

SC MILLENIUM INSURANCE BROKER (M.I.B.) INSURANCE-REINSURANCE BROKER SA  
 Form of ownership: private (with capital: domestic private)  
 Serial number in the Trade Register: J40/5065/1997  
 Unique registration code at the National Trade Register Office: 9557790  
 Unique NACE code: 6622 Activities of insurance brokers  
 <<Authorized by the Insurance Supervisory Commission>>  
 Registration number in the Register of Insurance Brokers: RBK-096/04.10.2003  
 Registered office: Bucharest, Sector 5, Str.Splaiul Independentei, nr.111  
 IBAN CODE: RO68BACX00000000324923000-Unicredit Bank  
 Subscribed and paid-up share capital: 583,945.60 lei

## **REPORT OF THE BOARD OF DIRECTORS**

on the economic and financial results for the period 01.01.2023-31.12.2023 for  
 MILLENIUM INSURANCE BROKER (M.I.B.) INSURANCE-REINSURANCE BROKER SA

### **CAP.I ACTIVITATEA SOCIETĂȚII COMERCIALE**

#### **CHAPTER I COMPANY ACTIVITY**

SC MILLENIUM INSURANCE BROKER (MIB) INSURANCE-REINSURANCE BROKER SA is headquartered in Bucharest, Sector 5, Str. Splaiul Independența, nr.111.  
 SC MILLENIUM INSURANCE BROKER (MIB) INSURANCE-REINSURANCE BROKER SA has a share capital of 583.945,60 lei divided in 2.085.520 shares, with a nominal value of 0.28 lei/share..

The shareholding structure on 31.12.2023 according to the shareholders' register:

Shaerholders	No. of stock owned	%	Value of social capital (lei)
AUTONOM INTERNATIONAL	662.240	31,75	185.427,25
PRIGOREANU STEFAN EMANUEL	340.910	16,34	95.454,67
TUDOR DIMOFTE	244.890	11,74	68.569,23
DORIN IVASCU	208.243	9,99	58.308,14
ANGHELUTA ALIN	141.672	6,79	39.668,01
Other shareholders (individuals and companies)	487.565	23,38	136.518,30
<b>Total</b>	<b>2.085.520</b>	<b>100</b>	<b>583.945,60</b>

During 2023, the changes in the shareholders' structure were made according to the Shareholders' Decisions as follows:

Based on the AGEA decision no. 03/28.09.2022 for approval of the Stock Option Plan(SOP) as mechanism to award the Board members for the business performance of the company, on the decision of the President of the Board of Administrators regarding the fulfilment of the conditions for the SOP program at 28.09.2023 and based on the contracts for transferring the stocks signed in 28.09.2023 between the company and the three members of the Board of

Administrators, in 04.10.2023 the company has registered in the Shareholders' Registry the transfer of property rights for 81682 MIB stock from its own account (the one of the issuer) to the accounts of the three members of the Board of Administrators:

- Mr. Prigoreanu Stefan Emanuel has received 48.488 MIB stocks, with a nominal value of 0,28 RON each and a total nominal value of 13.576,64 RON;
- Mr. Angheluta Alin Valentin has received 16.597 stocks, with a nominal value of 0,28 RON each and a total nominal value of 4.642,12 RON;
- Mr. Stefan Dan-George has received 16.597 stocks, with a nominal value of 0,28 RON each and a total nominal value of 4.642,12 RON.

By the AGEA decision no.1 from 21.12.2023, there has been approved to cover the loss of 627.857,87 lei (equivalent to 126.898,45 Euro), related to the transfer for free of 81682 MIB stocks towards the three members of the Board of Administrators as part of the SOP program, from the own capital, as follows:

- 396.513,60 lei from 'Gains resulted from selling own capital instruments'
- 231.344,27 lei from 'Other reserves'

According to the articles of incorporation of the company, the main object of activity is – caen 6622 activities of insurance agents and brokers

The main activity carried out by SC MILLENIUM INSURANCE BROKER (MIB) BROKER DE ASIGURARE-REASIGURARE SA is represented by the insurance brokerage activity. The share of each category of services in the total revenues in 2023 is as follows:

Indicator	Sum (lei)	% in total revenues
Total Revenues	55.832.857	100
Income from distribution activity	55.176.840	98.83
Rental income	23.735	0.04
Other operating income	163.499	0.29
Financial income	469.783	0.84

In the total revenues, the largest share, 98.83%, is recorded by the revenues from the distribution activity, an activity carried out by the company, being authorized according to art.35 of the Law 32/2000 on the activity and supervision of insurance intermediaries, based on the notice no.96 / 18.12.2001, issued by the Insurance Supervisory Commission.

