ONIX ASIGURARI SA

Financial statements

drawn up in accordance with EU International Financial Reporting Standards as at 31 December 2024

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INDEPENDENT AUDITOR'S REPORT

Attn: The shareholders of the company ONIX ASIGURARI SA

Opinion

We have audited the attached Financial Statements of the Company **ONIX ASIGURARI S.A. (**hereinafter called **„The Company”),** headquartered in Bucharest, Sector 1, 2 Daniel Danielopolu Str.registered with the Trade Registry under no. J40 / 7361 / 2012, fiscal code no.: RO 10509908, which includes the balance sheet as at **31 December 2024**, the profit and loss statement, the statement of changes in equity, the cash flow statement for the year then ended, as well as a summary of the significant accounting policies and the explanatory notes.

The financial statements as at **31 December 2024** are as follows:

Net assets / Total equity:	326.206.942 lei
Net profit for the period	69.407.855 lei

In our opinion, the accompanying financial statements present a true and fair view of the Company's financial position as at **31 December 2024** and of its financial performance and cash flows for the year then ended, in accordance with the International Financial Reporting Standards (**IFRS**), the provizions Rule of the Financial Supervisory Authority (**ASF**) no. 19 / 2015 on the application International Financial Reporting Standards by the companies insurance, insurance – reinsurance and reinsurance, with subsequent amendments and completions (hereinafter **“Rule ASF 19 / 2015”**).

Basis of opinion

We conducted our audit in accordance wrth International Standards on Auditing (**ISA**). Our responsibilities under those standards are further described in the "*Auditors' Responsibilities for the Audit of the Financial Statements*" section of our report. We are independent of the Company in accordance with the Ethical Code of Professional Accountants issued by the International Ethics Standards Board for Accountants (**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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

The key audit matters are those issues which, based on our professional judegement, proved to be of the greatest importance for conducting the audit of the current financial statements. These matters have been addressed in the context of the audit of the financial statements as a whole and in forming our opinion on these financial statements, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Opinion* section, we were able to determine that the issues described below constitute key audit matters that need to be communicated in our report.

3B EXPERT AUDIT
J40/6669/1998
RO10767770

CECCAR 158/2000
CAFR 073/2001
UNPRL 2032/2000
ASF IT 184/2016
ASF 220/2016

Aurel Vlaicu nr. 114
Sector 2 Bucuresti
020098 Romania

T: +4 021 211 74 59
F: +4 021 211 74 69

3bexpert@auditor.ro
auditor.ro
russellbedford.com

Evaluation of the technical reserves

As at 31.12.2024, the Company's records show gross technical reserves amoutning to 114.197.505 lei (On 31.12.2023: 146.706.161 lei)

See Note 1.4.13 "Accounting policies and methods - General insurance business - Technical reserves"; Note 18 "Technical reserve"

Key matter	Our approach to this key matter during the audit
As described in Notes 18, the Company recorded as at 31.12.2024 technical reserves in the amount of 114.197.505 lei (31.12.2023: 146.706.161 lei), representing 66,32% (31.12.2023:63,53 %) of the total debts. The technical reserves cannot be accurately assessed, but only estimated in the light of the reasoning based on the latest credible information available. The estimation of the technical reserves involves significant reasoning regarding the uncertainty of future results, mainly the total settlement value of the claims reserves, assumptions related to the damage rate, frequency of the average claim of damages, the average cost per claim, these representing key input data in estimating the calims reserves. The Company creates and maintains the technical reserves in accordance with ASF Rule no. 38/2015 regarding the technical reserves established for the insurance activity, the method of calculating them for the purpose of preparing the annual financial statements and the special register of assets covering them (ASF Rule no. 38/2015) and IFRS 4 “Insurance contracts” (IFRS 4). The gross premium reserve, amounting to 74.031.573 lei (31.12.2023: 112.602.874 lei), is calculated monthly by summing the shares of the gross written premiums related to the unexpired periods of the insurance contracts. Their value at the end of the financial year represents the part of gross written premiums for which the risk is reported in the following financial year. The gross reserve for RBNS claims amounting to 505.417 lei (31.12.2023: 436.566 lei), because the company does not appear with damages reported in the course of liquidation. The reserve for IBNR claims, amounting to 18.953.529 lei (31.12.2023: 6.754.874 lei), represents the fund set up to settle the future obligations of the insurer resulting from the damages incurred, but not reported until the reference date of the calculation of the reserves. The reserve of unexpired risks is of 20.706.986 lei (31.12.2023: 26.911.847 lei) and is calculated based on the estimation of the damages that will occur after the closing of the financial year. As a result of those mentioned above, we deemed that the valuation of the technical reserves constituted a key audit matter.	Our audit procedures included, but were not limited to: We evaluated the internal methodologies established by the Company in accordance with the principles for determining the amount of the technical reserves instructed in the ASF Rule no. 38/2015 and in IFRS 4. We evaluated and tested (based on a sample) how were the internal controls on the process of estimating the value of the technical reserves designed and their effectiveness. We involved our actuarial experts to evaluate and test: ✓ the assessment of the compliance of the estimation methodology used to determine the value of technical reserves ✓ the reconciliation of the databases containing details regarding the determination of the RBNS and IBNR claims reserve with the existing data in the Company's accounting records ✓ the assessment based on our professional judgment of whether the Company's management estimates were adequate ✓ evaluation of the IBNR method and estimated value for the reference date 31.12.2022 by using the estimated damage rate method; ✓ the critical assessment of the assumptions used by the Company's management to estimate the value of the technical reserves by comparing them with our knowledge of the legal regulations in force, the Company's specific circumstances and by testing the accuracy of the process based on which the Company has developed its forecasts. We assessed whether the Notes to the financial statements disclose in an adequate manner the technical reserves, according to the relevant financial reporting frameworks.

Receivables from recovery related to the claims of damages filed

As at 31.12.2024, the Company's records show receivables from recovery of damage claims and regression in the amount of 4.666.534 lei (31.12.2023: 2.941.778 lei)	
Note 15 " Other assets "	
Key matter	**Our approach to this key matter during the audit**
As described in Note 15 to the attached financial statements, the gross value on 31.12.2024 of receivables from recovery of damage claims is 4.666.534 lei (net value : 260.347), representing 34.62% of the total gross receivable. We considered this a key matter due significant share of the value of the receivable from recovery in total gross receivables and to the professional reasoning required in estimating the amounts to be recovered	Our audit procedures included, but were not limited to: We have reviewed the Company's internal procedures for estimating the recoverable amount of receivables from regression or recovery and analyzed the criteria taken into account by the Company in the process of assessing the amounts to be recovered. We reviewed the management's forecasts regarding the impairment of these receivables and we assessed their compliance with the applicable accounting regulations. We reviewed the supporting documentation received from the management regarding the calculation of the forecasts, the calculation of the degree of recoverability of the claims determined for each case, separately, the opinions of the lawyers expressed in the litigation files and we followed the evolution of the files for damage claims throughout the year. We have reviewed the counter-guarantees used to reduce exposure to impairment risk. We discussed with the Company's management the methods and professional reasoning applied in order to establish the recoverable amounts, the status of the litigation files and ongoing criminal cases, the Company's intentions to pursue debtors, the expected chances of recovery, alternative methods of recovery and the probability of coverage of any loss of receivables.

Responsibilities of the Management and of Those in Charge with the Governance for the Financial Statements

The Management of the Company is responsible for the preparation of the financial statements that give a true and fair view in accordance with Rule ASF 19 / 2015 and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management of is responsible for assessing the Company's ability to continue as a going concern, for disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

The persons in charge with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives consist in obtaining reasonable assurance so as to ascertain whether the financial statements as a whole are free from material misstatement, due to fraud or error, as well as 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 bas s of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain a professional skepticism throughout the audit. 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 responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve secrets, forgery, intentional omissions, false statements and avoidance of internal control.

- We understand the internal control relevant to the audit in order to design audit procedures that are appropriate to the circumstances, but without the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- We assess the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management.

- We 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 auditors' 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 our auditors' 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.

We communicate to those in charge with governance, among other matters, the planned scope and timing of the audit and the significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provide those in charge with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

Among the issues we have communicated to those charged with governance, we identify those issues that were most important in the audit of the current financial statements and are therefore key audit issues.

We describe these issues in our audit report, unless legislation or regulations prevent the public disclosure of that issue or if, in extremely rare circumstances, we believe that an issue should not be disclosed in our report because it is expected to it is reasonable that the benefits of the public interest outweigh the negative consequences of this communication.

Report on other legal and regulatory provisions

We were appointed by contract no. 560/10.08.2023 to audit the financial statements of **ONIX ASIGURARI S.A.** for the financial year ended **31 December 2023** and **31 December 2024**. The total uninterrupted duration of our engagement is five years (2020 – 2024). Based on the Decision of the Extraordinary General Meeting of Shareholders of 07.10.2024, our engagement for the audit of the financial statements for the financial years 2025-2026 was extended by contract 587/07.10.2024.

We confirm that:

- In conducting our audit, we maintained our independence from the audited entity.
- We have not provided the Company with prohibited non-audit services, as referred to in Article 5 paragraph (1) of EU Regulation No. 537/2014.

Other matters

This report of the independent auditor is addressed exclusively to the Company's shareholders as a whole. Our audit was performed in order to be able to report to the Company's shareholders those matters that we are bound to report in a financial audit report, and not for other purposes. To the extent permitted by the law, we accept and assume no liability other than to the Company and its shareholders, as a whole, for our audit, for this report or for the opinion formed.

For and on behalf of 3B Expert Audit S.R.L.:
Badiu Dan - Andrei

registered in the Electronic Public Register of Financial Auditors and audit firms with number 4426

Autoritatea Pentru Supravegherea Publică a Activității de Audit Statutar (ASPAAS)
Auditor financiar: **Badiu Andrei**
Registru Public Electronic: **AF4426**

For and on behalf of :

Russell Bedford taking you further · 3B Expert

registered in the Electronic Public Register of Financial Auditors

and audit firms with number 73

Autoritatea Pentru Supravegherea Publică a Activității de Audit Statutar (ASPAAS)
Auditor financiar: **3B Expert Audit S.R.L.**
Registru Public Electronic: **FA73**

Bucharest, Romania

16 May 2025

STATEMENT OF FINANCIAL POSITION as at 31 DECEMBER 2024

(Amounts in Lei)

	Notes	Financial year 31 December 2024	Financial year 31 December 2023
Income from Gross Written Premiums		78,636,107	90,021,643
Variability of premiums reserve		38,571,301	23,235,905
Earned premiums	3	**117,207,408**	**113,257,548**
Income from investments	4	21,861,896	21,015,873
Net income/Gains from foreign exchange		(35,444)	1,365,014
Other incomes		56,839	66,418
Total incomes		**139,090,699**	**135,704,853**
Claims expenses andvariation of the loss reserve	5	11,805,008	(2,599,937)
Claims salvages from reinsurance		15,949	(54,085)
Variability of other reserves		(6,204,861)	(3,074,870)
Acquisition expenses	6	29,752,131	31,439,294
Administrative expenses	7	16,451,702	36,821,760
Net Expenses from assets value adjustments	8	5,433,021	1,720,872
Total expenses		**57,252,950**	**64,253,034**
Profit before tax		**81,837,749**	**71,451,819**
Profit tax	9	12,429,894	10,722,679
Net result of the year		**69,407,855**	**60,729,140**
Other elements of the comprehensive income:			
Variability of Reevaluation reserve of financial assets available for selling		-	-
Other positions of the comprehensive income of the year, net of deferred tax		-	-
Comprehensive income of the year		**69,407,855**	**60,729,140**

