's activities

TRANSILVANIA BROKER de ASIGURARE S.A (herein referred to as "Transilvania Broker", "Company", "Issuer"), an insurance brokerage company set up and registered in 2006, runs its operations in compliance with the provisions of the Companies' Law 31/ 1990, Law 236/ 2018 on the distribution of insurance and the legislation pertaining to capital market. The Company is licensed by the Financial Supervisory Authority to conduct brokerage services in the commercial insurance field under no. 114420 of November 21st, 2006 and is enrolled in the Insurance Brokers' Register under no. RBK 374.



Though at the beginning active only in Bistrita Nasaud county, at the date of this report the services of Transilvania Broker are offered at national level, in Bucharest and other 39 counties, through over 1,000 brokerage agents.

The development strategy was built on objectives such as diversification of services portfolio, extension of territorial network, consolidation of partnerships with both insurer companies and their collaborators and lately, for the past 2

years, it has been completed with digitalisation of customer interaction and service, expansion of the target market in the online area, addressing the Bucharest market and the intensive promotion of Transilvania Broker brand and offer on multiple channels of communication with the market.

The insurance distribution market continues to validate the Company's development strategy. According to the latest ASF report, at the end of the third quarter of 2022, Transilvania Broker de Asigurare ranked among the top 5 companies among the 268 active brokerage companies in Romania, according to the market share calculated on the basis of revenues from insurance intermediation (6.31%), up from the level for 2021 (6.22%). Transilvania Broker de Asigurare's market share increased for all significant insurance classes through their contribution to the volume of intermediated premiums, with the company occupying more advantageous positions in the rankings for general liability, guarantees, health insurance classes.



Insurance category	Q32021 (%)	Q3 2022 (%)
Total	5.74%	↑ 6.31%
General insurance	6.21%	↑ 6.48%
<i>Motor civil liability</i>	7.98%	↑ 8.11%
<i>Guarantee insurance</i>	5.18%	↑ 7.05%
<i>General civil liability</i>	3.83%	↑ 5.63%
<i>Insurance against fire and other disasters</i>	5.65%	↓ 5.45%
<i>Property damages insurance</i>	3.68%	↑ 4.00%
<i>CASCO</i>	3.32%	↑ 3.40%

The decision to publicly list the Company's shares on the regulated market of Bucharest Stock Exchange starting November 2nd, 2017 under TBK symbol represents a critical turning point in the Company's trajectory: a critical maturity threshold touched and the perspective of a new development era.

In 2022, Transilvania Insurance Broker celebrated the 5th anniversary of the first day of trading of its shares on the Bucharest Stock Exchange, Regulated Market, November 2, 2017, being the first Romanian insurance brokerage company listed on the stock exchange. The upward trajectory of the share price was supported by the economic and financial performance that exceeded investors' expectations. This was due to the strategy of maintaining and growing the franchise network through commission schemes and support tools for brokerage assistants, as well as the intensive pioneering project of digitisation of back-office and front-office activity. At company level, this accelerated momentum has been accompanied by the progressive adoption of corporate governance structures and processes in step with the development of the business.

Main Activity

The Company carries out activities and services that are specific to the insurance distribution field and is authorised as insurance brokerage company by the Financial Supervisory Authority. According to the Articles of association, the main activity field resides in NACE code 662, "Auxiliary activities of insurance and pension funds", with main activity subcategory in "Activities of insurance agents or brokers; negotiations for natural and legal persons, insured or potentially insured, of concluding insurance contracts and providing assistance before and during the contracts' execution period or related to damages' claims and compensations, as the case may be (NACE Code 6622)".

Following the Resolution no. 15 of the EGSM gathered on September 7, 2021, the Issuer's activities portfolio has been completed with "other auxiliary activities of insurance and pension funds" (NACE code 6629)", which represent distribution activities for pension products.

The mandatory civil liability insurance contracts - vehicles, professional indemnity or general civil liability - represent, by volume and number, the largest part of the premiums concluded by the brokerage agents appointed by Transilvania Broker de Asigurare S.A. Besides, the Company intermediates a varied portfolio of insurance premiums: life and health insurances, on whose development it has effectively focused a significant part of human and financial resources for the past years; accident insurances; land, railway, sea, and air transport insurances; home, buildings or construction workings insurances; insurance for goods in transit, of machines, equipments and appliances; credit insurance, guarantees and financial loss insurances.



The Company addresses all demand segments of the insurance market. It places “the Client” in the centre of its philosophy and business model and offers a comprehensive coverage for the Client’s insurance needs. All brokerage agents are trained and have the necessary tools to offer insurance schemes and programs that are completely tailor made on the Client’s integrated interests.

The services that are offered are not limited to the intermediation on insurance market, but also include services of identification, assessment and management of risks, creating solutions for minimisation or transfer of insurable risks, analyses of efficiency and efficacy of insurance contracts in their validity period. The Company also offers to represent the client's interests throughout the validity of the insurance contract, not only at the stage of selecting the optimal alternative and the negotiation of the conditions and terms of insurance. Transilvania Broker de Asigurare undertakes the management of insurance contracts for the whole validity period with focus on adapting to the Client’s business dynamics and needs, as well as sorting out of potential damages and good receipt of compensation thereto.

Closely connected to the extensive and intensive development of sale departments through the online segment development, the Company created and consolidated the back office function. The human and technical resources are in place in order to offer, with minimum human and system errors, the support needed by both the Company’s agents and the clients, for conclusion of insurance policies or sorting out of damages claim files. In this regard, the Company offers continuous professional training to its agents, as well as continuous development of the working platform by adding new functionalities for a better management of offers and corresponding information for the Clients.

Legal
aspects

The Company’s operations comply with the provisions of the Companies’ Law 31/ 1990, republished, with further amendments and Law 236/ 2018 on the distribution of insurance. Also, the Company runs its activity in compliance with the legal provisions and regulations issued by the Financial Supervisory Authority (ASF) pertaining to insurance and reinsurance field, with accounting and fiscal legislation (Accounting Law 82/ 1991, republished, with further amendments, Law 227/2015 pertaining to Fiscal Code, republished, with further amendments, ASF Norm 36/2015 for the approval of Accounting Regulations regarding the individual annual financial statements and the consolidated annual financial statements of the entities performing insurance and/or reinsurance activities).

The Company is publicly listed on Bucharest Stock Exchange as of November, 2017: The Spot Regulated Market, main segment, standard category. In its capacity of Issuer of securities, Transilvania Broker de Asigurare S.A. complies with the provisions of laws and regulations pertaining to the capital market (Law 24/2017 regarding issuers of financial instruments and market operations, republished, FSA Regulation no. 5/2018 regarding issuers of financial instruments and market operations, with subsequent amendments and changes, the EU Regulation 596/2014 with regards to market abuse etc.).

Significant
reorganizations

No merger, split-off, acquisition or any other changes to the assets of the Company took place within the reporting period.



Purchase / sale
of assets

During 2022, the book value of property, plant and equipment decreased by 6%. Investments in equipment, technical installations and furniture made during 2022 amounted to RON 66,538 and the depreciation amount recognized by the Company in 2022 for tangible fixed assets is RON 340,233. In 2022 there were no disposals or write-offs of tangible fixed assets. As at 31 December 2022, the Company has no impairment adjustments for tangible fixed assets.

Main
results

Transilvania Broker reports, for the year 2022, a turnover by 31.3% above the level reported on 31.12.2021, while the positive net result, amounting to 11.5 million lei, exceeded by 67.5% the profit in the reference period (2021).

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

The values of all indicators assessing the financial position, i.e. current liquidity, financial solvency and debt ratio, in the reporting period (2022), are outside the risk ranges and reflect a sound financial position in both the short and long term. The company dispose of the resources and capital it needs to meet all its obligations to third parties without constraint, regardless of their due dates, and to fuel the budget required to implement its investment and dividend policies.

During the reporting period, Transilvania Broker recorded increases in the volume of premiums written for 78% of the insurance classes. Among these, class A13 (General Liability, excluding MTPL) stands out, where the volume of premiums written increased from MDL 10.6 million to MDL 17.9 million (+69.3%), as well as the classes of health insurance, life insurance and annuities, where the increases 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).

1.1. General assessment

The annual individual financial statements were prepared by the Company in compliance with the provisions of the Accounting Law no. 82/199, republished with further amendments and with the FSA Norm 36/2015 for the approval of the Accounting Regulations regarding the individual annual financial statements and the consolidated annual financial statements applicable to the insurance and/or reinsurance brokers in force on the reporting date 31.12.2018 ("FSA Norm 36/2015").

The management of the Company expressly and unconditionally declares the compliance of the annual financial statements with all the applicable provisions under FSA Norm 36/2015. In terms of taxes, the Company's approach is in compliance with the provisions of the Fiscal Code Law no. 227/2015.

In accounting for the financial effects of the Company's operations, the bookkeeping principles and rules regarding the *recognition and valuation the patrimonial elements* were observed. The methods and rules of accounting and presentation of the elements of assets, liabilities and equity, respectively of the results obtained, were applied consistently, in order to ensure the *comparability over time of the accounting information*.



Clearance operations between assets and liabilities, between registered revenues and expenditures *were not performed. The assumption of business continuity is confirmed*, as there were no reasons or causes found to hinder then normal activity of the Company for a predictable time period.

The economic and financial operations and transactions carried out by the Company were registered in the accounting records of the Company on the basis of the supporting documents, in compliance with the legal provisions in force, and the results obtained are:

1. **Net Profit: 11,529,337 lei**

2. **Net turnover: 129,892,569 lei**

3. Liquidity and solvency indicators:

Indicators	Calculation formula	31.12.2021	31.12.2022	Benchmark
Current ratio / Quick ratio	Current assets/Current debts	1.847	1.811	>2
Cash ratio	Cash/Current debts	1.02	0.58	>0.8
Leverage ratio	Total Assets /Total debts	1.891	1.832	>1

Liquidity ratios

Equity to capitalization ratio	Equity /(Long term debt + Equity) *100	81.1%	85.6%	>30%
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The company's liquidity ratios highlight values inside the comfort range, with the mention that that these indicators reflect the specifics of the insurance distribution activity, where the due terms for receivables and debts in relation to insurers, on the one hand, and brokerage agents, on the other hand, are regulated by law and internal procedures. In this context, the relevance of current and quick ratios are relatively low, while the cash ratio indicator confirms that the Company dispose of cash volumes exceed ing current debt.

During the reporting period, the increase in the value of total assets was higher than the increase in the total debt of the Company. The difference was mainly fueled by the increase in the value of current assets. For this reason, the leverage ratio decreases in value, but remains well above the benchmark.

At the same time, the share of equity in total permanent capital increased from 81.1% to 85.6%, confirming, once again, the high self-financing capacity of the Issuer and its ability to meet payment obligations.