In order to achieve the object of activity, the Company collaborates with several companies in the field of insurance and reinsurance operating on the regulated market in the field of insurance by the Financial Supervisory Authority, among which we mention:

GROUPAMA ASIGURARI S.A, ALLIANZ TIRIAC ASIGURARI SA, REASIGURATORI-ARDONAGH SPECIALTY EUROPE NV, OMNIASIG VIG SA, GENERALI ROMANIA ASIGURARE REASIGURARE SA, ASIROM ASIGURARI S.A., EUROINS ASIGURARI SA (the company went bankrupt in 2023), UNIQA ASIGURARI SA,

GRAWE ROMANIA ASIGURARE S.A., SIGNAL IDUNA ASIGURARI S.A., ALLIANZ TIRIAC UNIT ASIGURARI S.A., AXERIA IARD, HD INSURANCE LIMITED, EXIM ASIG, COFACE, GARANTA, EUROLIFE, ASITO KAPITAL and others.

The distribution of revenues in 2023, from the insurance brokerage distribution:

Company	Nr. rd.	Revenues from insurance brokerage distribution (lei)	%
GROUPAMA ASIGURARI S.A.	1	11.333.195	20,55
ALLIANZ - TIRIAC ASIGURARI S.A.	2	8.760.306	15,88
REINSURERS	3	7.503.982	13,60
OMNIASIG VIG SA	4	5.878.146	10,66
GENERALI ROMANIA ASIGURARE REASIGURARE S.A.	5	4.462.840	8,09
ASIROM VIENNA INSURANCE GROUP S.A.	6	3.325.451	6,03
EUROINS ROMANIA ASIGURARE REASIGURARE S.A.	7	2.592.899	4,70
UNIQA ASIGURARI S.A.	8	2.027.542	3,68
GRAWE ROMANIA ASIGURARE S.A.	9	1.978.303	3,59
SIGNAL IDUNA ASIGURARI S.A.	10	1.524.087	2,76
ALLIANZ-TIRIAC UNIT ASIGURARI SA	11	1.378.929	2,50
AXERIA IARD	12	1.146.073	2,08
HD INSURANCE LIMITED	13	786.191	1,43
Others	14	2.463.941	4,45
Total Revenues from insurance and reinsurance brokerage distribution	15	55.161.885	100,00
Revenues from distributing the products created by non-banking financial institutions	16	14.955	
Total Revenues from distribution (14+15)	17	55.176.840	

The situation of the first 6 clients of the company from the point of view of the commission due to the broker is as follows:

Insurance Company	Nr.rd.	Revenues (lei)	%
GROUPAMA ASIGURARI S.A.	1	11.333.195	20,55
ALLIANZ - TIRIAC ASIGURARI S.A.	2	8.760.306	15,88
OMNIASIG VIG (fosta BCR ASIGURARI VIG)	3	5.878.146	10,66
GENERALI ROMANIA ASIGURARE REASIGURARE S.A.	4	4.462.840	8,09
ASIROM VIENNA INSURANCE GROUP S.A.	5	3.325.451	6,03
EUROINS ROMANIA ASIGURARE REASIGURARE S.A.	6	2.592.899	4,70
Total		36.352.837	65,91

Total **commissions** due from intermediation in 2022 were 49.038.547 lei (9.962.325 euro), **while in 2023 they were 55.176.840 lei** (11.154.724 euro), **marking a 12,52% growth.**

In 2023, MIB has obtained revenues from reinsurance distribution worth of 7.503.982 lei, representing 13,60% of total revenues from distribution.