Deputy General Manager,
Adriana Cirstei

Financial Director,
Marius Stoica

ONIX ASIGURARI SA

STATEMENT OF FINANCIAL POSITION as at 31 DECEMBER 2024

(Amounts in Lei)

	Notes	31 December 2024	31 December 2023
Assets			
Property, plant, equipment	10	1,233,052	1,192,409
Intangible assets	11	701,838	1,269,055
Deferred acquisition costs	12	11,122,687	14,211,160
Financial assets measured at fair value	13	-	-
Other financial assets, including insurance receivables	14	435,353,575	462,238,853
Technical reserves for ceded to reinsurance		-	-
Receivable for deferred profit tax	21	832,155	24,186
Other assets	15	6,861,266	4,835,663
Cash and cash equivalents	16	42,274,116	13,957,209
Total assets		**498,378,649**	**497,728,535**
Equity			
Share capital	17	49,860,616	49,860,616
Share premiums		704	704
Previous years' results		276,345,622	216,937,766
Total equity		**326,206,942**	**266,799,086**
Expenses			
Technical reserves	18	114,197,505	146,706,161
Insurance contracts	19	49,386,869	57,430,721
Reinsurance		-	355,345
Trade and other expenses	20	8,587,333	26,437,222
Total expenses		**172,171,707**	**230,929,449**
Total equity and expenses		**498,378,649**	**497,728,535**

Deputy General Manager,
Adriana Cirstei

Financial Director,
Marius Stoica

Notes are an integral part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITY as at

31 DECEMBER 2024
(Amounts in Lei)

	Share capital	Share capital premiums	Result	Total
Figures as at 1 January 2023	**49,860,616**	**704**	**156,208,626**	**206,069,946**
Comprehensive income				
Profit	-	-	**60,729,140**	**60,729,140**
Other comprehensive incomes				
Reserves from first IFRS 16 implementation			-	-
Total comprehensive income for the reporting period	-	-	**60,729,140**	**60,729,140**
Shareholders' transactions as equity				
Paid dividends	-	-		
Total shareholders' transactions as equity	-	-	-	-
Figures as at 31 December 2023	**49,860,616**	**704**	**216,937,766**	**266,799,086**
Figures as at 1 January 2024	**49,860,616**	**704**	**216,937,766**	**266,799,086**
Comprehensive income				
Profit	-	-	**69,407,855**	**69,407,855**
Other comprehensive incomes				
Reserves from first IFRS 16 implementation			-	-
Total comprehensive income for the reporting period	-	-	**69,407,855**	**69,407,855**
Shareholders' transactions as equity				
Paid dividends	-	-	10,000,000	10,000,000
Total shareholders' transactions as equity	-	-	-	-
Figures as at 31 December 2024	**49,860,616**	**704**	**276,345,622**	**326,206,942**

Notes are an integral part of the Financial Statements.

ONIX ASIGURARI SA

STATEMENT OF CASH FLOWS as at

31 DECEMBER 2024

(Amounts in Lei)

	Notes	31 December 2023	31 December 2024
Cash flow from operating activities			
Gross result		**71,451,819**	**81,837,749**
Adjustments from non-monetary elements:			
Depreciation of a tangible fixed assets and intangible assets	**7**	865,830	865,830
Gains from selling of tangible assets		-	-
Interest expense		43,973	29,679
Interest incomes		(21,147,276)	(21,861,896)
Variability of technical reserves and deferred acquisition expenses		(27,425,095)	(29,420,183)
Income from claims salvages	**5**	(106,256)	505,649
Provisions for risks and expenses		(155,639)	40,493
Adjustments with impairment of tangible assets		464,568	1,745,271
Adjustments with impairment of unearned insurance premiums	**8**	1,411,944	1,464,399
Adjustments with impairment of recoveries and regresses		131,403	-
Adjustment with impairment of state bonds		-	-
Operating profit before working capital changes		**25,535,270**	**35,206,991**
Working capital changes			
Insurance receivables changes		(8,628,150)	(1,033,413)
Other assets changes		(991,835)	(5,740,932)
Reinsurance debts changes		(1,373,262)	(355,345)
Other debts changes		15,319,240	(18,265,495)
Profit tax paid		(5,642,087)	(15,253,505)
Net cash from operating activities		**24,219,176**	**(5,441,699)**
Cash flow from investments:			
Purchase of intangible assets	**11**	(29,746)	37,100
Purchase of tangible assets	**10**	(982,550)	(376,356)
Selling of tangible assets		-	-
Acquisition of financial assets kept till maturity		19,790,137	-
Decrease in bank over 3 months term- deposits	**14**	(72,940,857)	23,691,356
Interest paid		(43,973)	(29,679)
Interest cashed		15,937,402	26,089,241
Net cash for investments		**(38,269,588)**	**49,411,662**
Cash flow financial activities:			
Loan to the Policyholders Guarantee Fund (PGF)-special tax		(2,180,507)	(5,653,056)
Paid dividends		-	(10,000,000)
Net cash from financing activities		**(2,180,507)**	**(15,653,056)**
Total cash flow		**(16,230,919)**	**28,316,907**
Net increase in cash and cash equivalents			
Cash and cash equivalents beginning of the period	**16**	**30,188,128**	**13,957,209**
Cash and cash equivalents end of the period		**13,957,209**	**42,274,116**
Increase/ decrease in cash flow	**16**	**(16,230,919)**	**28,316,907**

Notes are an integral part of the Financial Statements.

1 GENERAL INFORMATION

Onix Asigurari SA is an insurance undertaking registered in Romania, having its premises in Bucharest, Daniel Danielopolu Street, no 2, 3rd floor, district 1 registered under the number J40/7361/2012 at Bucharest Trade Registry, tax number CUI 10509908, the number RA-031/10.04.2003 from Insurers Registry and Lei Code 213800TOAW5GTMZ1BL19, *authorized for the following non-life classes of insurance:*

A.1. Accidents, including industrial injury and occupational diseases
A.3. Land vehicles, other than railway rolling stock; covering all damage or loss of motor vehicles and other vehicles
A.7. Goods in transit, irrespective of the form of transport; covering all damage or loss of merchandise, baggage, or other goods
A.8. Fire and natural forces, covering all damage or loss of property, other than property included in Classes A3 through A7 due to fire, explosion, storm and natural forces, nuclear energy and land subsidence and landslide
A.9. Other damage or loss of property other than property included in Classes A3 through A7 due to hail, frost, theft, and other events not covered by Class 8
A.10. Motor vehicle liability, the use of motor vehicles operating on the land, including carrier's liability
A.13. General Liability, other than those referred to in Classes A10 through A12
A.14. Credit covering insolvency, in general, export credit, instalment credit, mortgages, agricultural credit
A.15. Suretyship: direct or indirect
A.16. Miscellaneous financial loss: unemployment, insufficiency of income- in general, bad weather, loss of benefits, continuing general expenses, unforeseen trading expenses, loss of market value, rent and other revenues, other indirect trading loss, other non-trading financial loss, other forms of financial loss
A.18. Assistance for persons who get into difficulties while travelling, while away from their home or their habitual residence

Based on Romanian Authority for Financial Supervision (ASF) decision no. 1390/20.11.2020, the company extended its authorization to operate in freedom of service in all EU for the classes of insurance A.14-Credits, A.15- Suretyship and A.16- Miscellaneous financial loss for all member states and Norway and A.13- General Liability is authorised in Austria, Bulgaria, France, Germany, Italy, Portugal and Spain.

Based on the right to establishment, the company has the authorization for a branch in Italy, for A.13- General Liability, A.14-Credits, A.15- Suretyship and A.16- Miscellaneous financial, being operational stating with December 2019 only for A.15- Suretyship underwriting products.

1.1 The basis of the preparation of the financial statements

The undertaking prepared the financial statements as at 31 December 2023 in accordance with International Financial Reporting Standards („IFRS") adopted by European Union UE and *ASF Norm no. 19 regarding the application of International Financial Reporting Standards by the insurance companies, the insurance and reinsurance companies and the reinsurance companies from 30 October 2015* the subsequent amendments and they are dedicated exclusively to the readers who are aware of these regulations.

These financial statements are not presenting the financial position of the company in accordance with the accounting regulations and principles as per *ASF Norm no. 41/2015* and they are not dedicated to the readers interested in this scope (for example the Fiscal Authorities, Trade Registry). For these users, the company has prepared and has presented financial statements in accordance with ASF Norm no. 41/2015.

1 GENERAL INFORMATION (CONT.)

1.1 The basis of preparation of the financial statements (cont.)

These financial statements are exclusively destined to be used by the company, its shareholders and ASF. In consequence it is possible these financial statements not to be adequate for other purposes.

The financial statements are prepared as per IFRS rules adopted by EU are comprised of the following:

- Statement of comprehensive income
- Statement of financial position
- Statement of changes in equity
- Statement of cash flows
- Notes to the financial statements

Declaration of conformity

The company's accounting is kept in lei (RON) in accordance with Romanian Accounting Standards (RAS). Where necessary, the accounts as per RAS were adjusted to harmonize these financial statements in all significant aspects with IFRS adopted by EU.

The most important changes to the RAS financial statements to order to align them with IFRS requirements adopted by EU adopted by UE and presented in accordance with those standards are:

- The grouping of the elements into more comprising categories
- Adjustments of the assets, liabilities, and equity as per IAS 29 „ Financial Reporting in Hyperinflationary Economies"
- Adjustments of the insurance contracts classification as per IFRS 4 – „Insurance contracts"
- Adjustments of the technical reserves (Best estimation) as per IFRS 4 – „Insurance contracts"
- Adjustments of recognition of the receivables and payables regarding the deferred income tax as per IAS 12 – „Income tax"
- Adjustments of recognition and measurement of the financial instruments as per IAS 9 „Financial Instruments"
- Adjustments of recognition and evaluation of leasing contracts as per IFRS 16 „Leasing contracts"
- The presentation of the requirements as per IFRS adopted by EU

1.2 The basis of evaluation

These financial statements have been prepared based on historical cost convention with the exceptions mentioned by the accounting policies.

1.3 The principle of continuity

These financial statements have been prepared based on the principle of continuity, according with the company shall continue to operate into the predictable future. To evaluate the applicability of this presumption, the company management has analyzed the previsions as regard the company activity. Based on these analyses, the management has considered that the company can continue its activity in the predictable future and according to the principle of continuity, the drawn-up of the financial statements is justified.

1 GENERAL INFORMATION (CONT.)

1.3.1 The economic environment

The global geopolitical situation has deteriorated since February 24, 2022, with the Russian invasion in Ukraine,, followed by the start of the war in Israel on October 7, 2023.

Both the military conflict in Ukraine and the war in Israel did not have a significant impact, directly or indirectly, on the development of the Company's activities, the underwriting activity and current activities unfolding normally.