4. Debt ratio indicators

Risk indicators	Calculation formula	31.12.2021	31.12.2022	Benchmark
Indebtedness Ratio	Borrowed capital/ Permanent capital *100	19%	14.4%	<50%



Debt ratio	Total Debt/ Total Assets*100	53%	54.5%	<80%
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Risk indicators

In 2022, the equity value increased by 3,904.3 thousand lei, while the absolute value of long-term debt decreased slightly (-4.6 thousand lei). As a result, the debt ratio indicator, expressed as ratio between the borrowed and permanent capital, decreases its value, expressing a low level of financial risk with high financial balance. Moreover, the debt ratio as compared to the maximum reference threshold confirms a high capacity to honour the company's commitments towards partners, an adequate credit risk management, as well as easy access to funding on the money markets.

5. Margin and profit ratios

Profit ratios	Calculation formula	31.12.2021	31.12.2022
Operating profit margin	Operating profit / Sales *100	8.30%	10.2%
Net profit margin	Net profit / Sales *100	6.96%	8.9%
Return on equity ratio	Net profit / Equity *100	67.9%	82.1%
Return on long-term capital ratio	Net profit / Long-term capital *100	55%	70.3%

Profitability indicators

In 2022 , the profitability of Transilvania Broker de Asigurare's business increased at a higher rate than ever before, with profit margins by 23% (gross operating margin) and 28% (net profit margin) higher than the previous year. The increase in shareholders' equity to a significantly lesser extent than the increase in net profit, against the backdrop of a decrease in retained earnings following the payment of a substantial dividend, led to significant increases in the financial return margin and the return on permanent capital, to the direct benefit of the company's shareholders.

6. Cash - flow: changes that occurred in terms of cash flows pertaining to the main activity, financial investment and operations, cash equivalents at the beginning and end of reporting period

Indicator	Results pertaining to the reporting period	
	31.12.2021	31.12.2022
NET CASH FROM OPERATING ACTIVITIES	4,771,765	4,847,262
NET CASH FROM INVESTMENT ACTIVITIES	1,809,373	-5,947,745
NET CASH FROM FINANCING ACTIVITIES	-579,274	-658,283
CASH AND CASH EQUIVALENTS ON JANUARY 1ST	4,576,429	10,578,292
NET INCREASE/ DECREASE OF CASH AND CASH EQUIVALENTS	6,001,864	-1,758,766
CASH AND CASH EQUIVALENTS ON DECEMBER 31ST	10,578,293	8,819,527



cash flow supports the economic development and the financial capacity to support the equity and borrowed capital as well.

Cash-flows

The cash and cash equivalents of the Company on December 31st, 2022 dropped by 16.63% as compared to the previous year, a dynamic explained by the constitution of the bank term deposit, as presented in the balance sheet position *short term investment*, amounting to 6,000 thous. lei.

Out of the *Operating Activities* the Company registered a positive cash flow of 4,847,262 lei. The amplitude of the dynamics of the cashflow generated in the operating activity depicts the capacity of the Company to provide for the adequate cashflow needed for maintaining operating activities, issue dividends and reimburse loans with no need to address other external financing resources.

The *Investment Activity* generated a negative cash flow in 2022, of (- 5,947,745 lei), mainly as the result of the establishment of the term deposit of 6 mil. lei. In 2022, the Company earned bank interest in amount of 132,814 lei.

The financial activity of the Company generated a negative cash flow of (-658,283 lei), out of the payment of due instalments of the bank loans in total amount of 433,419 lei, of the stock buy-back operation in total value of 125,000 lei, as well as out of the payments related to financial leasing contracts, amounting to 99,864 lei.

c) Market share

Market share

According to the latest report of the Financial Supervisory Authority available at the time of drafting this annual report², the degree of intermediation on the Romanian insurance market continues the upward trend of the last 4 years, reaching 75.22% on 30.09.2022, 5.6 p.p. above the level calculated for 2021. In January-September 2022, the volume of gross premiums underwritten through intermediaries in the general insurance category increased to 87.7%, while in the life insurance sector, the percentage reached almost 14.5%. In absolute terms, the value of intermediated premiums exceeded RON 9 billion, a level only 8% below the volume reported for the whole of 2021 and about 38% higher than in the same period of 2021. The growth rates for the distribution ratio indicators as well as the intermediated volumes were higher than in previous years for both main categories - general insurance and life insurance.

In this increasingly competitive market, Transilvania Broker de Asigurare S.A. held 6.31% of the insurance distribution market as at 30.09.2022, occupying the fourth position in the ranking of the top 10 insurance brokers according to revenues from intermediation in the general insurance market.

1.2. Assessment of the technical operations of the Company

TRANSILVANIA BROKER de ASIGURARE S.A.. carries out its activities and provides professional services on the commercial insurance market in Romania.

The main insurance products that are intermediated by the Company are:

Main services and products

itatea de Supraveghere Financiară, 2022, Evoluția pieței de asigurări în primele 9 luni ale anului 2022, <https://www.asfromania.ro/uploads/articole/attachments/63a18f9d02712227990878.pdf>



- Life insurance;
- Health Insurance;
- Accident insurance;
- Insurance of land transport means;
- Insurance of railway means of transport;
- Insurance of air transportation;
- Insurance of sea, lake and river transport means;
- Insurance of goods in transit;
- Home insurance;
- Insurance of buildings and property belonging to legal entities;
- Third liability insurance for motor vehicles.

The Company provides professional services to clients or prospects with regards to:

- Distribution of insurance through maintaining a fair treatment of all clients, in compliance with the legal provisions in force pertaining to insurance and reinsurance distribution and avoidance of unfair, fraudulent or abusive practices;
- Identification of risks that may be the subject of insurance policies, their analysis, assessment and management;
- Recommending solutions to minimise or transfer the risks that may be insured;
- In terms of products and services' offer, the sales staff of the Company's agent provide clients with comprehensive, coherent, accurate, objective and realistic insight on the insurance recommended, so that the latter may take an informed decision;
- Consultancy to clients and prospects on the basis of thorough assessment of their needs and requirements, so that insurance contracts meet their expectations;
- Analysis of current insurance policies;
- Setting up of adequate insurance programme;
- Negotiation of insurance terms and conditions, analysis of opportunities of the market related to quality:price ratio and choosing of the most adequate insurance solution, in compliance with the clients' interests;
- Sound management of insurance contracts within their validity period and tailor making to the dynamics of clients' businesses;
- Support in the process of damages' settlement and receipt of insurance compensation;
- Provision of insight on the insurance market in Romania.



The (potential) clients' knowledge of the rights and insight they should have> The following information is rendered to all clients before signing their insurance contracts:

- Definition of each event that can be covered by the insurance, the compensation in case of occurrence of the insured event, each additional/ optional benefit or provision;
- Events that are not covered by the insurance;
- Commencement and termination of the insurance contract;
- Provisions for performance, suspension or termination of the insurance contract;
- Insight on any rights that the parties may have to early termination or by unilateral decision, as well as penalties provided for by the contract for such cases;
- Payment of insurance premiums- means and payment terms;
- Payment of insurance compensation, redemption or insured amounts- means and payment terms;
- Insight on the premiums afferent to each type of benefit, main or additional, as the case;
- Insight on the grace period offered;
- Bonuses- calculation and distribution;
- Total redemption amount, discounted insured amounts, as well as the threshold up to which these are guaranteed for each year of insurance contract;
- Highlighting on the cases when redemption value of the insurance policy is null;
- Legal proceedings for sorting out potential litigations arising from execution of the contract, as well as insight on the means for amiable settlement of claims submitted by clients or by the contracts' beneficiaries, as the case, while the latter do not represent a constraint to waive to the legal proceedings in force.



- General information on deductions under the tax legislation applicable to insurance contracts;
- The law applicable to the insurance contract;
- the Policyholders' Guarantee Fund

Sales network

The Company created a vast network of over 1,000 brokerage agents (both natural and legal persons) and 4 registered offices covering 39 counties at national level, besides Bucharest. The four registered offices are in:

- Sibiu (str. Justiției nr. 10, jud. Sibiu)
- București (str. Elena Caragiani nr. 21D, ap. 1, sector 1)
- Pitești (str. Intrarea Rozelor nr. 3, jud. Argeș)
- Cluj-Napoca (str. Inau nr. 22, et. 1, jud. Cluj)

Structure of Turnover

The efficiency and productivity of the agents network are significantly improving through the recent trend of digitization of the brokerage activity, i.e. through the online issuance of insurance premiums and the online / digital marketing and promotional campaigns.

In 2022, sustained by the particular evolution on the insurance sector but also by the successful implementation of development strategies, the volume of the intermediated insurance premiums registered a growth rate of 33.4% as against the previous year, reaching almost 800,000 th. Lei. Volume growth was reported for 78% of the insurance classes and for all insurance classes with a significant contribution to the total volume of intermediated policies, except for the class for guarantee insurance. 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).

Table no. 5. Evolution of structure of volume of intermediated insurance premiums on main insurance categories

Premiums intermediated on insurance categories	2020	2021	2022	Variation 2022/2021 (%)
TOTAL, wherefrom:	421,875,528	596.454.193	795,698,312	+33,4%
Life and health insurance classes	5,159,487	7.291.279	11,805,389	+61,9%
General insurance, wherefrom:	416,716,041	589.162.914	783,892,923	+33,1%
Third-party vehicle liability insurance (ie RCA) (A X)	294,374,100	443.535.255	607,880,342	+37,1%
Land vehicle insurance (ie CASCO) (A III)	55,497,055	66,970,294	75,679,396	+13,0%
Fire and natural calamities (A VIII)	32,074,045	37,400,864	44,426,142	+18,8%
Damages of real estate (A IX)	9,134,082	12,390,750	16,517,725	+33,3%
General third-party liability (A XIII)	8,636,902	10.574.222	17,898,583	+69,3%
<i>Other categories of general insurance</i>	<i>16.999.857</i>	<i>18.291.529</i>	21,490,735	+17,5%

Source: Transilvania Broker



Operating
infrastructure

The technical *back-office* support for the whole activity performed in such an extensive network is ensured by 24Broker integrated application, which covers multiple functions: (i) *issuing of insurance policies and their management* (reports of the due instalment payments, expiry dates, automated informing the clients, automated validation of paid amounts, policies' cancellation etc.) (ii) *invoice issuing to the insurer companies*; (iii) *calculation of commission fees owed to brokerage agents*; (iv) *clients' portfolio management*; (v) *brokerage agents' management* etc. This software is integrated with the accounting software used by the Company- WinMentor. The application started to be implemented as of 2007 and its development and adapting to current requirements stay as one of the major undertakings of the Company's management.

In 2022, the Company continued the development of the online policy issuing project, an intuitive and modern digital instrument, defined through flexibility, speed, transparency, control, prompt advisory services. The platform integrates functionalities which are a premiere for the Romanian insurance market such as:

1. OCR (optical character recognition) module, an artificial intelligence-based text recognition function, whereby the user will be able to upload their ID and car registration card and the platform will automatically read the data from the documents and auto-complete most fields;
2. QR code, which will allow you to access the link even from a flyer you receive, a poster in an office or any other promotional material;
3. Real-time assistance with policy issuance via a live chat service;
4. Benefits for the brokerage assistants network, by issuing an individual referral link and QR code whereby policies issued online from the platform are allocated to them, along with the associated commissions.