Regarding the insurance premiums, in 2022 they totalled 300.896.056 lei (61.127.916 euro), **while in 2023 their amount was 388.054.584 lei** (78.450.335 euro).

Analysing the indicators, one can notice that the average commission in 2023 was 14,22 % from the value of the intermediated insurance premiums, while in 2022 the average commission was higher - 16,30%.

From analysing the intermediate premium values, the top 6 insurance undertakings by volume are:

Nr.crt	Partener	Intermediated insurance premiums (lei)	Percentage from total
1.	GROUPAMA ASIGURARI S.A.	106.678.941	27,49%
2.	ALLIANZ TIRIAC ASIGURARI SA	66.479.723	17,13%
3.	OMNIASIG VIG SA	37.466.710	9,66%
4.	GENERALI ROMANIA ASIGURARE REASIGURARE SA	32.529.533	8,38%
5.	ASIROM VIENNA INSURANCE GROUP S.A.	29.225.267	7,53%
6.	GRAWE ROMANIA ASIGURARE SA	26.000.545	6,70%

The first six companies from the above table represent 76,89 % of the intermediated insurance premiums in 2023, less than in 2022, when they represented 79,67%. The other insurance companies that we partnered with in 2023 were: Reasiguratori-Ardonagh Specialty Europe NV, Axeria Iard, Euroins Romania Asigurare-Reasigurare (the company went bankrupt in anul 2023), HD Insurance, Uniqa Asigurari SA, Signal Iduna (fosta Ergo), Allianz Tiriac Unit, Lutz Assekuranz, Signal Iduna, Agra Asiguari, Garanta Asigurari, Exim Asigurari, Coface SA, ABC Asigurari, etc.

The reinsurance premiums intermediated in 2023 worth 19.062.560 lei, representing 4,91% out of total intermediated premiums.

Nr. crt	Partner	Volume of intermediated premiums	% from total
1	ARDONAGH SPECIALTY EUROPE NV	19.062.560	4,91%

**The stability and continuity of the company's activities are the result of cooperation with the main insurance insurers in the regulated market. At the time of these financial statements there are no risks and uncertainties that the company faces.**

**The structure of the profit or loss account 2023 is the following :**

	-lei-
TOTAL REVENUES :	55.832.857
of which :	
operating revenues	55.363.074
financial revenues	469.783

TOTAL EXPENSES :	52.593.851
Of which :	
operating costs	52.465.206
financial expenditures	128.645
GROSS PROFIT	3.239.006
PROFIT TAX	524.712
NET PROFIT	2.714.294

## CHAPTER II PREDICTABLE DEVELOPMENT OF THE SOCIETY

The objectives targeted in the next period by Millenium Insurance Broker( MIB) Broker de Asigurare-Reasigurare S.A. are focused on attracting a higher number of customers and also on improving the quality of services provided tot hem.

## CHAPTER III THE MANAGEMENT OF THE COMPANY

In 2023 the company was managed by Mr Prigoreanu Stefan-Emanuel as Chairman of the Board of Administrators, Angheluta Alin-Valentin and Stefan Dan-George, members of the Board of Administrators.

In 2023, the Board of Administrators has had 8 meetings. The president has performed an annual evaluation of the activity of the Board.

The executive board was provided by Mr Prigoreanu Stefan-Emanuel, Administrator, and Ms Vartic Camelia, Executive Director.

The accountings was kept by Mrs Jecan Carmen Maria — Economic Director.

## CAP.IV Details regarding employees and members of administration and management bodies

- a) Allowances awarded to members of the administration, management and supervision bodies;

In 2023 the Board of Directors of the company consisted of the following 3 members:

- **Prigoreanu Ștefan Emanuel** - Chairman of the Board of Directors
- **Angheluta Alin Valentin** – Member of the Board of Directors
- **Stefan Dan George** - Member of the Board of Directors

The gross allowances paid to Board of Directors members' in 2023 were in the amount of 610.726 lei.