The outbreak of the conflict in Israel in 2023, triggered a realignment of political, military and economic alliances, with potential economic impact:

- ✓ the prices of several goods will continue to remain high, the conflicts in Ukraine and Israel inducing their high volatility;
- ✓ inflation rates are expected to remain high in the near future, both in Romania and in the rest of the world, but decreasing and with a volatile outlook;
- ✓ the monetary policy interest rates of the central banks (eg BNR, Fed, ECB, BoE) are expected to remain high (the end of the "cheap money" period);
- ✓ the disruption (up to the interruption of) supply chains is likely to persist and intensify under the conditions in which de-globalization (regionalization and protectionism) shall continue.

The geopolitical framework and the global economic situation, marked by an increase in uncertainty regarding economic growth, the potential intensification of the war between Russia and Ukraine or the escalation of the war in Israel, are putting the financial system in Romania to the test.

Analyzing the impact of these two conflicts on the company, we conclude that it does not have a direct exposure related to Russia, Ukraine or Israel, does not hold direct or indirect investments in commercial companies of these states. Also, the company has no exposure to businesses, companies or banks that are currently affected by international sanctions. The indirect impact on the financial situation is aligned with the global and regional effects of the conflict in Ukraine and the war in Israel.

In the context of the military aggression of the Russian Federation against Ukraine, we make it clear that the company has defined and implemented a regulated framework regarding the regime applicable to international sanctions, in compliance with the legal provisions in force: Law 129/2019 for the prevention and combating of money laundering and the financing of terrorism , as well as for the amendment and completion of some normative acts, OUG 202/2008 on the implementation of international sanctions (and ASF Regulation 25/2020 on the supervision of the implementation of international sanctions by the Financial Supervision Authority and the entities regulated by it - for insurance companies).

The company carries out continuous monitoring of the business relationship with its clients and the transactions carried out by them, and any initiation of a business relationship is carried out only after the application of measures to know the clientele, the risk factor being one of the elements evaluated by the company, including from the perspective of international sanctions.

We mention that in the portfolio monitoring process, the company uses information from various, credible and independent sources.

1 GENERAL INFORMATION (CONT.)

1.4 Significant accounting principles

The main accounting principles are presented below.

For the preparation of these financial statements, the company followed the IFRS adopted by EU recognition and evaluation principles as per ASF Norm no. 19/2015 including subsequent amendments and additions.

The drawn-up of the financial statements has imposed to utilize a certain essential accounting estimation and the usage of certain reasoning in applying the company's accounting policies. The amounts are in Lei, rounded to the closest value except the cases where it is otherwise mentioned.

1.4.1 The exchange rate

(a) Functional and presentation currency

The financial statements are prepared and presented in Lei (RON), representing the functional currency (the currency of the economy where the company has registered its premises).

Exchange rates used to convert monetary balances denominated in other currencies are:

Exchange rate:	**31 December 2024**	**31 December 2023**
EUR/ LEI	4.9741	4.9746
PLN/ LEI	1.1634	1.1444

(b) Transactions and accounts balances

The transactions in foreign currencies are converted in Lei by using the National Bank of Romania (NBR) exchange rates available for the transaction date.

The exchange rates gains and losses resulted from the transactions as well as the foreign currencies monetary assets and liabilities conversion to the exchange rate of year-end are registered in the profit and loss accounts exception made by cases in which they are deferred in other elements of the comprehensive income as risk coverage instruments associated with treasury and net investments flows.

Exchange rate gain and losses are presented in the Statement of the comprehensive income in the position „Net incomes from exchange rate ".

1.4.2 The accounting method for hyperinflation

AS per IAS 29 („Financial Reporting in Hyperinflationary Economies"), an entity's financial statements for which the functional currency is a hyperinflationary economy currency, should be presented in the terms of the current purchasing power of the currency updated to the financial statements drawing -up date, so that the non-monetary elements to be amended with the general prices index from the acquisition date or tax due-date.

1 GENERAL INFORMATION (CONT.)

1.4 Significant accounting principles (cont.)

1.4.2 The accounting method for hyperinflation (cont.)

Starting with 1 January 2004 the currency adopted by the company as functional currency has ceased to be hyperinflationary.

As per IAS 29 provisions, a national economy is considered hyperinflationary if among other factors the inflation index is over 100% during a period of 3 consecutive years.

The IAS 29 provisions have been applied in drawing-up the financial statements older than 1 January 2004.

1.4.3 Tangible assets

Recognition and evaluation of tangible assets

Tangible assets comprise from the following categories:

- IT equipment
- Office furniture and vehicles

The tangible assets from a leasing contract are registered in accounting depending on the nature of the leasing contract as per adopted by EU.

The company's assets are recognized as tangible assets if they fulfill the following conditions:

- They generate future economic benefits meaning they have the potential to contribute directly or indirectly to the company's cash or cash equivalents inflow
- Their destination is to be used in the production process or administrative services for a longer than one year period

The tangible assets are initially evaluated at their acquisition costs.

The acquisition cost of tangible assets includes:

- the purchase price, import taxes and other taxes (except those that can be recovered from the tax authorities)

- transport, handling, and other expenses by obtaining authorizations and other expenses that can be directly attributable to the acquisition of the respective goods

- the transport expenses are included in the acquisition cost and when the supply is made by third parties, based on the invoices issued by them

- commissions, notary fees, expenses for obtaining authorizations and other non-recoverable expenses, directly attributable to the respective goods.

Depreciation of tangible assets

The depreciable amount of an asset is systematically allocated over its useful life, which begins when it is available for use. Depreciation of an asset ceases at the earliest date between the date when the asset is classified as held for sale in accordance with IFRS 5 "Fixed Assets Held for Sale and Discontinued Operations" and the date on which the asset is derecognized. Depreciation does not cease when the asset is not used or decommissioned unless it is fully depreciated.

1 GENERAL INFORMATION (CONT.)

1.4 Significant accounting principles (cont.)

1.4.3 Tangible assets (cont.)

The tangible assets depreciation is registered based on the straight-line method:

Category:	**Years**
Office equipment and furniture	3-15
Vehicles	5
IT equipment	3

The improvements made in rented spaces are depreciated during the lease period.

Subsequent improvements related to improvements are capitalized, provided that they extend the life of the asset or lead to a significant increase in its ability to generate revenue.

Maintenance and repair costs are registered as expenses when incurred.

According to IAS 16 "Property, plant and equipment", an entity does not recognize in the accounting value of an item of property, plant, and equipment the costs of daily maintenance of that item. These costs are recognized in the profit and loss account as they incurred.

Derecognition of tangible assets

The accounting value of a tangible asset is derecognized at:

- ceding, or

- when no future economic benefit is expected from its use or disposal.

The gain or loss resulting from the derecognition of a tangible asset item shall be included in the profit and loss account.

1.4.4 Intangible assets

Recognition and evaluation

Intangible assets are regulated by IAS 38 – "*Intangible assets"*.

Intangible assets held by the Company are recorded at cost, less accumulated depreciation and adjustment for impairment and impairment losses. These are represented by computer applications and licenses.

The cost of an intangible asset acquired separately consists of the purchase price, including import duties and non-refundable purchase taxes, less commercial discounts, plus any costs directly attributable to the preparation of the asset for use.

Depreciation

Depreciation of intangible assets is recorded in the profit and loss account, based on the straight-line method for the estimated useful life, and is calculated from the date on which the asset is ready for use.

The useful life of computer programs is 3-5 years.

1 GENERAL INFORMATION (CONT.)

1.4 Significant accounting principles (cont.)

1.4.4 Intangible assets (cont.)

According to IAS 38:

- the useful life of an intangible asset arising from contractual rights or other legal rights may not exceed the duration of those rights, but may be shorter, depending on the period in which the company is going to use the asset

- if the rights are granted for a limited period and can be renewed, the useful life includes the renewal period, based on the evidence to justify the renewal by the company, without significant costs.

1.4.5. Deferred acquisition costs (DAC)

The expenses for the acquisition of the insurance policies are represented by the expenses with the commissions due to the insurance intermediaries and are registered in the accounting at the moment of underwriting the policies.

The Company calculates and registers the deferred acquisition expenses using the pro-rata temporis method, similar to the calculation of the premium reserve.

1.4.6 Financial assets and liabilities

A. Classification

The company classifies its financial instruments, according to IFRS 9 "*Financial Instruments*", in the following categories:

Financial assets evaluated at amortized cost

A financial asset is evaluated at amortized cost if it meets both of the following conditions and is not evaluated at fair value through profit or loss:

- is held in a business model whose objective is to keep assets for the collection of contractual cash inflows; and

- on certain dates, its contractual conditions generate cash flows that are only payments of the principal and interest related to the principal amount due.

Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income only if it meets both of the conditions set out below and is not designated at fair value through profit or loss:

- is held within a business model whose objective is achieved both by collecting contractual cash inflows and by selling financial assets; and

- on certain dates, its contractual conditions generate cash flows that represent only payments of the principal and interest related to the principal amount due.

In addition, upon initial recognition of an investment in equity instruments that is not held for trading, the Company may irrevocably choose to present subsequent changes in fair value in other comprehensive income. These options apply to each instrument, as appropriate.

1 GENERAL INFORMATION (CONT.)

1.4 Significant accounting policies (cont.)

1.4.6 Financial assets and liabilities (cont.)

A. Classification (cont.)

Financial assets at fair value through profit or loss All financial assets that are not classified as measured at amortized cost or at fair value through other comprehensive income, as described above, will be measured at fair value through profit or loss. In addition, on initial recognition, the Company may irrevocably designate that a financial asset, which otherwise meets the requirements to be evaluated at amortized cost or fair value through other comprehensive income, be evaluated at fair value through profit or loss, if this eliminates or significantly reduces an accounting discrepancy that would occur if it were done otherwise.

B. Recognition

Financial assets and financial liabilities are recognized on the date on which the Company becomes a contractual party under the terms of the respective instrument. Financial assets and liabilities are measured at the time of initial recognition at fair value.

C. Compensation

Offsetting of financial assets and liabilities and the net result are presented in the statement of financial position only when there is a legal right to set-off and if there is an intention to settle them on a net basis or if the asset is intended to do the asset and debt settlement simultaneously.

Incomes and expenses are presented net only when permitted by accounting standards, or for profit and loss resulting from a group of similar transactions such as those of the company's trading activity.

D. Evaluation

Valuation at amortized cost

The amortized cost of a financial asset or debt represents the amount at which the financial asset or debt is measured after initial recognition, less principal payments, plus or minus accumulated depreciation up to that point using the effective interest method, less related to impairment losses.

Fair value measurement

The fair value represents the price that would have been received on the sale of an asset or paid to settle a debt in a transaction carried out under normal conditions between the participants on the main market, at the valuation date, or in the absence of the main market, on the most advantageous market to which the company has access to that date.

The Company measures the fair value of a financial instrument using the closing prices quoted in an active market for that instrument. A financial instrument has an active market if quoted prices are available quickly and regularly for that instrument.

The market price used to determine fair value is the closing price of the market on the last trading day before the valuation date.

In the absence of a price quotation on an active market, the Company uses valuation techniques based on the analysis of updated cash flows and other valuation methods commonly used by market participants, using the most of market information, based as little as possible on company-specific information. The company uses valuation techniques that maximize the use of observable data and minimize the use of unobservable data.

1 GENERAL INFORMATION (CONT.)

1.4 Significant accounting policies (cont.)

1.4.6 Financial assets and liabilities (cont.)

D. Evaluation (cont.)

Fair value measurement (cont.)