The digital solution developed by Transilvania Broker allows for the moment to issue online only RCA insurance policies, but in the near future both travel insurance and TransAsist will be available.

1.3. Assessment of sales activity

Evolution as
compared to
the market

According to the [latest ASF report on the Romanian insurance market in 2022](#), the rate of total insurance premiums intermediated in the first three quarters of 2022 in Romania was 75.2%, corresponding to a total volume of intermediated premiums of 9,071,567.5 thousand lei, 38% higher than in the same period of 2021 and only 8% lower than the volume intermediated along the whole year 2021. At an average gross commission of 16.41%, down by 1.88 percentage points compared to January-September 2021 (18.29%), and of 15.5% for the general insurance class, the insurance distribution activity generated total income for intermediaries of 1,488,610.8 thousand lei, by 22.9% higher than in the first 9 months of 2021.

Taking advantage of the opportunity of higher volumes, the average commission charged by Transilvania Broker in 2022 was 16.3%, consequently leading to a higher profit margin compared to 2021. At the same time, the growth rates recorded for the volume of intermediated premiums on most of the main insurance classes exceed the rates recorded at market level in 2022.

According to the ASF report mentioned above, as at 30.09.2022, Transilvania Broker de Asigurare S.A. ranks among the top 5 insurance brokers by value of revenues generated by



general insurance distribution activity, with a market share of 6.31%, and fourth by value of insurance premiums intermediated in the general insurance class, where its market share was of 6.48%. By general insurance class, Transilvania Broker holds the best position on the MTPL insurance class, where the market share increased from 7.98% in 2021 to 8.11% on 30.09.2022 by the value of intermediated insurance premiums, and the company maintains its fourth place in the top 10 insurance distributors.

Compared to the end of the third quarter of 2021, on 30.09.2022 Transilvania Broker moved up in the rankings in the general liability insurance class (from 10th to 3rd place), guarantee insurance (from 5th to 4th place) and health insurance (from 9th to 8th place)

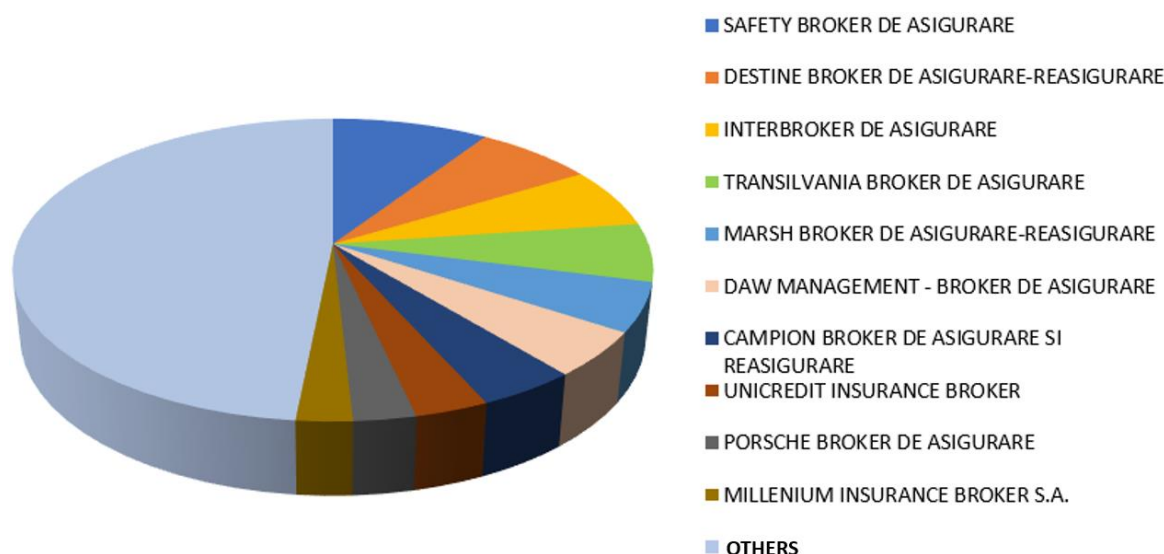
Insurance category	Q32021 (%)	Q3 2022 (%)
Total	5.74%	↑ 6.31%
General insurance	6.21%	↑ 6.48%
<i>Motor civil liability</i>	7.98%	↑ 8.11%
<i>Guarantee insurance</i>	5.18%	↑ 7.05%
<i>General civil liability</i>	3.83%	↑ 5.63%
<i>Insurance against fire and other disasters</i>	5.65%	↓ 5.45%
<i>Property damages insurance</i>	3.68%	↑ 4.00%
<i>CASCO</i>	3.32%	↑ 3.40%

* by value of intermediate premiums

Regarding life insurance distribution (C1 and C3), Transilvania Broker contributed by 1.14% to the volume in the distribution market in the first 9 months of 2022, ranking 8th among the top 10 insurance distributors in this class.

The company's main competitors are Safety Broker de Asigurare SRL, Marsh-Broker de Asigurare si Reasigurare SRL, Destine Broker de Asigurare-Reasigurare SRL and Inter Broker de Asigurare SRL (fig. 4)

Fig. 4. Top 10 insurance brokerage companies as per value of intermediated general insurance premiums, Q3 2022



Source: latest FSA Report



Clients' portfolio.
Client
Dependency

The Company has a diversified portfolio of customers, therefore *there is no dependence on a single customer* or on a small number of customers, which reduces the market risk and gives resilience and sustainability to the business.

1.4. Assessment of the Company's personnel

The relevant information on the evolution of the Company's personnel in 2021 – 2022 is presented in the table below:

Number of employees (end of year)	2021	2022
Economists	22	22
IT Experts	1	1
Legal advisors	4	5
Others - long-term higher education	12	11
Others - short- term higher education	2	2
Secondary education (technical profile)	1	1
TOTAL	42	42

Within 2022 the Company organised events for informing and training of employees and agents with regards to the trends on the market and the news on legal and organisational issues.

There are no conflicts reported between managers and employees in the Company.

1.5. Perspective approach

1.5.1. Expected trends in the internal environment

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.

1.5.2. Trends and factors from the external environment



Main trends in the global market of insurance intermediaries

COVID19 has fundamentally changed the traditional processes of distribution and intermediation of insurance policies. At the same time, it has acted as a catalyst for accelerating the digitalization of services in the insurance sector.

The digitalization of the sector, the integration of artificial intelligence in operational processes and in strategic sales tools have required the adoption of paradigms aimed at capitalizing on technological progress opportunities of the business models, growth and product portfolios, not just business processes. Therefore, for the intermediaries, the digitalization, technologicalization and the artificial intelligence elements have opened the way to new markets and new opportunities. The Management of Transilvania Broker understood, anticipated and promptly aligned its strategic and managerial vision to this trend.

Accelerated diversification of (secondary) insurance products as an effect of an innovative approach in the area of insurance products for increasingly diverse needs is another direct effect of digitalization that supports and facilitates this trend. Digital marketing tools identify untapped insurance needs, customize products, and distribute them with minimal time and resource costs, in high volumes. On its turn, the market easily absorbs products such as insurance for rented space or goods, for pets or for cyber attacks - products adapted to current behavioral and consumption trends, which are also constantly evolving. At the same time, this range of new insurance by-products becomes a lever for customer loyalty and relationship longevity.

Intensified competition in the intermediary market, amid declining - in importance and number – of barriers to market entry, mainly due to unlimited virtual opportunities and digitalization: geographical boundaries are fading, the agent-insurer collaboration is streamlined and energized, and attracting new customers through digital marketing is within everyone's reach

The model of an independent intermediary from a certain insurer is becoming more and more established in the brokerage market, taking into account the new business and partnership opportunities. The consumer profile encourages this trend, as they seek for consultancy, guidance and alternatives - elements specific to an independent broker, and implicitly, to Transilvania Broker.

1.6. Assessment of the impact of Issuer's activity on the environment

The company is not aware of any potential adverse effects on the environment as a result of its operations, which should be quantified. The result of such potential effects is uncertain and the management of the Company does not consider it necessary to make provisions concerning such debts regarding the environment.

On December 31st, 2022 the Company complies with all conditions necessary for operating its activities as provided for by the legislation in force pertaining to environment protection. It has been granted the authorisation to function by the Environment Agency in Romania.



1.7. Assessment of research and development activity

During the reported period, according to the data taken from the Company's balance sheet, there were no fixed intangible assets representing expenses incurred from the research - development activity of the Company.

1.8. Assessment of the Company's risk management

1.8.1. The Issuer's internal controlling system

The Company's internal controlling system consists of policies and procedures to confer the management a reasonable assurance that the Company accomplishes its targets:

- *The Code of Ethical Conduct* with insights on the business scope of the Company as well as with provisions for compliance with legislation in force and specific methodologies; it also reflects the mechanisms created for personnel to be able to alert the Executive Management or the Board of Directors in case of violation of the business conduct or other defaults, with no reservations due to potential consequences;
- *Operational policies and work procedures* that ensure the functionality of all compartments, formalized in a Manual of Operational Procedures;
- *A risk management system* covering also the necessary and sufficient resources for permanent identification, assessment, checking and supervision of risks;
- *Internal control procedures*, formalized in a Manual of internal control policies and procedures, which ensures the implementation of an internal control system which controls significant risks and offers a reasonable assurance to the Management, on the following aspects: compliance with the legal and regulatory framework; ensuring that all operations are registered in a correct manner and that the financial statements and reports are accurate; protection of goods and information; prevention and detection of frauds and errors; quality of bookkeeping and provision in due time of trustful and reliable data with regards to financial and management departments.

1.8.2. The Company's exposure to the market, credit and liquidity risks

The activity of financial risk management is an integral part of the process of financial planning and controlling, it is subject to strategic and tactical decisions of continuous adaptation to the inside and outside conditions and environment, which are constantly changing. Financial decisions are made based on the cash flows provided for in future contracts, which are par excellence uncertain. Risk is therefore an inherent component of financial decisions.

Financial risk includes market risk, liquidity risk and credit risk.

a) Market risk (exchange rate risk, interest risk , price risk)

Unpredictable changes in the evolution of *interest rate*, *currency exchange rates* or *prices* do have an impact on the financial results of the Company:

➤ *Exchange rate risk*



The Company is not exposed to this risk, as the Company's activities are carried out almost entirely on the domestic market. The concluded economic relations, liable to record losses due to the variation in the exchange rate of the currency during the period between the conclusion of the contract and its maturity, represent an insignificant weight. At the date of the financial statements, it records insignificant balances related to debts denominated in foreign currency (the debt regarding the financial leasing contract underway).

➤ ***Interest rate risk***

The Company is exposed to the risk of fluctuating interest rates upon contracting of investment loans with a variable interest rate, at the end of 2018 and 2020, respectively. The exposure of the Company to risks pertaining to change in interest rates on the cashflows is partially covered by the cash flows kept as 'over night' deposits, which also incur into fluctuating interest rates.