- b) there were no contractual obligations regarding the payment of pensions to former or current members of the administration, management and supervisory bodies.

c) advances were granted to the members of the administrative bodies, and they have provided justificative documents for the advances

d) No credits were given to the members of the administrative bodies

e) employees: The personnel expenses in 2023 amounted to 1.938.612 lei:

- Gross wages: 1.706.107 lei
- Expenses with meal tickets: 115.080 lei
- Compulsory Insurance contribution for work: 52.122 lei
- Other expenses regarding insurance and social protection: 65.303 lei.

The average number of employees during the 2023 financial year was 22.

**Staffing policy: ( employee number, qualification, training, wages)**

For permanent staff, MIB has always chosen persons recommended from reliable sources and who have met the professional training requirements for the respective position.

The employed personnel benefits from all the rights given by national legislation, including working hours, days off, paid holidays, etc.

Paid wages are individually negotiated for the monetary salary. All employees have the following benefits: meal tickets, health insurance, except the cases when employees opted-out of these benefits specifically.

All eligible employees benefit from Easter, Christmas and Children’s Day bonuses.

**CAP. V Status of the company’s legal disputes**

The status of the company’s 2023 legal disputes is detailed below:

No.	Record No./Date	Role of involved parties		Object of dispute	procedural stage
1.	8080/3/2020	MIB	CERTASIG- Societate de Asigurare si Reasigurare SA		
		creditor entered in the preliminary table of claims	debtor in bankruptcy proceedings	bankruptcy proceedings	Trial
2.	27011/3/2021	MIB	Societatea de Asigurare- Reasigurare CITY INSURANCE SA		
		unsecured creditor	debtor in bankruptcy proceedings	bankruptcy proceedings	Trial
3.	8813/3/2023	MIB	EUROINS Romania Asigurare- Reasigurare S.A		
		unsecured creditor	debtor in	bankruptcy proceedings	Trial

			bankruptcy proceedings		
4.	5496/205/2018	MIB	Binica Ion		
		respondent forced intervener	appellant plaintiff	claims - the value of the material damage, moral damages	Appeal
5.	10351/182/2020	MIB SA	Greties Alex Daniel		
		MIB was introduced in the file as forced intervener, alongside City	petitioner	contravention complaint PV series PMMX no.0279981	Appeal
6.	33306/212/2021	MIB SA	Baceanu Ana-Maria		
		Forced intervener	intervener	contravention complaint PV series PCTX no. 396019.	trial
7.	19388/245/2022	MIB SA	Gasparyl Mihai Adrian		
		Forced intervener	petitioner	contravention complaint PV series PIS X no. 0480815 - 04.07.2022	trial
8.	9322/211/2023	MIB SA	Vasiu Ioan		
		Forced intervener	intervener	contravention complaint PCJX 0512694-p	trial
9.	207/289/2023	MIB SA	Simon Lorand Szilard		trial
		Forced intervener	intervener	contravention complaint PMSX 0451879	trial, MIB was a party excluded from the trial
10.	2050/302/2023	MIB SA	Societatea Asigurare-Reasigurare ASTRA S.A.		
		Defendent	complainant	Claims (civil law)	File closed at 15.11.2023
11.	1535/P/2021	MIB SA	Velicu Catalin, Velicu Elena si Velen Consulting & Management Srl	penal complaint	

## **CAP. VI CHANGES IN THE COMPANY**

Changes that have occurred in the shareholders structure are presented in Chapter 1 of the current report. No conflict of interest has occurred.

## **CAP VII OTHER DETAILS**

1. The company has no research and development activities.
2. On 31.12.2023, the company possessed 156.937 shares (traded on the regulated market) from BUCUR SA company, highlighted in financial assets details. No changes to the this number of shares has occurred throughout the year 2023. The value of the shares on 31.12.2023 is shown as the purchase value of 80.891,85 lei.  
The market value for each shatre on 31.12.2023 was 1.0100 lei/share, while the purchase value was of 0.51544lei/ share.  
In 2023, MIB has received dividends worth of 5189 lei for the year 2022.