The value of using a valuation model is adjusted based on a number of factors, as valuation techniques do not reliably take into consideration all factors considered by market participants when concluding a transaction. Adjustments are recorded to reflect risk patterns, differences in selling and buying quotes, liquidity risks and other factors.

E. Identifying and evaluating impairment

Financial assets measured at amortized cost

The expected credit loss represents the difference between all the contractual cash flows that are due to the company and all the cash flows that the Company expects to receive, updated at the initial effective interest rate.

A financial asset or group of financial assets is impaired as a result of credit risk if one or more events have occurred that have a negative impact on the estimated future cash flows of the assets.

The company evaluates whether the credit risk for a financial asset has increased significantly since the initial recognition based on information, available at no cost or unjustified effort, which is an indicator of significant increases in credit risk since the initial recognition.

The company recognizes in profit or loss the amount of changes in credit losses expected over the life of financial assets as a gain or loss on impairment.

The gain or loss on depreciation is determined as the difference between the accounting value of the financial asset and the present value of future cash flows using the effective interest rate of the financial asset at the initial time.

The company recognizes favorable changes in expected credit losses for the asset useful time as an impairment gain, even if expected credit losses during the useful time are less than the expected credit losses that were included in the estimated cash flows at the initial recognition.

F. Derecognition

The company derecognizes a financial asset when the rights to receive cash inflows from that financial asset expire, or when the company has transferred the rights to receive contractual cash flows related to that financial asset in a transaction in which it has significantly transferred all the risks and benefits of ownership.

Any interest in transferred financial assets retained by the company or created for the company is recognized separately as an asset or liability.

The company derecognizes a financial debt when the contractual obligations have been concluded or when the contractual obligations are canceled or expired.

1 GENERAL INFORMATION (CONT.)

1.4 Significant accounting policies (cont.)

1.4.6 Financial assets and liabilities (cont.)

G. Gains and losses on disposal

The gain or loss on the disposal of a financial asset or financial liability measured at fair value through profit or loss is recognized in current profit or loss.

Upon derecognition of equity instruments designated in the category of financial assets measured at fair value through other comprehensive income, gains or losses representing favorable or unfavorable valuation differences, recognized in revaluation reserves, are recognized in other comprehensive income (result carried forward representing surplus - IFRS 9).

Upon derecognition of financial assets, the result carried forward from the date of transition to IFRS 9 is transferred to a carried forward result representing realized surplus.

A gain or loss on a financial asset that is measured at amortized cost is recognized in current profit or loss when the asset is derecognized.

H. Other financial assets and liabilities

Other financial assets and liabilities are measured at amortized cost using the effective interest method, less any impairment losses.

1 GENERAL INFORMATION (CONT.)

1.4 Significant accounting policies (cont.)

1.4.7 Assets impairment

At the end of each reporting period, the Company assesses whether there is objective evidence of impairment of a financial asset or a group of financial assets. A financial asset is impaired and incurs impairment losses if and only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss-making event") and that event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets, an impact that can be reliably estimated.

The company assesses whether there is objective evidence of impairment such as a breach of contract terms, for example, failure to pay premiums.

If there is objective evidence that an impairment loss has been incurred for loans and receivables or held-to-maturity investments at amortized cost, the loss amount is measured as the difference between the accounting value and the recoverable amount of the asset. The accounting value of the asset is reduced by using an impairment adjustment account, which impacts the profit or loss account.

If, at a later period, the recoverable amount of the asset increases and the increase can be objectively related to an event occurring after the recognition of impairment (such as an improvement in the recovery period of receivables), the previously recognized impairment loss is reversed. through profit or loss account.

The methodology and estimates used to calculate the recoverable amount of the asset (the estimate of future cash flows) are periodically reviewed by the company to reduce the difference between the estimated loss and the actual loss.

Financial Available-for-sale assets

When a decrease in the fair value of a financial available-for-sale asset has been recognized directly in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss that was recognized directly in equity will be reversed from equity accounts and recognized in the income statement even if the financial asset has not yet been derecognized.

The amount of the accumulated loss that is eliminated from other comprehensive income and recognized in the profit and loss account will be the difference between the acquisition cost (net of principal reimbursements and amortization) and the current fair value, less any loss from the impairment of that financial asset, previously recognized in the profit and loss account.

If, at a later period, the fair value of an available-for-sale debt instrument increases, and this increase may be objectively related to an event that occurred after the previous losses recognition in the profit and loss account, the impairment loss must be reversed and the amount recognized in the profit and loss account.

Impairment of other assets

Assets that are subject to depreciation are analyzed for impairment whenever events or changes in circumstances occur that indicate that the accounting value is not recoverable. An impairment loss is recognized as the amount by which the accounting value of an asset exceeds its recoverable amount. Recoverable amount is the highest of an asset's fair value less the selling costs and its value in use.

1 GENERAL INFORMATION (CONT.)

1.4 Significant accounting policies (cont.)

1.4.8 Receivables from insurance

The receivables from the insurance are initially recognized at the value of the premiums receivable related to each insurance policy, for the period of validity of the policy.

For multi-annual insurance contracts, in which the validity period of the insurance contract related to general insurance is longer than one year, and the collection of the gross written premium is made in several installments (monthly, quarterly, semiannually) established by the insurance conditions. for each insurance year, the receivable from gross written premiums represents the value of the insurance premiums receivable related to each year.

The cashed insurance premiums are registered in the accounting records on their collection date from the client, received either directly by the company or indirectly through intermediaries.

Receivables are presented in the financial statements at their accounting amount, less impairment adjustments for non-collection risk, if deemed necessary. Impairment adjustments related to direct insurance receivables are estimated at the amount considered irrecoverable. The company periodically assesses insurance receivables, at least once per each reporting period, and to the extent deemed necessary, constitutes an adjustment for impairment.

1.4.9 Receivables from salvages and recoveries

The recoverable amounts arising from the subrogation in the rights of the insured to third parties are prudently estimated at their probable collection value and are not deducted from the amount of the loss reserve.

The company regulates through internal procedures the way of estimating the recovery percentage for the salvages cases and of adjusting the recoverable value.

The company periodically assesses receivables from salvages, at least at each reporting date, and if it deems necessary, constitutes an impairment adjustment that reflects the uncollectable risk related to these receivables.

1.4.10 Share capital

Ordinary shares are classified as share capital when there is no obligation to transfer cash or other assets. If the company acquires the share capital (own shares), the consideration paid, including any additional paid costs directly attributable (excluding income taxes), are deducted from the equity attributable to the company's shareholders. If these shares are subsequently sold, any payment received is included in the equity attributable to the company’s shareholders.

1.4.11 Receivables or payables with reinsurers

The benefits to which the company is entitled from its reinsurance contracts are recognized as reinsurance assets. These assets consist of short-term balances from reinsurers, as well as longer-term receivables that depend on estimated claims and benefits arising from related reinsurance contracts.

The amounts recoverable from or due to the reinsurers are evaluated in accordance with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities consist of premiums paid for reinsurance contracts and are recognized as an expense.

The amounts receivable and payable from the reinsurance activity with the same entity may be mutually compensated, as the payments to be made by both parties are similar in nature and due payable at the same time.

1 GENERAL INFORMATION (CONT.)

1.4 Significant accounting policies (cont.)

1.4.11 Receivables or payables with reinsurers (cont.)

Receivables and payables to reinsurers denominated in foreign currency are recorded in the accounts in both lei and foreign currency. Exchange rate differences from revaluation are registered in income and expense accounts in a similar manner to direct insurance receivables.

1.4.12 Cash and cash equivalents

Cash and cash equivalents include cash on petty cash, bank accounts and bank deposits with an initial maturity of up to three months.

1.4.13 Technical reserves

a) Unearned premium reserve (UPR)

The unearned premium reserve is calculated monthly by summing the gross written premiums related to the insurance contracts unexpired periods, so that the difference between the figure of gross written premiums and this reserve reflects the gross premiums related to the part of the calculation date expired risks. This reserve is individually calculated for each insurance contract.
For the insurance contracts in foreign currencies, the reserves are registered in lei at the historical exchange rate of the starting date of the insurance policy.

b) Reported but not settled loss reserve (RBNS)

The RBNS loss reserve is registered for the reported claims in instrumentation and liquidating damages and is calculated for each insurance contract for which the occurrence of the insured event was notified, starting from the foreseeable claims liquidation expenses to be made in the future. The total reserve is represented by the summing up the values of the reserve calculated for each claim file.

The elements considered in the calculation of the RBNS loss reserve are:

- the estimated value of the indemnity for the notified claim, up to the insured amount
- the expenses with the adjustment and loss assessment, related to the services provided by third parties
- the expenses related to claim payment for the services provided by third parties.

In case of indemnities or expenses estimated to be in foreign currency, they are transposed in lei by using the last day of the month exchange rate for which the reserve is calculated.

c) Incurred but not reported claims reserve (IBNR)

The incurred but not reported claims reserve (“IBNR”) is created and adjusted periodically, but at least once at the end of the financial year, being a company's estimate based on actuarial calculations for incurred but not reported claims, in accordance with the Company's internal rules.

d) Unexpired risks reserve (URR)

The unexpired risks reserve is calculated based on the estimation of possible claims occurring after the end of the financial year, in case of the expenses related to the estimated future claims exceeds the unearned premiums reserve minus the deferred acquisition costs.

1 GENERAL INFORMATION (CONT.)

1.4 Significant accounting policies (cont.)

1.4.14 Liability Adequacy Test (LAT)

At the end of each reporting year, tests are performed on the adequacy of the unearned premium reserve to ensure the adequacy of the UPR balance minus DAC value. In carrying out these tests, there are used the current best estimates of contracts cash flows and of the claims liquidation and administration costs. Any deficit resulting from the test is immediately recorded in the profit and loss account by canceling DAC and subsequently, if necessary, by setting up an unexpired risks reserve.

A cancellation of the DAC value, as a result of this test, can no longer be recognized later.

1.4.15 Liabilities associated with insurance contracts

In this category it can be found the amounts due to intermediaries, the amounts registered in advance and other due amounts in connection with the insurance contracts.

The amounts due to intermediaries are recorded in the accounting at the time of entry into force of the policy and they are settled according to the contractual conditions, under the condition of the insurance premiums to be collected.

1.4.16 Trade and other payables

Debts are valued at the nominal value of the amounts to be paid or at the nominal value of other means of settling the obligation.

The company's debts may result from transactions carried out in lei and foreign currency.

Trade payables and other payables include employee benefits and contributions to the state budget, payables related to investment contracts, payables due to suppliers and other payables.

Employee benefits

In the normal course of business, the company performs payments to the state budget and social insurance on behalf of its employees.

All company’s employees are members of the pension plan of the Romanian State. These costs are registered in the profit and loss account together with the salaries.

The company does not operate any other pension or post-retirement benefit plans and has no other pension obligations.

1 GENERAL INFORMATION (CONT.)

1.4 Significant accounting policies (cont.)

1.4.16 Trade and other payables (cont.)

Provisions for risks and expenses

Provisions are recognized in the statement of financial position when a legal obligation arises for the company or is related to a past event and it is likely that in the future it will be necessary to consume some economic resources to extinguish this obligation.
Provisions are reviewed at the end of each period and adjusted to reflect the most appropriate current estimate. The differences resulting from the necessary adjustments are recognized in the income statement for the period.