The level of interest rate coverage out of the gross profits indicator, as per 2022, shows that the Company is not at risk generated by the interest rates.

➤ ***Price risk***

The price risk refers to price of resources, the currency exchange rates and the interest rates. It may appear especially when long-term contracts are concluded. The Company operates with contracts concluded for relatively short-term, so that it is not exposed to this risk.

b) Liquidity risk

The current liquidity is the Company's capacity to cover current liabilities out of the current assets. The minimum threshold recommended for this indicator is 2.

The Management of the Company assess the exposure to the liquidity risk. The Company's policy with respect to liquidity risk is to always keep enough resources to cover liabilities when they are due, as well as to ensure a balance between payables and receivables.

The liquidity indicators, with values close to the secure zone, reflect the peculiarities of the insurance brokerage activity, in which the terms of settlement of claims and debts in relation to insurers and, respectively, assistants are regulated legally and procedurally.

c) Credit risk

The Company is paid for the services provided in a relatively short term from the moment services are performed and conducts business relations only with recognized third parties.

According to the contracts concluded, receivables are permanently monitored, prudential thresholds are settled and so there is no significant exposure of the Company to the credit risk. Guarantees offered ensure maximum security and the credit risk is minimal.

The Management analyses all debtors when setting the credit thresholds, monitors their conduct along the contractual period and ensures that due dates are observed. In case of default of payment receipt, action is taken in order to secure payment.



2. Tangible assets of the Company

The main tangible assets of the Issuer consist of the real estate properties – land lots and buildings - held with the function of registered office in Bistrita and, respectively, as secondary office in Bucharest. Their total acquisition value is 3,819 th. lei.

Aside buildings and land lots serving as registered office, with positive effects in terms of efficient organisation and performance of activities, operational costs, as well as the image of the Company, at the end of the reporting year, Transilvania Broker owned vehicles, equipment and furniture of 2,256.2 th. lei at cost value.

Amortisation

In respect of land improvements and buildings, the company recorded depreciation expenditure in the total amount of 221.9 thousand lei at the end of the reporting period, representing a depreciation of 5.8% compared to the acquisition value. Tangible fixed assets such as technical installations, means of transport, other equipment and furniture were depreciated by 57%. The management of the Company considers that the wear and tear level does not raise significant problems on the performance of its activity. The management also declare that there are no problems regarding the property right over the tangible assets owned by the Company.

3. The market for the securities issued by the Company

Transilvania Broker de Asigurare S.A. shares are tradable on the Stock Exchange market in Bucharest, Main Regulated Segment, 'Standard' category, as of November 2nd, 2017, under TBK trading symbol.





Although affected by the general sense of uncertainty and risk that gripped capital markets around the world in 2022 given the Russian invasion of Ukraine exacerbated by the threat of the global energy crisis, TBK's share price has recovered quickly relative to the average share price path on the BVB in 2022.

Better levels of liquidity and share prices were primarily due to the outstanding growth dynamics of performance and result indicators. From a low of 12.8 lei/share reached on March 7, 2022, the price marked its peak for the reporting period of 19.5 lei/share on August 25, 2022, and by the date of the annual report, the price was approaching historical record levels.

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%³, more than twice the return calculated for BET-TR over the same period.

³ 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.



Table no. 9 Rating multiples for the public listed Company – Transilvania Broker de Asigurare S.A.

Indicator	Calculation formula	January 3rd, 2022	January 3rd, 2023
PER (price earning ratio)	Price per share / net profit per share	13,1	9,3
P/BV (price to book value)	Stock market capitalisation / equities	10,1	8,4
DY (dividend yield)	Annual dividend per share/ Price of share	5%	8,4%

The market value of the company on 31.12.2022 was 88,250,000 lei, i.e. approximately 17.7 million euros, while at the time of writing the annual report it was 101,000,000 lei (20.2 million euros).

Dividends policy

Characteristic to the Company's dividend policy, the value of the dividend/share ratio continued to increase, from 1.5 lei for the financial year 2021, to 2 lei per share as approved in AGOA of April 26, 2023. That reflects an increase of 33.3% of the adjusted dividend value as compared to the dividend paid in 2021 and of 212.5% against the dividend paid in 2019 for year 2018.

The dividends granted through Ordinary General Assembly Resolution as per latest financial years:

Table no. 10. Dividends granted in the past 3 years

Corresponding financial year:	2019	2020	2021	2022
Dividends' value (lei)	3,800,000	4,300,000	7,500,000	10,000,000

The Company commits to unconditional compliance with the Corporate Governance principles applicable to the Issuers whose securities are traded on a regulated market. The Company adopted a dividends' policy consisting in a set of directions to be met related to the distribution of net profits. The Company states that it shall comply with this policy, highlighting on relevant principles pertaining to the dividends' policy:

- (1) The Company acknowledges the shareholders' rights to be paid dividends, as a way of involvement to the net profits registered by the Company as well as a return on the capital invested in the Company;
- (2) While grounding for distribution of net profits obtained within a financial year, the Board of Directors of the Company shall aim to a balanced distribution of the net profits between dividends granted to the shareholders and the part to stay with the Company for investments, all in compliance with a prudent approach of management, for the sake of a sustainable development of the company on medium and long term;
- (3) The dividends the shareholders are entitled to shall be distributed exclusively out of the net profits of the Company pertaining to a certain financial year, as per applicable accounting



regulations and audited book keeping, according to the law and with the observance of other legal provisions that are relevant in the industry;

(4) The dividends are granted to shareholders either in the form of cash or by issuing free shares as a result of capitalisation of net profits accrued by the Company. Irrespective of the way chosen, the proposal for dividends' distribution is made by the Board of Directors under the form of financial statements to the investors. The final decision on dividends' distribution is taken by the General Assembly, according to the law in force.

Acquisition of
own shares

[The dividend policy](#) may be accessed on the official website of the Company.

During the reporting period, i.e. on 15.12.2022, in accordance with the resolution of the EGSM no. 14/07.09.2021 and the decision of the Board of Directors no. 27/14.12.2022, the company initiated a stock buy-back program for the implementation of the incentive and loyalty program for key persons within the company, Stock-Option-Plan, approved in the same resolution of the AGEA no. 14/07.09.2021. As at 31.12.2022, the number of shares repurchased under the buy-back program was 927 shares, with a total cost of 16,286.85 lei.

The budget allocated to the Stock Option plan program approved by AGEA resolution no. 14/07.09.2021 was fully executed in the buyback program carried out during the period 27.12.2022-28.02.2023. At the issue date of the present report, there is no share buyback activity in progress.

Subsidiaries and
their ownership

The Company does not belong to a group of companies and does not own shares in other companies.

4. Corporate Governance

4.1. Issuer's management – Corporate Governance Structures

Transilvania Broker de Asigurare is a public listed stock company organised as a unitary system: its management is ensured by a Board of Directors whose members are appointed by the Ordinary General Shareholders Assembly (OGSA) for a 4-year mandate. The Board of Directors is subordinated to the General Shareholders Assembly (GSA). The latter delegates competences for executive management to the Directors of the Company. The Board of Directors operates in compliance with the Board's Regulations and performs responsibilities assigned through statutory documents and mandate agreements, as well as legal provisions.

Board of Directors

The Company management is ensured, at the top level, by a Board of Directors consisting of five directors until 25.10.2022:

- Dan Niculae – **Chairman and executive member of the Board.** With an over 15 year - experience in the field of insurance and banking financial instruments, Mr Dan Niculae has been appointed in executive positions in Transilvania Broker de Asigurare S.A since 2010 and started his mandate as Chairman in June 2017. At 31.12.2022 he owned



1.322.597 shares, representing 26,4519% of the Company's share capital and voting rights in the GSA;

- Gabriel-Alexandru Țuică - **non-executive member** of the Board and member of the Audit Committee as of June 2017, has a 15-year experience as insurance broker/ agent; Mr. Țuică does not own shares in the Issuer's share capital.
- Daniela Tasia Deneș - **independent member** of the Board and Chairman of the Audit Committee, has an over 20-year experience in the financial accounting field and a 10-year experience as certified accountant, auditor, tax consultant, as well as legal expertise since 2013; Ms Tasia Deneș does not own shares in the share capital of the Company
- Gabriel Login – **executive member** of the Board and main shareholder, with over 23 years of experience in the insurance industry whereof more than 15 years with Transilvania Broker. At the date of the report, Mr. Login held also the position of General Manager of the Company. Mr. Login owns 2.105.229 shares, representing 42,1045% of the share capital and of the total voting rights of the Issuer.
- Erik Barna – **independent member** of the Board.

The resumes of the five members of the Board may be seen on [the Company's website](#).

As 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. As decided by OGSM of 18.01.2023, the new director, Mrs. Bobu Carmen Loredana, was appointed, and her duties will be exercised only after obtaining the approval decision issued by the Financial Supervisory Authority (FSA).

Up to the date of approval of the 2022 annual financial statements, the approval of the Financial Supervisory Authority on the new structure of the Board of Directors has not been yet issued.

Among Board members, there are no family ties.

A total amount of lei 483,172 was granted to the members of the Board in 2022 related to their activities for the Issuer, in compliance with the [Remuneration Policy](#), as it is posted on the Company's website. Details on the distribution of these revenues and their components are available in the [Remuneration Report for 2022](#), published also on the company's website.

During the financial year 2022, the Board of Directors met in a number of 4 meetings to analyze and discuss issues of major importance to the company, diligently performing all the acts necessary to achieve the Company's object of activity and the responsibilities assumed as per the contract mandate.

Audit
Committee

According to the legal provisions in force, an Audit Committee is organized within the Board of Directors. This Committee has a consultative role and is formed of 2 members:

- Mrs. Daniela Tasia Denes, Chairman;
- Mr. Gabriel Alexandru Tuica, member.

The Audit Committee consists only of non-executive directors and at least one member of the Committee is an independent non-executive Director. Mrs Daniela Tasia Deneș has relevant expertise in application of accounting and financial audit principles.

The Audit Committee assists the Board of Directors in the latter accomplishment of responsibilities with regards to internal audit and advises pertaining to the Company's strategy



and policy for internal control, internal and external audit, as well as control on the way significant risks are managed.

The Audit Committee's aims are:

- supervision of all aspects related to audit and risks of the Company;
- check and control on the adequacy, independence and efficiency level of internal audit of the Company;
- analysis and check of the accuracy of the financial statements of the Company, as well as of other important reporting;
- monitoring and checking on the independence, objectivity and efficiency of external auditor;
- close supervision of the risk profile of the Company, identification of main exposure areas and submitting relevant information in this respect, to the Board, on a regular basis.

The Audit Committee is entitled to conduct or authorise investigations as deemed necessary to any of its responsibility areas.

On the basis of review, discussions, assessments and remedies accomplished and contained in the Audit Report submitted to the Board of Directors, the Audit Committee recommended to the Company's management and the latter approved that audited financial statements should be included in the Annual Report for the financial year ended December 31st 2022.

Executive management

The Executive management is appointed by the Company's Board of Directors. It informs the Board of Directors on the activity undergone between the former's regular meetings. Executive management is also empowered to run and coordinate the daily activity of the Company and is entitled to represent the Company, as insurance brokerage company.