3. At 31.12.2023, MIB SA owned short term investments that can be transacted through the regulated market, as follows:

- a) Bonds worth of 269.518 lei, the ones bought in 2023 were worth 208.736 lei and the sales in 2023 were worth of 41.142 lei. In year 2023 MIB has received bond coupons worth of 6.165 lei.
- b) Stocks worth of 195.983 lei, the ones bought in 2023 were worth of 228.250 lei, and the stocks sold in 2023 were worth 36.134 lei. Dividends received in 2023 are worth 5.818 lei.  
Net profits out of stock sales were worth 3.392 lei.

Stock market trading was carried out through SSIF Goldring SA.

4. The company does not have branches, but we operate in over 62 towns in 33 counties, through brokerage assistants under exclusive contract with MIB;

### **5. Participations:**

- a) MIB SA is the sole associate of the company MIB Services & Suport SRL, established at the end of 2017 to start and carry out other insurance-related activities, that are not allowed for the parent company-MIB by the specific insurance legislation. No dividends were collected.
- b) MIB is a founding member of the Romanian Association of Insurance-Reinsurance Brokers (PRBAR), with an initial contribution of 4 500 (four hundred and fifty) lei;
- c) MIB owns 5% of the Social Capital of INSURETECH SRL, stake both as a result of the decision of the Board of Administrators no. 02/2023 from 16.05.2023

### **6. Riscuri speciale:**

#### **6. Special risks:**

- a) Given the fact that the company does not carry out activities in another currency, there is no currency or banking risk to which it could be exposed in the next period.



- b) The company is not exposed to price risk; Company valuations are by cash flow method, and increasing these flows generates a higher value, not a lower one.
- c) The company is not exposed to credit risk; There are no bank loans in progress, and there are no plans to take out any bank loans.
- d) The company partially and limitedly exposed to liquidity risk, as there were investment plans of maximum 1 million Euro / year approved by AGEA no. 1 / 21.12.2023 for the 2024-2026 period, in order to develop the business, for M&As etc. If such market opportunities occur, and would be identified and approved by the Board of Administrators, they will imply one or more significant payments that might negatively influence the cash flow of the company, yet all the potential transactions will be thoroughly analyzed from this point of view.

**7. The 2023 financial statements** have been audited by the audit company SOCECC SRL, CUI RO6636954, CAFR authorization no. 227.

The financial statements were drawn up based on the principle of continuity of activity, which assumes that the company will continue its activity in the foreseeable future. To assess the applicability of this assumption, the management analyzes the forecasts regarding future cash inflows.

Based on these analyses, the management considers that the company will be able to continue its activity in the foreseeable future and therefore the application of the principle of continuity of activity in the preparation of the financial statements is justified.

The financial accounting record of the company is in accordance with the provisions of the Accounting Law 82/1991 and the Regulations for the application of the Accounting Law.

The economic-financial operations regarding the presented period were recorded in legal documents and in accounting, as it results from the trial balance and the accounting balance on 31.12. 2023.

The profit and loss account related to the year 2023 faithfully reflects the income and expenses related to the reporting period.

The inventory of all the company's accounts was carried out according to Decision no 1111/29.12.2023 in accordance with the legal provisions.

The company has no outstanding debts towards the state budget, local budgets or the social insurance budget.

All items entered in the balance sheet correspond to the recorded data and match with the real situation of the patrimonial elements

No offsets have been made between the balance sheet accounts, nor between the income and expenses of the profit and loss account.

The accounting principles, rules and models provided for in the current regulations have been respected.

The trial balance on 31.12.2023 faithfully reflects the company's patrimonial situation and the economic and financial result of the year 2023 and is drawn up in accordance with the company's accounting records.

I confirm that the financial statements do not contain known significant errors, including omissions in this category, and that we are responsible for the correct presentation in the financial statements of the financial position, the result of the operations carried out by the Millenium Insurance Broker (MIB) SA entity, as well as the flow of treasury in accordance with the generally accepted requirements, on December 31, 2023.