A provision shall be registered only when:

- the company has a current obligation generated by a previous event
- an outflow of resources is likely to be required to meet that obligation
- a credible estimate of the value of the obligation can be made

If these conditions are not met, no provision is recognized in the financial statements.

1.4.17 Recognition of the Revenue

1) *Income from gross written premiums*

The income from gross written premiums includes both collected and receivable premiums related to all insurance contracts that enter into force in the financial year and whose risks start during the financial year. If the duration of the insurance contract is longer than one year, the gross written premium represents the value of the gross premiums collected and receivable corresponding to a calendar year of the insurance contract, except for the insurance contracts stipulating the single premium, for which the gross written premium represents the value of the single gross premium related to the insurance contract.
For contracts concluded in foreign currency, the gross written premiums are highlighted in lei at the historical exchange rate from the date of entry into force of the insurance policy.

2) *Gross written premiums canceled*

Canceled written premiums include the premiums related to the canceled insurance contracts on a "case by case" basis, based on the client's request.

3) *Interest income and expenses*

Interest income and expenses for all interest-bearing financial instruments are recognized in the profit and loss account using the effective interest rate method.

1.4.18 Acquisition expenses

Acquisition expenses are those expenses incurred by the underwriting process. Acquisition expenses representing commissions due to insurance intermediaries are recorded in the accounting at the time of gross written premiums income registration. The other acquisition expenses are recorded in the accounting according to the principle of independence of the financial year.

1 GENERAL INFORMATION (CONT.)

1.4 Significant accounting policies (cont.)

1.4.19 Deferred income tax

Deferred income tax is registered using the balance sheet method based on temporary differences between the tax bases of assets and liabilities and their accounting amounts from financial statements. However, if deferred income tax arises from the initial recognition of an asset or liability related to a transaction that at its occurrence date affects neither accounting nor taxable profit or loss, it is not recognized.

Deferred income tax is calculated using the existing tax rates at the end of the reporting period and is estimated to be applied when the deferred income tax asset is realized or when the deferred income tax liability is settled.

Deferred income tax assets and liabilities are offset when there is a legal right to offset current tax assets with current tax liabilities and when deferred income tax assets and liabilities are reported to the same tax authority.

Deferred income tax assets are recognized to the extent that a taxable profit is likely to be available in the future based on which temporary differences are used.

Temporary differences are those differences between the accounting value of an asset or a liability and its tax base. Temporary differences can be:
- *taxable temporary differences* are those temporary differences that shall result in taxable amounts when determining the taxable profit / tax loss of future periods, when the accounting value of the asset or liability is recovered or settled,
- *deductible temporary differences* are those temporary differences that shall result in deductible values in determining the taxable profit / tax loss of future periods, when the accounting value of the asset or liability is recoverable or settled.

1.4.20 Current income tax

The company records the profit tax established in accordance with the accounting and reporting regulations issued by the Romanian Ministry of Public Finance.

The outstanding tax is the tax payable on the profit of the period, determined on the basis of the percentages valid at the date of the statement of financial position and all adjustments related to the period.

The income tax rate used to calculate the current tax as of December 31, 2024 is 16%.

1 GENERAL INFORMATION (CONT.)

1.4.1 Significant accounting policies (cont.)

14.4. 21 Leasing contracts

The Company applies a unitary recognition and valuation approach to all leasing contracts, except for short-term leases and low-value leasing contracts. The company registers the leasing debts related to the leasing payments and the assets from the right the assets use. For short-term leasing or for leasing for which the asset has a low value, leasing payments are registered as straight-line expenses for the duration of the contract.

1.5 Estimates and essential accounting reasoning

The company makes estimates and assumptions with an impact on the reported values of assets and liabilities in the next financial year. Estimates and reasoning are continuously evaluated and are based on historical experience and other factors, including expectations regarding reasonable future events in the given situations.

For the preparation of IFRS financial statements, the company makes estimates and assumptions regarding future developments that may have a material effect on the recognition and value of reported assets and liabilities, presentation of contingent liabilities at the date of financial statements and reported income and expenses preparation for that period. There is a risk that the following items may be adjusted in the following financial year, such as technical provisions, other provisions, deferred acquisition expenses, the fair value of financial assets not traded on an active market, value adjustments for receivables and other impairments.

The estimation of the final liability that would result from the claims related to the insurance contracts is the most critical accounting estimate of the company. The main assumptions used in making the estimates are:

Technical reserves

a) The claims files administration and the evaluation of the losses is done as close as possible to the real value (subsequent payment),

b) The principle of linearity in the calculation of premium reserve - the premium reserve is related to the unexpired period of the risk (number of days).

Value adjustments for receivables and other impairment losses

a) The insurance activity receivables value adjustments are constituted according to their age, applying the adjustment percentages to the amount due according to the seniority of the uncollected receivables,

b) The salvages receivables value adjustments are evaluated considering the legal period in which the company has the right of recovery, the costs occasioned by their recovery as well as the non-recoverable amounts as a result of incorrect documentation or due to third party causes.

The deferred acquisition costs related to the insurance contracts are distributed during the insurance contract term, similar to the premium reserve. The estimates are revised at the end of each reporting period.

1. GENERAL INFORMATION (CONT.)

1.6 Changes in accounting policies and new, revised / amended IFRS

With the exception of the changes presented below, the Company has consistently applied the significant accounting policies established in point 1.4 for all periods presented in these financial statements.

In the current year, the Company adopted all the International Financial Reporting Standards (IFRS) approved by the EU, new and revised, relevant for its own operations and which are in force for the period starting on or after January 1, 2023. The adoption of these amendments to the existing standards and interpretations did not lead to any change in the Company's accounting policies.

1.6 IASB standards or interpretations applicable on or after 1 January 2024

During the current year, the Company applied all the new standards and amendments to the International Financial Reporting Standards (IFRS), which are relevant for its operations and are in force for the accounting periods starting on January 1, 2024 approved by the European Union.

A. The initial application of the new amendments to the existing standards in force for the current reporting period

The following amendments to the existing standards issued by the International Accounting Standards Board (IASB) and adopted by the EU are in force for the current reporting period:

The adoption of these amendments to the existing standards did not lead to significant changes in the Company's financial statements.

(i) **Amendments to IAS 1** Presentation of Financial Statements - Classification of Liabilities as Current and Non-Current Liabilities, issued by the IASB on 23 January 2020, and Amendments to IAS 1 Presentation of Financial Statements - Non-Current Liabilities with Financial Indicators issued by the IASB on 31 October 2022. The amendments issued in January 2020 provide a more general approach to the classification of liabilities under IAS 1 based on contractual arrangements that exist at the reporting date. The amendments issued in October 2022 clarify how conditions that an entity must comply with within twelve months of the reporting period affect the classification of a liability and set the effective date for both amendments for annual periods beginning on or after 1 January 2024.

(ii) **Amendments to IAS 7** Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Financing Arrangements issued by the IASB on 25 May 2023. The amendments add disclosure requirements and “indicators” to the existing disclosure requirements for providing qualitative and quantitative information about supplier financing arrangements.

(iii) **Amendments to IFRS 16** Leases - Lease Liabilities in a Sale and Leaseback issued by the IASB on 22 September 2022. The amendments to IFRS 16 require a seller-lessee to subsequently measure lease liabilities arising from a leaseback transaction so as not to recognise any gains or losses on the right-of-use asset retained. The new requirements do not prevent a seller-lessee from recognising in profit or loss gains or losses on the partial or total termination of a lease.

1. GENERAL INFORMATION (CONTINUED)
1.6 Changes in accounting policies and the adoption of new, revised / amended IFRS (cont.)

B. Standards and amendments to existing standards issued by the IASB and adopted by the EU, but which have not yet entered into force

At the date of approval of these financial statements, the following amendments to the existing standards were issued by the IASB and adopted by the EU, but are not yet in force:

(i) Amendments to IAS 21 "The effects of the changes of foreign exchange rates: lack of Exchangeability (amendments)" - in August 2023, IASB issued amendments to IAS 21 to help entities to assess whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and to provide the disclosures. An entity is affected by amendments when it has a transaction or operation in a foreign currency that cannot be changed to another currency at an evaluation date for a specified purpose. The changes in IAS 21 do not provide for detailed requirements regarding how to estimate the exchange rate. Instead, they establish a framework according to which an entity can determine the exchange rate at the date of evaluation. When applying the new provisions, comparative information is not allowed. The entity is required to covert the respective values using the spot conversion rate to that functional currency on the initial date of the transaction by an adjustment of the reported result or the reserve for exchange rate differences.

(ii) Amendments to IFRS 9 and IFRS 7 "Amendments to the classification and evaluation of financial instruments" - on May 30, 2024, IASB issued amendments to IFRS 9 and IFRS 7 for: (a) to clarify the date of recognition and the write-off of some financial assets or debts, with a new exception for some financial debts settled by a cash electronic transfer system; (b) to clarify and add additional orientations to evaluate whether a financial asset fulfills the criterion of the single payments of the principal and interest (SPPI); (c) to add new information for certain instruments with contractual clauses that can modify cash flows [such as some tools with characteristics related to the achievement of environmental, social and governing (ESG)]; and (d) to update the information for the equity instruments designated at the fair value through other elements of the global result (FVOCI).

(iii) Amendments to IFRS 9 and IFRS 7 "Contracts referring to electricity dependent to the nature " - IASB has issued amendments to help companies better report the financial effects of electricity dependent of nature contracts, which are often structured as electricity purchase agreements (CAEE). It is possible that the current accounting requirements will not adequately reflect how these contracts affect the performance of a company. In order to allow companies to better reflect these contracts in the financial statements, IASB has made specific changes to IFRS 9, Financial tools, and IFRS 7, Financial tools- disclosure. The changes include: (a) clarifying the application of the requirements regarding "use for own purposes"; (b) relaxation of certain requirements regarding the accounting of the risks if these contracts are used as risk coverage tools; and (c) adding new requirements to present information to allow investors to understand the effect of these contracts on financial performance and cash flows.

(iv) Annual Improvements to IFRS Accounting Standards - IFRS 1 clarifies to mean that a hedge should be discontinued on transition to IFRS Accounting Standards if it does not meet the “qualifying criteria”, rather than the “conditions” for hedge accounting in order to solve a potential confusion resulting from a mismatch between the wording in IFRS 1 and the hedge accounting requirements from IFRS 9. IFRS 7 requires disclosure of a gain or loss on derecognition relating to financial assets in which the entity has a continuing involvement, including whether fair value measurements included “significant unobservable inputs”.
This new phrase replaced the reference to “significant inputs that are not based on observable market data”. The amendment makes the wording consistent with IFRS 13. In addition, certain examples of IFRS 7 implementation guidance have been clarified and text has been added stating that the examples do not necessarily illustrate all the requirements in the paragraphs referred to in IFRS 7. IFRS 16 has been amended to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee shall apply the guidance

in IFRS 9 to recognise any resulting gain or loss in profit or loss. This clarification applies to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies the amendment. To resolve an inconsistency between IFRS 9 and IFRS 15, trade receivables must now be recognised initially at “the amount determined by applying IFRS 15” instead of “their transaction price (as defined in IFRS 15)”. IFRS 10 has been amended to use less conclusive language when an entity is a “de facto agent” and to clarify that the relationship described in paragraph B74 of IFRS 10 is only one example of a situation where judgement is required to determine whether a party is acting as a de facto agent. IAS 7 has been amended to remove references to the “cost method”, which was removed from IFRS Accounting Standards in May 2008, when the IASB published the amendment “Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate”

(v) IFRS 18 “Presentation and Disclosure in Financial Statements” - In April 2024, the IASB issued IFRS 18, the new standard on the presentation and disclosure of information in financial statements, with a focus on the presentation of the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
- the structure of the statement of profit or loss;
- the mandatory disclosures in the financial statements for certain measures of profit or loss performance that are reported outside an entity’s financial statements (i.e., performance measures defined by management); and
- improved principles on aggregation and disaggregation that apply to primary financial statements and notes in general.