The executive management of the Company is ensured by:

- The General Manager - Mr Gabriel Login, and
- The Executive Manager - Mr Ioan Cotiac. He is a shareholder of Transilvania Broker, owning a number of 7.097 shares at the end of 2022.

The members of executive management have competence and responsibilities as per the job description/ duties committed to in the administration mandate agreement. None of the people with positions in the executive management or Board of Directors of the Company has been involved in litigations or administrative proceedings pertaining to the Issuer and has disclosed on any agreement, deal or family relationship to other person belonging to executive management or Board of Directors.

The resumes of the two executive managers of the Company may be seen on [the Company's website](#).

The remuneration for the executive management in 2022 related to their activities for the Issuer was in full compliance with the [Remuneration Policy](#), as it is posted on the Company's website. The components of individual remuneration for executive management are available in the [Remuneration Report for 2022](#), published also on the company's website.



4.2. The Statement of the Company regarding the compliance with the Corporate Governance Code, Bucharest Stock Exchange

The Company adheres to and voluntarily applies the principles provided for by the Corporate Governance Code of BSE for the issuers admitted for transactions on the regulated market of BSE.

The Statement regarding the Company's compliance to the Corporate Governance Principles as per the Corporate Governance Code issued by BSE for all issuers admitted for transactions on the regulated market of BSE is contained below.

The activity of the Board of Administrators has not been assessed withing financial year ended 31.12.2022. The Board of Administrators (its structure, members' contribution and overview activity) shall be the subject of an assessment undergone by the Chairman of the Board within the following period of time.

The Company's management states that the [Remuneration Policy](#) as adopted by the OGSM of April 27th, 2021 has been fully observed and implemented along the reporting period. The Remuneration Report describing how the Policy Remuneration was applied along the 2022 year was submitted to the OGSM approval of April 26th, 2023.

Cod e	Provisions	Full compliance	Partial compliance	Does not comply	Reasons for non-compliance
Section A Responsibilities of the Board of Directors (the Board)					
A1.	The Company must have an Internal Regulation of the BoA (Corporate Governance Regulation) which covers reference terms/ responsibilities for the Board and the key positions in the Company's management. The Regulation shall define an accurate policy with regards to delegation of responsibilities including a formal list containing aspects to be decided on by the Board and a clear distinction from the executive management .	x			
A2.	The management of conflict of interests within the BoA must be provided for in the Corporate Governance Regulations. Members shall notify in this respect the Board regarding any conflicts of interests that have occurred or may occur. They shall refrain from attending discussions on or voting for making decisions on a matter that causes a conflict of interest.	x			
A3	The Board shall consist of at least 5 members.	x			
A4.	The majority of members of the Board shall be non executive and at least one member shall be independent. Each independent member shall, at the moment of election of reelection and whenever a change occurs in his/her status, shall make a statement containing the aspects taken into account as grounds for his/ her independence. The following criteria shall be considered when establishing independence of one member:	x			
A4.1.	He/she is not a general/ executive Director of the Company or of a controlled entity and has not had such a position for	x			



	the past 5 years.				
A4.2.	He/she is not an employee of the Company or of a controlled entity and has not had such a position for the past 5 years.	x			
A4.3.	He/she has not been granted additional compensations or other advantages either by the Company or by a controlled entity besides those corresponding to his/ her capacity of non executive administrator.	x			
A4.4.	He/she has not been an employee of and has not had for the past year a contractual relationship with a significant shareholder of the Company controlling over 10% of the voting rights of the Company, or with any of his/her controlled companies.	x			
A4.5.	He/she has not had for the past year a business or professional relationship with the Company or a controlled entity, either directly or as a client, partner, shareholder, member of the Board, General/Executive Director if, by its material character, this capacity may influence his/ her objectivity.	x			
A4.6.	He/she has not been for the past 3 years the external or internal auditor, partner or employed shareholder of the current external or internal auditor or of any controlled entity.	x			
A4.7	He/she is not the general/ executive director of other company where other general/ executive director of the Company is non executive member.	x			
A.4.8	He/she has not been non executive administrator of the Company for a period of more than 12 years.	x			
A.4.9	He/she does not have family relationships with any person belonging to any of A.4.1. to A.4.4 categories.	x			
A5.	Any other professional commitments of the Board members, including the title of executive or non executive member of the Board of some other company (except for subsidiaries of the Company), shall be disclosed to the Board before appointment and while under mandate.	x			
A6.	Each member of the Board shall disclose to the Board information regarding any relationship with a shareholder that owns, directly or indirectly, shares representing more than 5% of all voting rights. This duty stands for any type or relationship that may affect the position of Board member with regards to matters decided for by the Board.	x			
A7.	The Company shall appoint a secretary of the Board that is responsible with support of all Board's activity.	x			
A8.	The Corporate Governance Statement shall inform on whether the Board has been assessed, under the Chairman's supervision and, if they have, the key measures and changes resulted shall be outlined.	x			
A9.	The Corporate Governance Statement shall contain information on the number of meetings of the Board and the Committees for the past year, the attendance of the administrators (directly or by proxy) and a report of the Board on their activities.	x			
A10.	The Corporate Governance Statement shall contain information pertaining to the exact number of independent members of the Board of Directors or Supervision Board.	x			
Section B – Risk management and internal control system					
B1.	The BoA shall appoint an Audit Committee where at least one member shall be an independent non executive administrator. The majority of members, Chairman	x			



	included, have proved relevant adequate expertise for the functions and responsibilities of the Committee. At least one member of the Audit Committee shall have proved corresponding experience in auditing or accounting fields.				
B2.	The Chairman of the Audit Committee shall be an independent non executive member.	x			
B3.	As part of its responsibilities, the Audit Committee shall execute an assessment of the internal control system on a yearly basis. This assessment shall encompass the efficiency and coverage of the internal audit function, the adequacy level of risk management and internal audit reports submitted to the Audit Committee of the Board, the promptness and efficiency with which executive management sort out deficiencies or the weaknesses identified as a result of the internal control and provision of relevant reports to the Board.	x			
B4.	The Audit Committee shall assess the conflicts of interests with regards to the Company or its subsidiaries' transactions with affiliated entities.	x			
B5.	The Audit Committee shall assess the efficiency of the risk management and internal control systems.	x			
B6.	The Audit Committee shall monitor the application of legal and accepted audit general internal audit standards. The Audit Committee shall receive and assess the reports of the internal audit team.	x			
B7.	The reports or analyses initiated by the Audit Committee shall be followed by periodic (at least yearly) or ad hoc reporting to the Board.	x			
B8.	None of the shareholders is allowed to receive preferential treatment with regards to transactions or agreements concluded by the Company with shareholders or their affiliates.	x			
B9.	The Board shall adopt a policy that would ensure that any transaction of the Company with any of the entities it has close relationships (affiliated parties) whose value is equal to or higher than 5% of the net assets of the Company (according to the latest financial statement) must be approved by the Board on the basis of a mandatory opinion of the Audit Committee of the Board and correctly disclosed to the shareholders and potential investors, as long as this type of transactions are contained in the scope of legal reporting requirements.	x			
B10.	The internal audit shall be executed by a different division in terms of organisational structure (Internal Audit Department) of the Company or by a third party independent company (audit company). The internal audit department or the audit company shall report directly to the General Manager or to the Board, as it is the case.	x			
Section C – Correct compensation and incentives					
C1.	The Company shall post on its website the Remuneration Policy and shall contain in the annual report a section where the total income of the Board Directors and of the General manager shall be included, as well as the total value of any bonuses or variable compensations, including the key hypotheses and principles for their calculation.	x			
Section D – Value added character through investor relations					



D1.	The Company shall organise an Investor Relations Department to be in touch with the large audience through the person in charge. Additionally to the insight imposed by the legal provisions, the Company shall upload on its website a section for Investor Relations, in Romanian and English languages, where all relevant pieces of information that would be of interest for investors shall be contained, such as:	x			
D1.1	Main regulations of the Company, the Articles of association specifically and internal regulations of statutory bodies.	x			
D1.2	Resumes of the members of statutory bodies.	x			
D1.3	Current and periodical reports.	x			
D1.4	Information related to the general assemblies of shareholders: agenda and corresponding documents, resolutions.	x			
D1.5	Information related to corporate events, such as dividends. payment or other events that result in obtaining or limitation of a shareholder's rights, deadlines and principles of such events included.	x			
D1.6	The Company shall appoint an Investor Relations function and shall include, on the special section dedicated on the Company's website, the name and data of the person in charge with providing, at request, corresponding information.	x			
D1.7	Companies' overviews (for investors, regarding quarter results), financial statements (half, end year), audit and annual reports.	x			
D2.	The Company shall adopt a dividends policy as per the proposal of the General Manager and approved by the Board, as a set of directions/ principles to be followed for distribution of profits. The dividends' policy shall be posted on the website of the Company.	x			
D3.	The Company shall adopt a policy regarding prognoses, clearly pointing at whether these shall be released or not. They represent quantified conclusions of surveys related to the total impact of a list of factors on a future period (hypotheses). The policy shall contain the frequency, reference period and contents . If published, the prognoses shall be part of the annual, half and quarter reports . The Prognoses Policy shall be posted on the Company's website .	x			
D4.	The Company shall set the date and place of a general assembly of shareholders so that attendance for as large a number as possible to be ensured for the shareholders. The rules of the general shareholders' meetings shall not constrain attendance or exercising of their rights. Any change to the rules shall be valid starting with the next general shareholders' meeting.	x			
D5.	The external auditors shall attend the general shareholders meetings when their reports are presented during these meetings.	x			
D6.	The Board shall present to the general shareholders assembly a short assessment on the internal control and risk management systems, as well as their opinions on the topics set on the agenda of the meeting.	x			
D7.	Any professional, consultant, expert or financial analyst may attend the general shareholders' meetings on the basis of an invitation of the Board. Certified journalists may also attend general shareholders' meetings, except for the cases when the Chairman decides differently.	x			



D8.	Financial reports shall include information both in Romanian and English language, with regards to main factors influencing changes to sales, operational profits or any other relevant indicator.	x			
D6.	The Company shall organise at least two meetings/ conference calls with analysts and investors, each year. The information presented under these meetings/ calls shall be posted on the Company's website, Investors' Relations section, the moment the meeting/ conference call occurs.	x			
D7.	If the Company organises different artistic and cultural, sports, educational or scientific events and considers that their impact on the innovative and competitive character of the Company is a part of the development mission and strategy, a Policy pertaining to its activity in these fields shall be published on the Company's website.	x			

Other aspects related to Corporate Governance are contained in the Corporate Governance Regulations of the Company and posted on the Company's website.