At 31.12.2023, risk provisions were made, worth of 435.066 lei, non-deductible:

- 350.000 lei, provision 50% out of the supplementary commission for 2022 from Allianz-Tiriac Asigurari SA, commission that will be returned in case the quantitative and qualitative objectives established with the insurance company will not be achieved
- 85.066 lei, provision 100% out of the commission notified by EUROINS ROMANIA ASIGURARE-REASIGURARE SA (53.950,01 lei si 31.115,63 lei-echivalent in lei a 6.254,90 eur la cursul valutar de inchidere 2023 de 4.9746 lei/eur), resulted from the termination of policies intermediated by MIB for this insurance company in the period 01.01.2023-07.12.2023.

#### **8. Main economic-financial indicators:**

economic-financial indicators	31.12.2023
1.Liquidity indicators	
Current liquidity indicator	2,81
Immediate liquidity indicator	2,81
2. Risk Indicator	
Indebtedness indicator	0,00
Interest coverage indicator	12223,66
3. Activity indicators	
Rotation speed of client debts	4,38 zile
Rotation speed of supplier debts	9,77 zile
Rotation speed of fixed assets	56,29
Rotation speed of total assets	3,55
4. Profitability indicators	
Return on employed capital	0,33
Gross margin from sales	5,25

**9. When drawing up the financial statements for the year 2023, the following legislative acts in force were taken into account:**

- **Accounting Law no.82/1991**
- **ASF norm no. 32 si 36/2015** , **ASF norm no.9/2020**

Signatures:

PRIGOREANU Stefan-Emanuel  
Chairman of the Board of Directors

## **Declaration**

**According to the provisions of the art. 30 from the Law of Accounting no. 82/1991**

**The annual financial situations at 31.12.2023 have been created for:**

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**Entity: MILLENIUM INSURANCE BROKER (MIB) BROKER DE ASIGURARE-REASIGURARE S.A.**  
**County: 40—MUN.BUCURESTI**  
**Address:localitatea BUCURESTI , SECTOR 5, STR.SPLAIUL INDEPENDENTEI, NR.111**  
**Trade Registry Number: J40/5065/1997**  
**Form of property: 34—Societati comerciale pe actiuni**  
**Main activity (cod si denumire clasa CAEN): 6622—Activitati ale agentilor si brokerilor de asigurari**  
**Cod unic de inregistrare: 9557790**

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**Undersigned PRIGOREANU STEFAN EMANUEL, takes responsibility for the creation of the annual financial situations at 31.12.2023 and confirms that:**

- a)The accounting policies used in order to create the annual financial documents are compliant with the applicable accounting regulations.**
- b) The annual financial situations offer a correct image of the financial position and performance of the company and of the other pieces of information related to the activity of the company**
- c) The company is performing its activity on continuity conditions.**

**ADMINISTRATOR,  
PRIGOREANU STEFAN EMANUEL**

**S.C. Societatea de Contabilitate, Expertiză și Consultanță Contabilă**  
**SOCECC S.R.L.**

**REPORT OF THE INDEPENDENT AUDITOR**  
**REGARDING**  
**THE FINANCIAL SITUATIONS CREATED BY**  
**S.C. MILLENIUM INSURANCE BROKER (M.I.B.)**  
**BROKER DE ASIGURARE-REASIGURARE S.A.**  
**FOR THE FINANCIAL EXERCISE ENDING**  
**31ST OF DECEMBER 2023**

**- BUCHAREST -**  
**- 2024 -**

**REPORT OF THE INDEPENDENT AUDITOR**  
**TOWARDS THE GENERAL MEETING OF THE SHAREHOLDERS OF**  
**S.C. MILLENIUM INSURANCE BROKER (M.I.B)**  
**BROKER DE ASIGURARE-REASIGURARE S.A.**

**Report related to the audit of the financial situations**

**Opinion**

We have audited the individual financial situations of S.C. MILLENIUM INSURANCE BROKER (MIB) BROKER DE ASIGURARE-REASIGURARE S.A. (“Company”), which include the annual balance sheet for the year that has ended at 31.12.2023, the profit and loss account, the situation of the modifications of own capital and the situation of the treasury flows for 2023, and also a synthesis of the most significant accounting policies and other explanatory notes.