IFRS 18 shall replace IAS 1; many of the other principles existing in IAS 1 are maintained, with limited changes. IFRS 18 shall not impact the recognition or measurement of items in financial statements, but could change what an entity reports as “operating profit or loss.” IFRS 18 shall be applyed for reporting periods beginning on or after January 1, 2027 and also applies to comparative information.

(vi) IFRS 19 “Non-public Subsidiaries” - The International Accounting Standards Board (IASB) has issued a new IFRS accounting standard for subsidiaries. IFRS 19 allows eligible subsidiaries to use IFRS Accounting Standards with reduced presentation and disclosure requirements. Applying IFRS 19 shall reduce the costs of preparing subsidiaries’ financial statements while maintaining the usefulness of the information to the users of their financial statements. Subsidiaries that use IFRS Accounting Standards for their own financial statements provide information that may be disproportionate to the information needs of their users. IFRS 19 will address these issues by:
- allowing subsidiaries to maintain a single set of accounting records - to meet both the needs of the parent and the users of their financial statements;
- reducing disclosure requirements - IFRS 19 allows for reduced disclosure, more appropriate to the needs of the users of their financial statements.

The Company has chosen not to adopt these amendments to existing standards before their effective dates.

1. GENERAL INFORMATION (CONT.)

1.6 Changes in accounting policies and the adoption of new, revised / amended IFRS (cont.)

C. New standards and amendments to existing standards issued by the IASB and adopted by the EU, but which have not yet been adopted by the EU

At the date of approval of these financial statements, the following new standards and amendments to existing standards have been issued by the IASB but have not yet been adopted by the EU:

(i) **Amendments to IAS 21** The Effects of Changes in Foreign Exchange Rates – Non-Convertibility issued by the IASB on 15 August 2023. The amendments provide guidance for entities to disclose when a currency is convertible and how to determine the exchange rate when it is not convertible.

(ii) **Amendments to IFRS 9 and IFRS 7** - Amendments to the Classification and Measurement of Financial Instruments issued by the IASB on 30 May 2024. The amendments clarify the classification of financial assets that have environmental, social, corporate governance (ESG) and similar characteristics. The amendments also clarify the date on which a financial asset or liability is derecognised and introduce additional disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features.

(iii) **Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7** - Annual Improvements to IFRS Accounting Standards – Volume 11 issued by the IASB on 18 July 2024. These amendments include clarifications, simplifications, corrections and changes in the following areas: (a) hedge accounting adopted by a first-time adopter (IFRS 1); (b) gain or loss on disposal (IFRS 7); (c) disclosure of the deferred difference between fair value and transaction price (IFRS 7); (d) introduction and disclosures of credit risk (IFRS 7); (e) derecognition of lease liabilities by the lessee (IFRS 9); (f) transaction price (IFRS 9); (g) establishment of a “de facto representative” (IFRS 10); (h) cost method (IAS 7).

(iv) **IFRS 18 Presentation and Disclosures** issued by the IASB on 9 April 2024 will replace IAS 1 Presentation of Financial Statements. The standard introduces three sets of new requirements to help companies improve their reporting of financial performance and to give investors a better basis for analysing and comparing companies. The main changes in the new standard compared to IAS 1 relate to: (a) the introduction of categories (operating, investing, financing, income tax and discontinued operations) and defined sub-totals in the statement of profit or loss; (b) the introduction of requirements to improve aggregations and disaggregations; (c) the introduction of information on Management Performance Measures (MPMs) in the notes to the financial statements

1. GENERAL INFORMATION (CONT.)

1.6 Changes in accounting policies and the adoption of new, revised / amended IFRS (cont.)

C. New standards and amendments to existing standards issued by the IASB and adopted by the EU, but which have not yet been adopted by the EU (cont.)

(i) IFRS 19 Non-Publicly Liable Subsidiaries: Disclosures issued by the IASB on 9 May 2024. The standard allows subsidiaries to provide limited disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for eligible subsidiaries and sets out the disclosure requirements for subsidiaries that choose to apply it.

(ii) IFRS 14 Deferral Accounts for Regulatory Activities issued by the IASB on 30 January 2014. This standard is intended to allow first-time adopters of IFRS, and that currently recognise deferral accounts for regulatory activities under previous GAAP, to continue to do so on the transition to IFRS.

(iii) Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures **-** Sale of or Contribution of Assets between an Investor and its Associates or Joint Ventures, issued by the IASB on 11 September 2014. The amendments resolve the inconsistency between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, gains or losses are recognised when the assets sold or contributed represent a business. This amendment could be applied only if the entity had not developed an accounting policy in this regard.

The Company anticipates that the adoption of these new standards and amendments to existing standards will not have a significant impact on the Company's financial statements in the future.

2 RISK MANAGEMENT

The main activity of the company consists in the underwriting of insurance policies, respectively assuming the risks for the insured parties through the various insurance products offered. One of the main responsibilities of risk management is to ensure that the obligations assumed under the insurance policies can be honored at any time.

The company's procedure for identifying, evaluating, monitoring, managing, and reporting significant risks describes how is performed the management of the risks, potential threats to the business plan objectives. The main objectives are to maintain and protect the financial stability, reputation, and profitability of the company, in order to fulfill its obligations to customers, shareholders and other interested persons.

The measures used to control the risks are represented by the avoidance, reduction, diversification, transfer and acceptance of the risks and opportunities.

Risk management provides the framework for identifying, assessing, monitoring, and controlling risks, in order to maintain them at acceptable levels depending on the company's risk appetite and its ability to cover these risks.

Due to the specifics of its activity, the Company is exposed to the following risk categories:

- Underwriting risk
- Credit risk
- Liquidity risk
- Market risk
- Operational risk
- Reputational risk
- Strategic risk

2.1 Underwriting risk

The underwriting risk represents the risk of recording losses or of unfavorable modification of the obligations value due to the adoption of some inadequate hypotheses in the process of pricing and / or constitution of the reserves.

The company is concerned with reducing exposure to underwriting risk by applying appropriate insurance premium rates and diversifying its insurance portfolio, by attracting a portfolio of eligible clients from member countries where it has the right to operate in freedom of services, but also by attracting and maintaining those clients who have a low risk profile and low loss rate.

The company manages this risk through its underwriting strategy, through the application of adequate premium rates, through a high degree of the insurance premiums collection, through reinsurance agreements. The company selects its clients according to certain eligibility criteria.

2 RISK MANAGEMENT (CONT)

2.1 Underwriting risk (cont.)

The underwriting activity is carried out in order to ensure the diversification of the insurance risks from the point of view of the type and volume of the risk, of the domain and of the underwriting markets.

The company constitutes several types of guarantee for additional coverage, such as: mortgages, jointly and severally liability contracts, cash collateral, personal guarantees of the insured parties or third parties.

The company underwrites insurance policies from class A15 - Suretyship, in Romania and in the EU member states in which it is authorized based on the freedom of services (FOS) and the right of establishment (FOE) through the Italy Branch.

The types of insurance that the Company underwrites are:

- Performance Bonds
- Bid Bonds
- Advance Payment Bonds
- Maintenance Bonds
- Money Retention Bonds

The gross written premiums in 2024, without cancellations, by types of insurance, compared to 2023 are as follows:

	2024	**2023**
Bid Bonds	3,784,445	5,293,337
Performance Bonds	73,090,367	82,558,100
Advance Payment Bonds	4,078,122	1,363,986
Maintenance Bonds	41,967	1,420,321
Money Retention Bonds	290,894	85,307
Total	**81,285,795**	**90,721,051**

Sensitivity analyses

As at 31 December 2024, the company paid claims totaling 10,896,385 lei, resulting in an average amount of paid claim of 908,031 lei.

The loss ratio for the financial year 2024, calculated as the ratio between the paid claims amount and the value of gross written premiums (minus cancelations) was 13,9 % but taken into account that it was recuperated the amount of 7,118,108 lei, the effective loss ratio was 4.8%

Sensitivity analysis was performed on claims paid amount, keeping the other parameters unchanged.
If the value of the claims paid would have increased by 10%, the loss rate would increase up to 15.24%.

In the event of the value of the claims paid would have decreased by 10%, the loss rate would have decrease to 10.80%.

2 RISK MANAGEMENT (CONT.)

2.2 Financial risk

The company is exposed to the following financial risks:

- Credit risk
- Liquidity risk
- Market risk, risk that includes interest rate risk and currency risk

2.2.1 Credit risk

Credit risk represents the risk generated by the fluctuation of the value of incoming cash flows, in case that the counterparties do not fulfill their contractual obligations, thus registering a difference between the real value of the losses and their estimated value.

The main categories generating credit risks to which the Company is exposed are the following:

a) financial investments, by the un-fulfillment of the contractual obligations by the investment partners

b) the reinsurance receivables, due to the possible insolvency of the reinsurers, including due to their temporary payment incapacity

c) insurance receivables, through the debts of the policyholders outside the contractual conditions / terms

a) Financial investments

The company limits its exposure to credit risk generated by financial investments by placing its funds mainly in liquid instruments issued by counterparties that have a good credit quality and are subject to constant monitoring.

The company constantly monitors the quality of the loan and does not expect these counterparties to fail to fulfill their contractual obligations.

The company manages the credit risk related to financial instruments by diversifying its investment portfolio, so as to ensure the minimization of potential losses.