5. Analysis of the economic financial position of the Company

The analysis of the economic- financial position of the Company by way of comparing the previous reporting period to the current position at the beginning of the year highlights on the following aspects:

5.1. FINANCIAL POSITION ANALYSIS

ASSETS

Indicators (lei)	2021 31 December	2022 31 December	Variation (%) 2022/2021	Share in Total Assets as of 31.12.2022
Fixed assets	4,879,670	4,607,511	-5.6%	14.4%
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%
Current assets	19,219,957	27,418,774	+42.7%	85.5%
Inventories	0	0	-	-
Receivables, of which:	8,641,665	12,599,247	+45.8%	39.3%
<i>brokerage related receivables</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 investments	0	6,000,000	-	-
Cash and bank accounts	10,578,292	8,819,527	-16.6%	27.5%
Prepayments	49,546	40,339	-18.6%	0.13%
TOTAL ASSETS	24.149.173	32.066.624	+32,8%	100%

EQUITY AND DEBT

Indicators (lei)	2021 31 December	2022 31 December	Variation (%) 2022/2021	Share in total Liabilities As of 31.12.2022
Current debt	10,405,840	15,144,141	+45.5%	47.3%
Bank loans	433,419	433,419	-	1.35%
Debt related to brokerage activity	8,565,862	10,778,926	+25.8%	33.6%
Other short-term debt	1,406,559	3,931,796	+179.5%	12.3%
Provisions	1,236,391	515,823	-58.3%	1.6%



Non-current debt	2,363,268	2,358,649	-0.2%	7.4%
Long-term loans	1,705,239	1,271,820	-25.4%	4%
Other debt	658,029	1,086,829	+65.2%	3.4%
Total debt	12,769,108	17,502,790	+37.1%	54.6%
Social capital	500,000	500,000	-	-
Reserves, from which:	100,000	100,000	-	-
Legal reserves	100,000	100,000	-	-
Redeemed own shares		(125,000)	-	-
Reported result	2,659,691	2,043,674	-23.2%	6.4%
Reference result	6,883,983	11,529,337	+67.5%	36%
Equity	10,143,674	14,048,011	+38.5%	43.8%
TOTAL EQUITY AND DEBT	24,149,173	32,066,624	+32.8%	100%

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 37.1% as compared to the previous year, contributed 54.6% to the financing of assets in 2022.

Short-term debt, which account for 47.3% of total liabilities (equity and debt), and whose value increased by 45.5% in the reporting period as compared to the reference period, consist of 71.18% of current debt related to the insurance distribution 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 distribution 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.

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.

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.

5.2. FINANCIAL PERFORMANCE EVOLUTION

Indicators				
(LEI)	2021 31 December	2022 31 December	Variation (%) 2022/2021	Share in revenues/ expenditure (%), 2022
Operating Revenues, of which:	98.907.452	129.930.902	+31,37%	100%
Insurance distribution activity revenues	98.905.785	129.892.569	+31,33%	100%
Other operating revenues	1.667	38.333	+2199,5%	
Operating Expenditures, of which:	90.690.200	116.705.561	+28,7%	100%
Expenses with fees for brokerage 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	3.395.513	4.101.472	+20,8%	3,5%



services' providers				
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 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%	-
Operating Result	8.217.252	13.225.341	+60,9%	-
Financial Revenues	39.532	135.969	+243,9%	-
Financial Expenditures	102.962	142.244	+38,2%	-
Financial Result	(63.430)	(6.275)	+90%	-
GROSS RESULT	8.153.822	13.219.066	+62,1%	-
Tax on profit	1.269.839	1.689.729	+33,1%	-
NET RESULT	6.883.983	11.529.337	+67,5%	-

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. +31.37% 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 13,219.1 thousand, 62.1% 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 Omiasig 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 706 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 13,219.1 thousand lei, adjusted with 1,689.7 thousand lei tax on profit, generated, as of 31.12.2022, a **positive net result of 11,529.3 thousand lei, by 67.5% higher than that level reported at 31.12.2021** - the highest growth percentage reported by Transilvania Broker for a financial year.

6. Litigations

The management of the Company assess the progress of all open litigations on a regular basis and duly decides on the necessity to make provisions correspondingly or consider them as contingency liabilities which are presented in the explanatory notes to the financial statements.

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 in amount of 125,000 lei.

Chairman of Board of Administrators

Dan Niculae



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

INDIVIDUAL FINANCIAL STATEMENTS

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

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

¹ *Financial Supervisory Authority*

CONTENTS:

Page No.

Annual financial individual statements

Financial statement	3 - 5
Profit and Loss Account	6 - 8
Statement of changes in Equity	9 - 10
Cashflow Statement	11 - 12
Notes to annual financial individual statements	13 - 35

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

FINANCIAL STATEMENT on
December 31st, 2021

Indicator	No. line	Balance on:	
		01.01.2022	31.12.2022
A. ASSETS			
I. INTANGIBLE ASSETS			
1. Expenses with constitution	1	0	0
2. Expenses with development	2	0	0
3. Concessions, patents, licenses, commercial trademarks, rights and similar assets, if they have been paid for	3	16,246	15,595
4. Commercial fund	4	0	0
5. Pending advance payment for intangible assets	5	0	0
TOTAL (lines 01 to 05)	6	16,246	15,595
II. TANGIBLE ASSETS			
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
TOTAL (lines 07 to 10)	11	4,845,340	4,571,645
III. FINANCIAL ASSETS			
1. Shares owned in affiliated companies	12	0	0
2. Loans granted to affiliated companies	13	0	0
3. Shares owned at affiliated companies and companies controlled in a Group	14	0	0
4. Loans granted to affiliated companies and companies controlled in a Group	15	0	0
5. Investment in the form of assets	16	0	0
6. Other loans and bonds	17	18,084	20,271
TOTAL (lines 12 to 17)	18	18,084	20,271
INTANGIBLE ASSETS- TOTAL (lines 06 + 11 + 18)	19	4,879,670	4,607,511
B. CURRENT ASSETS			
I. INVENTORIES			
1. Raw materials and other current assets similar to inventories	20	0	0
2. Advance payment for purchase of inventories	21	0	0
TOTAL (lines 20 + 21)	22	0	0
II. ACCOUNTS RECEIVABLE			
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
TOTAL (lines 23 to 27+23a+27a)	28	8,641,665	12,599,247

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)

III. SHORT TERM INVESTMENT			
1. Shares owned with affiliated companies	29	0	0
2. Other short term investment	30	0	6,000,000
TOTAL (line 29 to 30)	31	0	6,000,000
IV. CASH AND BANK BALANCES	32	10,578,292	8,819,527
CURRENT ASSETS - TOTAL (lines 22 + 28 + 31 + 32)	33	19,219,957	27,418,774
C. EXPENSES IN ADVANCE	34	49,546	40,339
D. DEBT: AMOUNTS TO BE PAID WITHIN ONE YEAR			
1. Loans as a result of bonds' issuance with specific details on convertible bonds	35	0	0
2. Amounts owed to credit institutions	36	433,419	433,419
3. Debt related to distribution activity	37	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
TOTAL (lines 35 to 40)	41	10,405,840	15,144,141
E. NET CURRENT ASSETS/ NET CURRENT DEBT	42	8,863,663	12,314,972
(lines 33 + 34-41-56)			
F. TOTAL ASSETS MINUS TOTAL CURRENT DEBT	43	13,743,333	16,922,483
(lines 19 + 42-55)			
G. DEBT: AMOUNTS TO BE PAID IN MORE THAN ONE YEAR			
1. Loans as a result of bonds' issuance with specific details on convertible bonds	44	0	0
2. Amounts owed to credit institutions	45	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
TOTAL (lines 44 to 49)	50	2,363,268	2,358,649
H. PROVISIONS			
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
TOTAL (lines 51 to 53)	54	1,236,391	515,823
I. REVENUES IN ADVANCE			
1. Subsidies	55	0	0
2. Revenues registered in advance	56	0	0
3. Negative commercial fund	57	0	0
TOTAL (lines 55 + 56 + 57)	58	0	0

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

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

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
OPERATING REVENUES - TOTAL (lines 01+13+14+15+17)	18	98,907,452	129,930,902
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)	35	285,037	354,905
a) Expenses	36	285,037	354,905
b) Revenues	37	0	0
13. Adjustment of values related to current assets (lines 39-40)	38	-17,459	95,098
a) Expenses	39	0	95,098
b) Revenues	40	17,459	0
14. Adjustment related to provisions (lines 42-43)	41	1,236,391	-720,568
a) Expenses	42	1,236,391	515,823
b) revenues	43	0	1,236,391
OPERATING EXPENSES - TOTAL	44	90,690,200	116,705,561
(lines 19+21-22+23+25+28+29+35+38+41)			
OPERATING PROFITS OR LOSS			
Profit (lines 18-44)	45	8,217,252	13,225,341
Loss (lines 44-18)	46	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
FINANCIAL REVENUES - TOTAL (lines 47+49+51)	53	39,532	135,969
18. Adjustments related to financial assets (lines 55-56)	54	0	0
a) Expenses	55	0	0
b) Revenues	56	0	0
19. Expenses with interests	57	92,202	131,187
wherefrom: expenses related to affiliated companies	58	0	0
20. Other financial expenses	59	10,760	11,057
FINANCIAL EXPENSES - TOTAL (lines 54+57+59)	60	102,962	142,244
FINANCIAL PROFITS OR LOSS			
Profit (lines 53-60)	61		
Loss (lines 60-53)	62	63,430	6,275
CURRENT PROFITS OR LOSS			
Profit (lines 18+53-44-60)	63	8,153,822	13,219,066
Loss (lines 44+60-18-53)	64	0	0
TOTAL REVENUES (lines 18+53)	65	98,946,984	130,066,871
TOTAL EXPENSES (lines 44+60)	66	90,793,162	116,847,805

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

21. GROSS PROFIT OR LOSS			
Profit (lines 65-66)	67	8,153,822	13,219,066
Loss (lines 66-65)	68	0	0
22. Tax on profit	69	1,269,839	1,689,729
23. Other taxes that have not been included above	70	0	0
24. NET PROFIT OR LOSS OF FINANCIAL YEAR			
Profit (lines 65-66-69-70)	71	6,883,983	11,529,337
Loss (lines 66-65+69+70)	72	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					
Total equity		7,559,691	12,210,974	5,326,991	9,626,991	5,326,991	10,143,674

The financial statements were endorsed on March 22th, 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)

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
Total equity		10,143,674	18,288,320	6,883,983	14,383,983	6,883,983	14,048,011

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
CASHFLOW FROM OPERATIONAL ACTIVITY			
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
NET CASH GENERATED FROM (PAID IN) OPERATIONAL ACTIVITY (lines 01-02+03-04-05-06-07-08-09-10)	11	4,771,765	4,847,262
CASHFLOWS OUT OF INVESTMENT ACTIVITY			
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
NET CASH GENERATED FROM (USED IN) INVESTMENT ACTIVITY	25	1,809,373	-5,947,745

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)			
CASHFLOWS RELATED TO FINANCING ACTIVITY			
1. Cash received from issue of shares or other equity based financial instruments	26	0	0
2. Cash paid to owners in order to redeem the company's shares	27	0	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
NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES	32	-579,274	-658,283
(lines 23-24+25-26+27-28-29)			
CASH AND CASH EQUIVALENTS ON JANUARY 1ST	33	4,576,429	10,578,292
NET INCREASE OR DECREASE OF CASH AND CASH EQUIVALENTS (rd.10+22+30)	34	6,001,863	-1,758,766
CASH AND CASH EQUIVALENTS ON DECEMBER 31ST (rd. 31+32)	35	10,578,292	8,819,527

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:

Shareholder Name	No. Shares	Nominal Value (lei)	Ownership quota (%)
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
TOTAL	5,000,000	500,000,00	100,0000

1.2. Corporate Governance

The members of the Board of Directors of Transilvania Broker de Asigurare S.A. for the period January 1st- 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					
TOTAL					

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
TOTAL	85,052	14,672	0	99,724

Accounting value	16,246			15,595
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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
TOTAL	6,008,676	66,538	0	0	6,075,214

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
TOTAL	1,163,336	340,233	0	1,503,569

Accounting value	4,845,340			4,571,645
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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.