The individual financial situations at 31.12.2023 are as follows:

- Total net Assets (Own Capital) - 9.942.397 lei
- Net profit of the exercise - 2.714.294 lei

In our opinion, the financial statements prepared by the Company for the financial year 2023 give a true and fair view, in all material respects, of the financial position of the Company as at 31 December 2022, of the outturn account and the cash flow statement in accordance with the Romanian accounting regulations as approved by the Rule of the Financial Supervisory Authority no. 36/2015 for the approval of the Accounting Regulations on the separate annual financial statements and consolidated annual financial statements applicable to insurance and/or reinsurance brokers.

**Basis for the opinion**

We conducted our audit in accordance with the International Standards on Auditing (ISAs) adopted by the Romanian Chamber of Financial Auditors. Our responsibilities are described in detail in the section Auditor’s responsibilities in an audit of financial statements in our report. We are independent of the Company in accordance with the ethical requirements relevant to the audit of financial statements in Romania and have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **The responsibility of management and others person in charge with governance for the financial statements**

The management is responsible for the preparation and fair presentation of these financial statements in accordance with Rule no. 36/2015 and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misrepresentations, whether due to fraud or error. In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, where appropriate, the going concern matters and using the going concern basis of accounting, unless the management either intends to liquidate the Company or to cease the operations, or has no realistic alternative but to do so. The persons in charge with the governance are responsible for oversight of the financial reporting process.

### **Auditor's responsibility**

Our objectives are to obtain reasonable assurance about whether the financial statements, taken as a whole, are free from material misrepresentations, 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 it is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misrepresentation if one exists. Misrepresentations may be caused by either fraud or error and are considered material if they could reasonably be expected to affect, individually or in the aggregate, the economic decisions of users, taken based on these financial statements. As part of an audit in compliance with ISA standards, we exercise professional judgment and maintain professional skepticism throughout the audit. Also:

- We identify and assess the risks of material misrepresentation of the financial statements, whether due to fraud or error, design and perform audit procedures that respond to those risks, and obtain sufficient appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misrepresentation due to fraud is greater than the risk of not detecting a material misrepresentation due to error because fraud may include complicity, incorrectness, intentional omissions, misstatement or circumvention of internal control.
- We understand the internal control relevant to the audit to determine the audit procedures that are appropriate in the given circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- We assess the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures of information made by the management.
- We conclude on the appropriateness of the use by the Company's management of the going concern basis and determine, based on the audit evidence obtained, whether there is a material uncertainty about events or conditions that may cast significant doubt about 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 the audit report to the related disclosures in the financial statements or, if those disclosures are inadequate, we are required to modify our opinion. Our conclusions

are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to operate on a going concern basis.

- We assess the overall presentation, structure and content of the financial statements, including disclosures of information, and the extent to which the financial statements reflect underlying transactions and events in a manner that achieves fair presentation.

We communicate to the persons in charge with administration, among other matters, the planned objectives and timeframe of the audit, as well as the significant audit findings, including any significant deficiencies in internal control, that we identify during our audit.

### **Report on other legal and regulatory requirements**

In accordance with the provisions of Rule no. 36/2015, we have read the directors' report and we report as follows:

- we have not identified any information in the directors' report that is not consistent, in all material respects, with the information presented in the financial statements as at 31 December 2023.
- the directors' report identified above includes, in all material respects, the information required by the Annex to Rule no. 36/2015, as subsequently amended, paragraphs 427-429;
- based on our knowledge and understanding obtained during our audit of the financial statements prepared as at 31 December 2023 in respect of the Company and its environment, we have not identified any material misleading information disclosed in the directors' report.