2 RISK MANAGEMENT (CONT.)

2.2 Financial risk (cont.)

2.2.1 Credit risk (cont.)

As at 31 December 2024, according Fitch or Moody's, in terms of rating, the classification of financial assets comprising government securities intended to be held till maturity, term deposits, current bank accounts and receivables, including receivables from insurance, is as follows:

	A	BBB	BB	Not- evaluated	Total
Financial assets measured at amortized cost (Note no.13)	-	-	-	-	-
Receivables, including insurance receivables (Note no.14)	-	300,629,149	10,027,863	124,696,563	435,353,575
Cash and cash equivalents (Note no.16)	-	41,207,615	38,710	1,027,791	42,274,116
Total	-	**341,836,764**	**10,066,573**	**125,724,354**	**477,627,691**

As at 31 December 2023, according Fitch or Moody's, in terms of rating, the classification of financial assets comprising government securities intended to be held till maturity, term deposits, current bank accounts and receivables, including receivables from insurance, is as follows:

	A	BBB	BB	Not- evaluated	Total
Financial assets measured at amortized cost (Note no.13)	-	-	-	-	-
Receivables, including insurance receivables (Note no.14)	-	317,168,157	46,931,927	98,138,769	462,238,853
Cash and cash equivalents (Note no.16)	-	13,770,232	136,107	50,870	13,957,209
Total	-	**330,938,389**	**47,068,034**	**98,189,639**	**476,196,062**

The ratings given by the rating agencies to the banks where the company holds cash and deposits, as well as to the entities issuing government securities, was as follows:

		31 December 2024	31 December 2023
Ministerul Finantelor Publice	Romania	BBB	BBB
Raiffeisen Bank Romania	Romania	BBB	BBB
Unicredit SpA Italia	Italia	BBB	BBB
Banca Comerciala Romana	Romania	BBB	BBB
Credit Agricole Bank Romania	Romania	n/r	n/r
Unicredit Bank Romania	Romania	BBB	BBB
Garanti Bank Romania	Romania	BB	BB
Transilvania Bank Romania	Romania	BBB	BB
First Bank Romania	Romania	n/r	n/r
Intesa SanPaolo Romania	Romania	BBB	BBB
Intesa SanPaolo Italia	Italia	BBB	BBB
Piraeus Bank Grecia	Grecia	BB	BB
BBVA Bank Spania	Spania	BBB	BBB
BRD - Groupe Société Générale	Romania	BBB	BBB
Vista Bank Romania	Romania	n/r	n/r
Che Banca Italia	Italia	n/r	n/r

2 RISK MANAGEMENT (CONT.)

2.2 Financial risk (cont.)

2.2.1 Credit risk (cont.)

b) Reinsurance receivables

The credit risk related to the reinsurance receivables consists in the risk generated by the reinsurer's inability to fulfill the contractual obligations or its bankruptcy.

c) Insurance receivables

The credit risk related to insurance receivables is insignificant because the company's underwriting policy is to issue policies only after the payment of the insurance premium by the insured and / or its collection directly in the insurer's accounts, and the policy portfolio for which the company has approved insurance premium payment in installments is reduced and considered risk-free.

Exposure to credit risk

The maximum exposure to credit risk is equal to the exposure from the statement of financial position at the reporting date, as follows:

	Note	31 December 2024	31 December 2023
Other financial assets, including receivables from insurance	**14**	435,353,575	462,238,853
Cash and cash equivalents	**16**	42,274,116	13,957,209
Total		**477,627,691**	**476,196,062**

2 RISK MANAGEMENT (CONT.)

2.2 Financial risk (cont.)

2.2.1 Credit risk (cont.)

The company also monitors the exposure to credit risk by analyzing its past receivables, as reflected in the tables below.

Accounts receivables aging analysis as at 31 December 2024:

	Financial assets measured at amortized cost	**Other financial assets, including cash receivables**	**Cash and cash equivalents**
Impaired receivables	-	-	-
Significant risk	-	102,786	-
Gross value	-	102,786	-
Impairment adjustment	-	(102,786)	-
Net value	-	-	-
Overdue, unimpaired	-	-	-
Overdue under 90 days	-	-	-
Overdue between 90 and 180 days	-	-	-
Overdue between 180 and 360 days	-	-	-
Overdue over 360 days	-	-	-
Gross value	-	-	-
Impairment adjustment	-	-	-
Net value	-	-	-
Current, unimpaired	-	-	-
No significant risk	-	435,353,575	42,274,116
Gross value	-	435,353,575	42,274,116
Impairment adjustment	-	-	-
Net value	-	435,353,575	42,274,116
Total gross value	-	435,353,575	42,274,116
Total net value	-	435,353,575	42,274,116

2 RISK MANAGEMENT (CONT.)

2.2 Financial risk (cont.)

2.2.2. Credit risk (cont.)

Accounts receivables aging analysis as at 31 December 2023:

	Financial assets measured at amortized cost	Other financial assets, including cash receivables	Cash and cash equivalents
Impaired receivables	-	-	-
Significant risk	-	102,796	-
Gross value	-	102,796	-
Impairment adjustment	-	(102,796)	-
Net value	-	-	-
Overdue, un-impaired	-	-	-
Overdue under 90 days	-	-	-
Overdue between 90 and 180 days	-	-	-
Overdue between 180 and 360 days	-	-	-
Overdue over 360 days	-	-	-
Gross value	-	-	-
Impairment adjustment	-	-	-
Net value	-	-	-
Current, un-impaired	-	-	-
No significant risk	-	462,238,853	13,957,209
Gross value	-	462,238,853	13,957,209
Impairment adjustment	-	-	-
Net value	-	462,238,853	13,957,209
Total gross value	-	462,238,853	13,957,209
Total net value	-	462,238,853	13,957,209

2.2.2. Liquidity risk

Liquidity risk represents the risk of unfulfillment of investments and of other assets, in order to settle the financial obligations at their maturity.

The company invests only in those assets whose risks are easy to identify, to evaluate, to quantify and to manage and which participate mainly in the calculation of the solvency capital requirement.

The company monitors the liquidity risk through the liquidity ratio, calculated according to the regulations in force.

The asset portfolio is also managed based on the legal requirements in force regarding the assets admitted to cover the gross technical reserves and the liquidity requirements in order to ensure the continuation of the activity at any time.

The company has a reasonable portfolio of highly liquid assets (cash and cash equivalents), as well as a portfolio of investments in government bonds and short-term deposits.

In this respect, the company undertakes adequate measures in order to have sufficient liquid assets, that can be used as a means of payment, to honor the short-term payment obligations at any time and with reasonable costs.

2 RISK MANAGEMENT (CONT.)

2.2 Financial risk (cont.)

2.2.2 Liquidity risk (cont.)

The company's assets placement is carried out taking into account the preponderance of the engagements currencies and the maturity structure of the debts, in order to ensure a correct diversification and to avoid excessive dependence on any type of asset, issuer or group and geographical area, the final scope being to maintain a high degree of security, a profitability at least at the market level, ensuring at the same time the available liquidity necessary for the normal and continuous activity of the company, based on the principle of business continuity, basic Solvency II principle.

The company manages the liquidity risk by:

- constant supervision of the financial situation of the company, by hedging the maturities of assets with the liabilities

- constant supervision of the company's liquidity in relation to its financial resources

- avoiding the concentration of the financial assets portfolio on counterparties

- monitoring future cash flows in order to ensure liquidity for fulfilling contractual obligations

- monitoring the liquidity ratio in accordance with the legal provisions in force

- constant management of company's assets and liabilities performed in order to identify a possible liquidity risk.

The liquidity risk to which the company is exposed is low due to the significant share of liquid assets.

2 RISK MANAGEMENT (CONT.)

2.2 Financial risk (cont.)

2.2.2 Liquidity risk (cont.)

The company's assets and liabilities maturities structure based on the residual maturities expected on **31 December 2024** is as follows:

Assets	sub 1 an	1-5 ani	5-10 ani	peste 10 ani	Elemente nemonetare	Total
Tangible assets	-	-	-	-	1.233.052	1.233.052
Intangible assets	-	-	-	-	701.838	701.838
Deferred acquisition costs	5.768.213	4.999.777	351.218	3479	-	11.122.687
Financial assets at amortized cost	-	-	-	-	-	-
Other financial assets, including insurance assets	435.353.575	-	-	-	-	435.353.575
Technical reserves for amounts ceded in reinsurance	-	-	-	-	-	-
Other assets	3.150.241	1.463.404	2.247.621	-	-	6.861.266
Deferred income tax receivables	-	-	-	-	832.115	832.115
Cash and cash equivalents	42.274.116	-	-	-	-	42.274.116
Total assets	**486.546.145**	**6.463.181**	**2.598.839**	**3.479**	**2.767.005**	**498.378.649**
Liabilities						
Debts associated with insurance contracts - technical reserves	77.316.047	34.616.215	2.249.195	16.048	-	114.197.505
Debts from insurance contracts	2.029.974	47.356.895	-	-	-	49.386.869
Reinsurance debts	-	-	-	-	-	-
Trade debts and other payables	8.306.995	280.338	-	-	-	8.587.333
Total liabilities	**87.653.016**	**82.253.448**	**2.249.195**	**16.048**	**-**	**172.171.707**
Liquidity risk	**398.893.129**	**(75.790.267)**	**349.644**	**(12.569)**	**2.767.005**	**326.206.942**

2 RISK MANAGEMENT (CONT.)

2.2 Financial risk (cont.)

2.2.2 Liquidity risk (cont.)

The company's assets and liabilities maturities structure based on the residual maturities expected on **31 December 2023** is as follows:

Assets	**under 1 an**	**1-5 years**	**5-10 years**	**over 10 years**	**non-monetary assets**	**Total**
Tangible assets	-	-	-	-	1,192,409	1,192,409
Intangible assets	-	-	-	-	1,269,055	1,269,055
Deferred acquisition costs	7,347,148	6,353,338	506,702	3,972	-	14,211,160
Financial assets at amortized cost	-	-	-	-	-	-
Other financial assets, including insurance assets	462,238,853	-	-	-	-	462,238,853
Technical reserves for amounts ceded in reinsurance	-	-	-	-	-	-
Other assets	4,807,692	27,971	-	-	-	4,835,663
Deferred income tax receivables	-	-	-	-	24,186	24,186
Cash and cash equivalents	13,957,209	-	-	-	-	13,957,209
Total assets	**488,350,902**	**6,381,309**	**506,702**	**3,972**	**2,485,650**	**497,728,535**
Liabilities						
Debts associated with insurance contracts - technical reserves	86,702,378	56,790,763	3,194,702	18,318	-	146,706,161
Debts from insurance contracts	1,441,747	55,988,974	-	-	-	57,430,721
Reinsurance debts	355,345	-	-	-	-	355,345
Trade debts and other payables	25,611,386	825,836	-	-	-	26,437,222
Total liabilities	**114,110,856**	**113,605,573**	**3,194,702**	**18,318**	**-**	**230,929,449**
Liquidity risk	**374,240,046**	**(107,224,264)**	**(2,688,000)**	**(14,346)**	**2,485,650**	**266,799,086**

2 RISK MANAGEMENT (CONT.)

2.2 Financial risk (cont.)

2.2.2 Liquidity risk (cont.)

The contractual future cash flows per maturity as at **31 December 2024**, are as follows:

Assets	**under 1 year**	**1-5 years**	**5-10 years**	**over 10 years**	**Total**
Financial assets at amortized cost *	-	-	-	-	-
Other financial assets, including receivables from insurance	435,353,575	-	-	-	435,353,575
Technical reserves for amounts ceded in reinsurance	-	-	-	-	-
Other assets	3,150,241	1,463,404	2,247,621	-	6,861,266
Deferred income tax receivables	832,115	-	-	-	832,115
Cash and cash equivalents	42,274,116	-	-	-	42,274,116
Total assets	**481,610,047**	**1,463,404**	**2,247,621**	**-**	**485,321,072**
Liabilities					
Debts associated with insurance contracts - technical reserves	77,316,047	34,616,215	2,249,195	16,048	114,197,505
Debts from insurance contracts	2,029,874	47,356,895	-	-	49,386,869
Reinsurance debts	-	-	-	-	-
Trade and other payables	8,306,995	280,338	-	-	8,587,333
Total liabilities	**87,653,016**	**82,253,448**	**2,249,195**	**16,048**	**172,171,077**
Liquidity risk	**393,957,031**	**(80,790,044)**	**(1,574)**	**(16,048)**	**313,149,365**