TRANSILVANIA BROKER DE ASIGURARE S.A.
NOTES TO ANNUAL INDIVIDUAL FINANCIAL STATEMENTS
for the financial year ended December 31st, 2022
(all amounts are in lei ("RON"), if not otherwise specified)

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.

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

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

Accounting value	18,084			20,271
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7. COMMERCIAL RECEIVABLES AND OTHER RECEIVABLES

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

Receivables categories	No. ln.	Balance on January 1st, 2022	Balance on December 31st, 2022	Liquidity term		
				Under 1 year	1 - 5 years	Over 5 years
0	1	2	3 = 4 + 5 + 6	4	5	6
TOTAL RECEIVABLES (line 1 to 8 - ln.9 + +ln.10+ln.11), wherefrom:		8,641,665	12,599,247	12,599,247	0	0
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

TRANSILVANIA BROKER DE ASIGURARE S.A.
NOTES TO ANNUAL INDIVIDUAL FINANCIAL STATEMENTS
for the financial year ended December 31st, 2022
(all amounts are in lei ("RON"), if not otherwise specified)

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.

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

TRANSILVANIA BROKER DE ASIGURARE S.A.
NOTES TO ANNUAL INDIVIDUAL FINANCIAL STATEMENTS
for the financial year ended December 31st, 2022
(all amounts are in lei ("RON"), if not otherwise specified)

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 st , 2021	December 31 st , 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
TOTAL	10,578,292	8,819,527

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
TOTAL DEBT (ln.1 to 15), wherefrom:		12,769,108	17,502,790	15,144,141	2,358,649	0
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

TRANSILVANIA BROKER DE ASIGURARE S.A.
NOTES TO ANNUAL INDIVIDUAL FINANCIAL STATEMENTS
for the financial year ended December 31st, 2022
(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:

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

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

Indicator	December 31st, 2021	December 31st, 2022
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

Reserves	December 31, 2021	December 31, 2022
Legal reserves	100,000	100,000

14. DISTRIBUTION OF PROFITS

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

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

Type of revenues	December 31st, 2021	December 31st, 2022
Revenues from distribution activity, wherefrom:	98,905,785	129,892,569
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
Design of insurance products together with insurance companies	0	0
Organisation of training courses in insurance and re-insurance fields	0	0
Commercial deductions granted	0	0
Royalties, lease and rents	0	0

16. EXPENSES WITH PERSONNEL

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

Indicator	On December 31st, 2021	On December 31st, 2022
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
TOTAL, wherefrom:	3,825,774	4,554,112
Expenses with personnel in executive management	407,896	483,172

b) Board of Directors:

Nume si prenume	Funcția	Gross payments during 2022
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
TOTAL		483,172

17. ANALYSIS OF OTHER EXPENSES AND OF OPERATING RESULT

a) OPERATING RESULT

Indicator	Financial year ended on December 31st, 2021	Financial year ended on December 31st, 2022
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

TRANSILVANIA BROKER DE ASIGURARE S.A.
NOTES TO ANNUAL INDIVIDUAL FINANCIAL STATEMENTS
for the financial year ended December 31st, 2022
(all amounts are in lei ("RON"), if not otherwise specified)

4. Expenses related to auxiliary activites	223,434	193,327
5. Gross result afferent to net turnover (1-2)	13,476,678	19,207,723
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)	8,217,252	13,225,341

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
TOTAL	3,395,513	4,101,472

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
7. Taxable profit / Fiscal loss for the reporting year (ln. 1+2-3-4+5+6)	9,920,618	13,201,010
8. Fiscal loss from previous years	0	0
9. taxable profit / Fiscal loss to be recovered in the next years(ln. 7-8)	9,920,618	13,201,010

TRANSILVANIA BROKER DE ASIGURARE S.A.
NOTES TO ANNUAL INDIVIDUAL FINANCIAL STATEMENTS
for the financial year ended December 31st, 2022
(all amounts are in lei ("RON"), if not otherwise specified)

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

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;

TRANSILVANIA BROKER DE ASIGURARE S.A.
NOTES TO ANNUAL INDIVIDUAL FINANCIAL STATEMENTS
for the financial year ended December 31st, 2022
(all amounts are in lei ("RON"), if not otherwise specified)

- 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 _____



DECLARATION,

in conformity with the provisions of art. 30 from the Accounting Law no. 82/1991

The following financial situations have been compiled on the 31.12.2022:

Entity : Soc Transilvania Broker de Asigurare S.A.

County : Bistrita-Nasaud

Address : Loc. Bistrita, str. Calea Moldovei, nr.13

Form of ownership : 34- Societate pe actiuni

Number from the registry of commerce : J06/674/2006

Main activity (CAEN code and class name) : 6622- Activities of insurance agents and brokers

Fiscal registration code : 19044296

Yours truly Parti-Vasilichi Oana Ancuta, having the position of chief of the accounting service, takes the responsibility for compiling the semestrial financial situations on the 31.12.2022 and confirms that:

- a) The accounting policies used to compile the annual financial situations are in conformity with the applied accounting regulation ;
- b) The annual financial situations offer an accurate image of the financial position, financial performance and of all the other information regarding the company's activity ;
- c) The legal person shall carry out their activity under conditions of continuity.

Signature,

Partiu-Vasilichi Oana Ancuta

INDEPENDENT AUDITOR'S REPORT

To the shareholders of **TRANSILVANIA BROKER DE ASIGURARE S.A.**

Bistrița, str. Calea Moldovei, nr. 13, jud. Bistrița-Năsăud

Report on the audit of the annual financial statements

Opinion

- 1 We have audited the accompanying financial statements of TRANSILVANIA BROKER DE ASIGURARE S.A. ("the Company"), whose registered office is in Calea Moldovei Street, No. 13, Bistrița, Bistrița-Năsăud County, CP 420096, Romania, identified by the unique taxpayer reference number 19044296, which comprise the balance sheet as at December 31, 2022, the profit and loss account, the statement of changes in equity, and the statement of cash flows for the year then ended, including a summary of the significant accounting policies and other explanatory information.
- 2 The annual financial statements as at December 31, 2022 are identified as follows:
 - Total shareholder's equity: 14,048,011 lei
 - The net result of the financial year: 11,529,337 lei
- 3 In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2022, and of its financial performance and cash flows for the year then ended in accordance with FSA Rule No 36/2015 for the approval of accounting regulations regarding the individual annual financial statements and the consolidated annual financial statements applicable to brokerage entities engaged in insurance and / or reinsurance distribution activities ("Rule 36/2015").

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing ("ISAs") and Regulation (EU) No 537/2014 of the European Parliament and of the Council on specific requirements regarding statutory audit of public-interest entities (hereafter "the EU Regulation") and Law no. 162/2017 on the statutory audit of the annual financial statements and consolidated annual financial statements, and amending some normative acts ("the Statutory Audit Law"). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants, issued by the International Ethics Standards Board for Accountants ("the IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Romania, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

- 4 The Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed within the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and thus, we do not provide a separate opinion on these matters.

i) Revenues from distribution activity

The revenues from distribution activity (other activities related to the distribution activity) represent the highest share (99.97%) of the total turnover generated by the Company in the reporting period. The selection, projection and application of our audit procedures regarding these revenues were the result of some professional judgements exercised in the context of a significant volume of transactions, relatively constantly distributed in the reporting period. Our attention was focused on the aspects regarding the completeness, accurate recognition and measurement of these revenues. The audit procedures considered adequate responses in the circumstances of our audit included:

- the examination of the degree of adequacy of the accounting policy adopted by the Company to recognize and evaluate revenues, in accordance with Rule 36/2015. A summary of the accounting policy is presented at section 2.1 - 2.20 of the Notes;
- detailed tests on the value of the commission fees due to the Company from the distribution activity, through reconciliation with the percentages agreed on with the insurance companies. In collecting our audit evidence, we took into account the

operational controls established by the Company to validate the amounts settled with the insurers;

- the examination of cash received from the distribution activity, including after the balance sheet date to support the collection of receivables against insurers;
- obtaining written confirmations for the amounts due to the Company at the balance sheet date, representing commissions to be recovered from insurers.

ii) Expenses with brokerage assistants

Expenses regarding the amounts owed by the Company to brokerage assistants are a significant component of operating expenses incurred during the reporting period (90.66%), with a major impact on the gross profit margin in the distribution activity. In testing these expenses, we took into account as a priority the compliance with the contractual provisions for the remuneration of brokerage assistants, assumed by the Company's Management. Moreover, the existence and completeness, accurate recognition and measurement were criteria considered appropriate in addressing the expenses with brokerage assistants. Our responses included audit procedures such as:

- understanding the nature of expenses with brokerage assistants, in conjunction with specific features of insurance distribution activities;
- reconciling the amounts due to the brokerage assistants, in accordance with the contractual provisions in force;
- testing the effectiveness of internal controls on the authorization of payment amounts towards brokerage assistants;
- examination of payments to brokerage assistants, including after the balance sheet date;
- obtaining written confirmations regarding the amounts recorded at the balance sheet date as a liability to brokerage assistants, as well as for the annual turnovers in relation to these entities.

iii) Litigation and disputes

In performing its activities, the Company is exposed to potential losses as a result of administrative proceedings or court decisions.

The recognition of liabilities in the balance sheet as at 31.12.2022 or the presentation as a contingent liability in the explanatory notes to the financial statements concluded on the same date, inherently involves the performance of professional judgments, and is based on a series of assumptions, representations and assessments with significant impact.

The amounts involved can be material. The establishment of possible amounts, for the purpose of recognizing or presenting them in the financial statements, is by its nature a subjective process.