In the name of,

București, 14.03.2024

S.C. Societatea de Contabilitate, Expertiză și

Consultanță Contabilă - S O C E C C S.R.L.

with registered office in Bucharest, registered with the Electronic Public Register under no. FA227

by Zegrea Laurențiu, registered with the Electronic Public Register under no. AF2666

# CORPORATE GOVERNANCE PRINCIPLES

## CODE PROVISIONS TO BE RESPECTED

Declaration regarding the alignment with the principles of Corporate Governance of BVB for the multilateral transaction system – AeRO arket

Code	Provisions to be respected	Compliant	Non-Compliant	Explanations
<b>SECTION A - RESPONSIBILITIES OF THE MANAGEMENT BOARD (BOARD)</b>				
A1.	The company should have internal Board regulations that include terms of reference regarding the Board and key management functions of the company. The administration of the conflict of interests at Board level should also be dealt with in the Board regulation	yes		
A2.	Any other professional commitments of the members of the Board, including the position of executive or non-executive member of the Board in other companies (excluding subsidiaries of the company) and nonprofit institutions, will be notified to the Board before appointment and during the mandate term.	yes		
A3.	Each member of the Board shall inform the Board of any connection with a shareholder who directly or indirectly holds shares representing not less than 5% of the total number of voting rights. This obligation shall take into account any connection which may affect the position of that member on matters relating to decisions of the Board.	yes		
A4.	The annual report will inform whether an evaluation of the Council under the chairmanship has taken place. The annual report shall contain the number of meetings of the Board.	yes		

## SECTION B – INTERNAL CONTROL / AUDIT

B1.	The Board will adopt a policy so that any transaction of the company with a subsidiary representing 5% or more of the company's net assets, according to the latest		x	The issuer has no such policy in place, but there were no such transactions in 2023.
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	financial reporting, is approved by the Board.			
<b>B2.</b>	The internal audit must be carried out by a separate organizational structure (internal audit department) within the company or through the services of an independent third party, which will report to the Board and, within the company, report directly to the General Manager.	yes		<i>Internal audit is performed by an independent company</i>

### **SECTION C – FAIR REWARDS AND MOTIVATION**

<b>C1.</b>	The company will publish in the annual report a section that will include the total income of the members of the Board and the general manager and the total amount of all bonuses or any variable compensation, including the key assumptions and principles for their calculation.	yes		
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### **SECTION D – BUILDING VALUE THROUGH INVESTOR RELATIONS**

<b>D1.</b>	In addition to the information provided in the legal provisions, the company's website will contain a section dedicated to Investor Relations, both in Romanian and in English, with all relevant information of interest to investors, including:	yes		
<b>D1.1</b>	The main regulations of the company, in particular the articles of association and the internal regulations of the statutory bodies	yes		
<b>D1.2</b>	CVs of members of statutory bodies	yes		
<b>D1.3</b>	Current reports and periodic reports;	yes		
<b>D1.4</b>	Information on general meetings of shareholders: agenda and related materials; decisions of general meetings;	yes		

D1.5	Information about corporate events such as the payment of dividends or other events that result in the acquisition or limitation of a shareholder's rights, including deadlines and the principles of such transactions;	yes		
D1.6	Other extraordinary information that should be made public: cancellation / modification / initiation of cooperation with an Authorized Consultant; signing / renewing / terminating an agreement with a Market Maker	yes		
D1.7	The company must have an Investor Relations function and include in the section dedicated to this function, on the company's website, the name and contact details of a person who has the ability to provide, upon request, the appropriate information.	yes		
D2.	The company must have adopted a dividend policy of the company, as a set of directions regarding the distribution of net profit, which the company declares to comply with. The principles of the dividend policy must be published on the company's website.	yes		
D3.	The company must have a policy on forecasts and whether or not they will be provided. The forecasts are the quantified conclusions of the studies aimed at determining the total impact of a list of factors related to a future period (so-called assumptions). The policy must set out the frequency, the period under consideration and the content of the forecasts. The forecasts, if published, will be part of the annual, half-yearly or quarterly reports. The forecast policy must be published on the company's website.			<i>In progress</i>

<b>D4.</b>	The company must set the date and place of a general meeting so as to allow the participation of as many shareholders as possible.	yes		
<b>D5.</b>	The financial statements will include information in both Romanian and English on the main factors influencing changes in sales, operating profit, net profit or any other relevant financial indicator	yes		
<b>D4.</b>	The company must set the date and place of a general meeting so as to allow the participation of as many shareholders as possible.	yes		