Our response was to understand the risks of material misstatement in connection with management's assertions regarding litigation and disputes. Our audit procedures included among others:

- obtaining and evaluating the answers received from lawyers and discussing with the management of the Company and with the legal advisor of the Company the nature and actual status of the litigations, as well as the potential exposures. In this regard, special attention was paid to the ongoing litigation with Omniasig Vienna Insurance Group S.A. presented on pages 29 of the financial statements as at 31st December 2022. Regarding this litigation, the Company recognized at the balance sheet date a provision of LEI 390,823, claims for compensation and court costs;
- a critical assessment of the Company's assumptions and estimates in relation to litigation and disputes, recognized liabilities or provisions and contingent liabilities presented in the notes to the financial statements ;
- the assessment of the extent to which the information in the explanatory notes to the individual financial statements regarding litigation and disputes adequately presents the potential and probable liabilities of the Company at the balance sheet date.

iv) Repurchase of own shares

During the period 15.12.2022-28.02.2023 the Company has performed a repurchase program for its own shares, authorized by GSM Decision no. 14/07.09.2021 and implemented in the terms approved within the Board of Directors' decision no. 27/14.12.2022. At the end of the program, the Company notified the BVB market operator and the Financial Supervisory Authority about the redemption of a total number of 6,582 own shares worth RON 123,687 that will be subject to distribution in accordance with the terms of the Stock-Option-Plan program for stimulating and retaining the key persons within the Company, as part of the remuneration policy approved by the shareholders. Given the novelty of this own shares' repurchase program, we have allocated a distinct measure of importance to this aspect during our audit. For this purpose, our audit responses aimed at:

- obtaining assurance on the existence of the necessary authorizations for initiating and carrying out the repurchase program;
- obtaining an understanding on the purpose of the repurchase program and the destination of the repurchased shares, by reconciling with the terms of the Stock-Option-Plan for key staff, as described in the incentive strategy for the period 2022-2025, within the remuneration policies;
- obtaining a relevant understanding on the performance conditions of the repurchase program, in relation to the relevant legal provisions and decisions of the competent statutory bodies (GSM and Board of Directors);
- reviewing the current reports published by the Company on the quantities and values of equity instruments redeemed during the purchase program's period;

- examination of the accounting records related to the own shares repurchase program and reconciliation with the details of the issuer's current reports;
- reviewing the accounting policies regarding the recognition, measurement and presentation of financial information related to own repurchased shares, in accordance with the provisions of the financial reporting framework (FSA Norm 36/2015);
- testing and reconciliation of the amounts presented in the balance sheet and explanatory notes regarding the own shares repurchased by the Company;
- assessing the reasonableness of the estimates made by the Company in relation to the recognition and presentation of a provision corresponding to the benefits to be granted by the Company to key persons as share allocations.

Other matters

- 5 This report is exclusively addressed to the shareholders of the Company as a whole. Our audit was conducted to be able to report to the shareholders of the Company those aspects which we have to report on in a financial audit report, and not for other purposes. To the extent permitted by law, we only accept and take responsibility to the Company and the shareholders, as a whole, for our audit, for this report or for our opinion.
- 6 The enclosed financial statements are not meant to present the financial position and the results of operations in accordance with the accounting regulations and accounting principles accepted in countries and jurisdictions other than Romania. Therefore, the enclosed financial statements are not prepared for the use of individuals who are not familiarized with the accounting and other regulations in Romania, including FSA Rule No 36/2015.
- 7 The current audit report was issued in the circumstances in which the shares issued by the Company are admitted to trading on the BSE.
- 8 We draw attention to Note 19 – Other information, section Subsequent Events, which describes the Company's Management concerns regarding the assessment of the presumed impact triggered by Euroins Romania SA entering in the bankruptcy procedure. The results of this assessment do not confirm any unfavourable influence on the normal business conduct of the Company within a predictable horizon of 2023. Our opinion is not modified in respect of this matter.

Other information – The Directors' Report

- 9 The directors are responsible for the preparation and presentation of other information. This other information includes the Directors' Report, but does not include the financial statements and the related Auditor's Report. The directors are responsible for the

preparation and presentation of the Directors' Report in accordance with the requirements of paragraphs 427- 429 from Rule 36/2015 and for that internal control which the directors consider necessary to facilitate the preparation and presentation of the Directors' Report which is free from any material misstatement, caused by fraud or error.

Our opinion on the financial statements does not cover this other information and, unless explicitly stated in our report, we do not issue any assurance conclusion about it.

In connection with the audit of the financial statements for the financial year ended 31 December 2022, it is our responsibility to read that other information and, in doing so, to assess whether that other information is materially inconsistent with the financial statements, or with the knowledge that we acquired during the audit, or if they appear to be materially misstated.

Regarding the Directors' Report, we have read it and report whether it was prepared, in all material respects, in compliance with Rule 36/2015, paragraphs 427 – 429.

Based exclusively on the activities performed during the audit of the financial statements, in our opinion:

- a) The information presented in the Directors' Report as of the fiscal year for which the financial statements were prepared is consistent, in all material respects, with the financial statements;
- b) The Directors' Report was prepared, in all material aspects, in compliance with Rule 36/2015, paragraphs 427 – 429.

Moreover, based on our knowledge and understanding of the Company and its environment, acquired during the audit, we are required to report whether we have identified material misstatements in the Directors' Report and in connection with that other information obtained before the date of this auditor's report. We have nothing to report on this issue.

Responsibilities of management and those charged with governance for the financial statements

- 10 Management is responsible for the preparation and fair presentation of the financial statements in accordance with Rule 36/2015 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
- 11 In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, for the disclosure of, as applicable, matters related to going concern and for using the going concern basis of accounting,

unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

- 12 Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the financial statements

- 13 Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
- 14 As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional scepticism throughout the audit. Moreover, we also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The detection risk of a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusions, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
 - Assess the appropriateness of the applied accounting policies, the reasonableness of accounting estimates and related disclosure made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 15 We communicate to those charged with governance, among other matters, the planned scope and timing of the audit, as well as the significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 - 16 We also provide those charged with governance with a statement of our compliance with the ethical requirements regarding independence and disclose all relationships and other matters that may reasonably be considered to affect our independence and, where appropriate, the related safeguards.
 - 17 From the matters communicated with those charged with governance, we determine which were of most significance in the audit of the financial statements of the current period and therefore are considered as key audit matters. These matters are described in our auditor's report, unless the law precludes public disclosure about the matter or, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory provisions

Requirements regarding the audit of public interest entities

- 18 We were appointed by the Ordinary General Meeting of Shareholders on 8th June 2017 to audit the financial statements of TRANSILVANIA BROKER DE ASIGURARE S.A. for the year ended at 31st December 2018. The audit mandate was renewed by the Decision of the Ordinary General Meeting of Shareholders no. 7 on 23rd April 2019 for a three year period and the Decision of the Ordinary General Meeting of Shareholders no. 10 on 27rd April 2022 for a four year period. The total uninterrupted duration of our commitment is 6 years, covering the financial years ended 31st December 2017 through 31st December 2022.

We confirm that:

- Our audit opinion is consistent with the additional report submitted to the Company's Audit Committee, which we issued on the same date as this report. Moreover, in conducting our audit, we remained independent of the audited entity.
- We have not provided to the Company any prohibited non-audit services, mentioned in article 5, paragraph (1) of the Regulation (EU) no. 537/2014.

Report on compliance with Delegated Regulation (EU) 2018/815 on regulatory technical standards on the Single European Electronic Reporting Format (ESEF Regulation)

19 We have performed a reasonable assurance engagement upon compliance with the ESEF Regulation applicable to the financial statements included in the annual financial report prepared by the Company for the reporting date 31 December, 2022, as presented in the Digital File that has been made available to us.

(i) The responsibility of the management and persons in charge with governance for the preparation of the Digital File in accordance with the ESEF Regulation

The management of the Company is responsible for the preparation of the Digital File in accordance with the ESEF Regulation. This responsibility includes:

- design, implementation and maintenance of internal control relevant for the application of the ESEF Regulation;
- ensuring compliance between the Digital File and the annual financial statements prepared in accordance with Rule 36/2015.

The persons in charge with governance are responsible for overseeing the process of compiling the Digital File in accordance with the ESEF Regulation.

(ii) The auditor's responsibility for the audit of the Digital File

We have the responsibility to express a conclusion upon the extent to which the financial statements included in the Company's annual financial report for the reporting period ended on December 31st, 2022, are in accordance with the ESEF Regulation, in all material respects, based on the evidence obtained. Our reasonable assurance engagement was conducted in accordance with the International Standard on Assurance Engagements 3000 (revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ISAE 3000) issued by the International Auditing and Assurance Standards Board (IAASB). In performing this engagement, we have designed and applied procedures to obtain evidence that allow us to draw a conclusion on the compliance of the Company's annual financial statements with the ESEF Regulation. The nature, timing and extent of the procedures selected depend on the auditor's professional judgement, including the assessment of the compliance risk with the provisions of the ESEF Regulation, caused either by fraud or error.

As part of our reasonable assurance engagement, we have considered:

- obtaining a sufficient understanding of the process of preparing the Digital File in accordance with the ESEF Regulation, including the relevant internal controls;
- reconciliation of the Digital File with the audited annual financial statements of the Company, published in accordance with Rule 36/2015;

- assessment of the extent to which the financial statements included in the annual financial report are prepared in a valid XHTML format.

We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion. In our opinion, the financial statements for the financial year ended at December 31st, 2022 included in the annual financial report and presented in the Digital File comply, in all material respects, with the requirements of the ESEF Regulation.

In this section of the report, we do not express an audit opinion, a review conclusion or any other assurance conclusion regarding the company's annual financial statements. Our audit opinion on the Financial Statements of the Company for the financial year ended December 31st, 2022, is included in the *Section Report on the audit of the annual financial statements* in the introductory part.

Report on the disclosures related to the remuneration policy

20 In accordance with the provisions of Law no. 24/2017 regarding issuers of financial instruments and market operations, republished, with subsequent amendments (Law 24/2017), the Company has the obligation to submit a remuneration report, approved by the shareholders of the Company. In fulfilling our obligations related to this issue, we have carried out procedures to ensure that the disclosures in the remuneration report: (i) meet the disclosure requirements established by Law 24/2017; (ii) are consistent with the remuneration policy adopted by the Company and with the understanding gained by the auditor on the remuneration criteria; and (iii) do not contain material misstatements in relation to the audited financial statements.

The engagement partner of the audit for which this independent auditor's report was prepared is Ramona Neag.

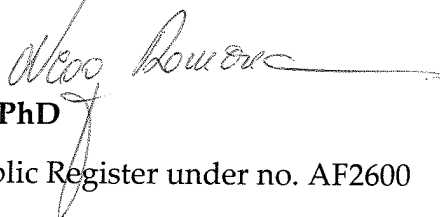
For and on behalf of RAO AUDIT OFFICE S.R.L.:

registered in the electronic Public Register under no. FA1237

Autoritatea pentru Supravegherea Publică a	
Activității de Audit Statutar (ASPAAS)	
Firma de Audit:	RAO AUDIT OFFICE S.R.L.
.....	
Registrul Public Electronic:	FA 1237

Audit Partner Neag Ramona, PhD

registered in the electronic Public Register under no. AF2600



Autoritatea pentru Supravegherea Publică a	
Activității de Audit Statutar (ASPAAS)	
Auditor financiar:	NEAG RAMONA
.....	
Registrul Public Electronic:	AF 2600

Tg. Mureș, 22th March 2023