** The value of acquisition cost (clean price) inclusive the attached interest*

2 RISk MANAGEMENTUL RISCURILOR (CONT.)

2.2 Financial Risk (cont.)

2.2.2 Liquidity Risk (continuare)

The contractual future cash flows per maturity as at **31 December 2023**, are as follows:

Assets	**under 1 year**	**1-5 years**	**5-10 years**	**over 10 years**	**Total**
Financial assets at amortized cost *	-	-	-	-	-
Other financial assets, including receivables from insurance	462,238,853	-	-	-	462,238,853
Technical reserves for amounts ceded in reinsurance	-	-	-	-	-
Other assets	4,807,692	27,971	-	-	4,835,663
Deferred income tax receivables	24,186	-	-	-	24,186
Cash and cash equivalents	13,957,209	-	-	-	13,957,209
Total assets	**481,027,940**	**27,971**	**-**	**-**	**481,055,911**
Liabilities	86,702,378	56,790,763	3,194,702	18,318	146,706,161
Debts associated with insurance contracts - technical reserves	1,441,747	55,988,974	-	-	57,430,721
Debts from insurance contracts	355,345	-	-	-	355,345
Reinsurance debts	25,611,386	825,836	-	-	26,437,222
Total liabilities	**114,110,856**	**113,605,573**	**3,194,702**	**18,318**	**230,929,449**
Liquidity risk	**366,917,084**	**(113,577,602)**	**(3,194,702)**	**(18,318)**	**250,126,462**

** The value of acquisition cost (clean price) inclusive the attached interest*

2.2.3. Market risk

The market risk is the risk of incurring losses or an unfavorable change in the financial situation, which directly or indirectly results from fluctuations in the level and volatility of assets, liabilities, and financial instruments market prices.

The main categories of market risk to which the Company is exposed are the following:

- ***Currency risk*** represents the risk of recording financial losses due to the deviation of the real value of the exchange rates from the estimated value. In order to avoid losses arising from movements with a negative impact on the exchange rate, the Company applies a policy of correlating foreign exchange assets and liabilities

- ***Interest rate risk*** represents the risk of registering some financial losses due to the deviation of the real value of the interest rate from the estimated value

2 RISK MANAGEMENT (CONT.)

2.2 Financial risk (cont.)

2.2.3 Market risk (cont.)

In order to reduce these market risks, the company considers at least the following measures:

- congruence of assets with obligations

- follow-up of the exchange rates evolution in which the investments are made and the reserves are calculated

- follow-up of the collection of foreign currency receivables according to the contractual clauses

Exposure to currency risk

The assets and liabilities of the Company are expressed mainly in foreign currency. The company is exposed to currency risk because of the difference between assets and liabilities, on each currency, the Company constantly monitoring the correlation of assets and liabilities in foreign currency.

The assets and liabilities of the Company as at **31 December 2024** are presented in the following table:

	RON	**EUR**	**PLN**	**Total**
Assets				
	1,233,052	-	-	1,233,052
tangible fixed assets	701,838	-	-	701,838
intangible assets	167,607	8,787,613	2,167,467	11,122,687
deferred acquisition costs	-	-	-	-
financial assets at amortized cost	148,625,111	286,728,464	-	435,353,575
other financial assets, including insurance receivables	-	-	-	-
technical reserves for amounts ceded in reinsurance	3,851,855	3,009,411	-	6,861,266
other assets	832,115	-	-	832,115
carried forward income tax receivable	25,547,800	16,724,350	1,966	42,274,116
Total assets	**180,959,378**	**315,249,838**	**2,169,433**	**498,378,649**
Liabilities				
technical reserves	42,560,939	54,410,348	17,226,218	114,197,505
debts associated with insurance contracts	471,212	48,915,657	-	49,386,869
reinsurance debts	-	-	-	-
trade and other payables	8,024,939	562,394	-	8,587,333
Total liabilities	**51,507,090**	**103,888,399**	**17,226,218**	**172,171,707**
Net currency position	**129,902,288**	**211,361,439**	**(15,056,785)**	**326,206,942**

2 RISK MANAGEMENT (CONT.)

2.2 Financial risk (cont.)

2.2.3 Market risk (cont.)

The assets and liabilities of the Company as at **31 December 2023** are presented in the following table:

	RON	**EUR**	**PLN**	**Total**
Assets				
	1,192,409	-	-	1,192,409
tangible fixed assets	1,269,055	-	-	1,269,055
intangible assets	142,337	11,167,092	2,901,731	14,211,160
deferred acquisition costs	-	-	-	-
financial assets at amortized cost	193,325,384	268,913,469	-	462,238,853
other financial assets, including insurance receivables	-	-	-	-
technical reserves for amounts ceded in reinsurance	1,766,378	3,069,285	-	4,835,663
other assets	24,186	-	-	24,186
carried forward income tax receivable	2,285,455	11,671,754	-	13,957,209
Total assets	**200,005,204**	**294,821,600**	**2,901,731**	**497,728,535**
Liabilities				
technical reserves	36,476,032	84,424,780	25,805,349	146,706,161
debts associated with insurance contracts	-	57,430,721	-	57,430,721
reinsurance debts	-	355,345	-	355,345
trade and other payables	25,659,243	777,979	-	26,437,222
Total liabilities	**62,135,275**	**142,988,825**	**25,805,349**	**230,929,449**
Net currency position	**137,869,929**	**151,832,775**	**(22,903,618)**	**266,799,086**

2 RISK MANAGEMENT (CONT.)

2.2 Financial risk (cont.)

2.2.3 Market risk (cont.)

Currency risk exposure - sensitivity analysis

Expunerea la riscul valutar - analiza de senzitivitate

The main currency risk comes from the EUR exposure, the company's assets in EUR representing approximately 59% of the total assets, and its obligations in EUR 62% of the total obligations.

An analysis of the sensitivity on foreign exchange risk, assuming the depreciation of Lei against EUR by 10% and considering that all other variables remain constant, leads to an increase in the Company's result by 15,183,278 lei, according to those presented below:

	31 December 2024	**10% Lei depreciation towards EUR**	**Impact**
EUR / Lei exchange rate	4.9741	5.4715	0.4974
Total Euro assets	315,249,838	346,774,822	31,524,984
Total Euro debt	103,888,399	114,277,239	10,388,840
Net currency position	211,361,439	232,497,583	21,136,144

Exposure to interest rate risk

The company does not hold variable interest rate financial instruments. The company has invested part of its assets in term deposits held with banks and in government securities intended to be held until maturity. Due to the fact that these investments are short and medium term, the exposure to interest rate risk is reduced.

2 RISK MANAGEMENT (CONT.)

2.3 Other risks

2.3.1 Operational risk

Operational risk is the risk of losses due to inadequate internal processes or malfunctions, by its own staff or IT systems, or as a result of external events. The operational risk is inherent in all the company's activities.

The company's operational risk management procedures consider each type of event that may generate significant risks and the manner in which they occur, in order to eliminate or reduce financial or reputational losses.

2.3.2 Reputational risk

Reputational risk is defined as the risk of losses as a result of deterioration of the company's reputation, its image or a negative perception from policyholders, shareholders, or authorities.

The reputational risk source may come from but not limited to the following: management decisions, products, activities, or actions of the company's employees.

Reputational risk can be:

- direct, when it is caused by any company's behaviors that could have a negative impact on the interested parties' perception on the company

- indirect, when the degradation of the reputation is caused by a risk from another major category of risks (operational, strategic, liquidity, credit risk, market risk)

In order to carefully monitor the company's reputational risk at level, the following elements are considered: the number of negative articles published in the media, the number of appearances, the number of complaints received from clients/ beneficiaries.

2.3.3 Strategic risk

Strategic risk is the risk of incurring losses or an unfavorable change in the financial situation due to strategic decisions taken by management.

2 MANAGEMENTUL RISCURILOR (CONTINUARE)

2.4 Capital management

The impact of the Solvency Capital Requirement (SCR) and the Minimum Capital Requirement (MCR) on the value of own funds is assessed periodically, in accordance with the requirements of the Solvency II regime.

For the determination and calculation of the Solvency Capital Requirement (SCR), the company uses the standard formula.

As at 31 December 2024, compared to 31 December 2023, the values of SCR, MCR and eligible own funds, determined according to the Solvency II regime, are as follows:

	31 December 2024	**31 December 2023**
SCR	133,665,568	122,469,767
MCR	33,416,392	30,617,442
Own funds	360,333,123	319,442,851
Ratio of Eligible own funds to SCR	270%	261%
Ratio of Eligible own funds to MCR	1078%	1043%

Detailed information on the valuation principles used and the calculation of capital adequacy indicators is presented in the "Solvency and Financial Statement Report (SFCR) 2024", published on the company's website (www.onix.eu.com).

3. INCOMES FROM EARNED PREMIUMS

	2024	2023
Gross written premiums	78,636,107	90,021,643
Variability of the unearned premiums reserve	38,571,301	23,235,905
Earned premiums net of reinsurance	**117,207,408**	**113,257,548**

The income from gross earned premium for the **year 2024**, is presented in the table below, by insurance product:

	Gross written premiums	Variability of premiums reserve (gross)	Gross earned premiums
Performance bonds	70,874,661	(39,715,692)	110,590,353
Bid bonds	3,393,884	(217,427)	3,611,311
Advance Payment Bonds	4,034,701	1,704,289	2,330,412
Maintenance bonds	41,967	(567,004)	608,971
Money Retention Bonds	290,894	224,533	66,361
Total	**78,636,107**	**(38,571,301)**	**117,207,408**

The income from gross earned premium for the **year 2023**, is presented in the table below, by insurance product:

	Gross written premiums	Variability of premiums reserve (gross)	Gross earned premiums
Performance bonds	82,105,711	(22,507,789)	104,613,500
Bid bonds	5,056,712	1,115,878	3,940,834
Advance Payment Bonds	1,353,592	(2,781,322)	4,134,914
Maintenance bonds	1,420,321	934,626	485,695
Money Retention Bonds	85,307	2,702	82,605
Total	**90,021,643**	**(23,235,905)**	**113,257,548**

4. INCOME FROM INVESTMENTS

	2024	2023
Term deposits interests	21,861,896	21,147,276
Treasury bonds interests	-	(131,403)
Total	**21,861,896**	**21,015,873**

5. CLAIMS EXPENSES

During **2024** the company paid claims in the gross amount of 10,896,385 lei, compared to 820,460 lei in 2023.

Claims expenses	**2024**	**2023**
Paid claims	10,546,405	(537,464)
Variability of loss reserve (RBNS)	68,851	329,928
Variability of incurred but not reported claims (IBNR)	12,198,655	(1,860,294)
Incomes from salvages equivalent to paid claims	(10,503,254)	(638,363)
Income from recoveries equivalent to claims in RBNS	(505,649)	106,256
Total	**(11,805,008)**	**(2,599,937)**

6. ACQUISITIONS COSTS

	2024	**2023**
DAC variability	3,088,474	416,046
Acquisitions costs	26,663,657	31,023,248
Total	**29,752,131**	**31,439,294**

7. ADMINISTRATIVE EXPENSES

	2024	**2023**
Salaries and contributions	8,442,811	12,889,112
Operating fee, guarantee fund, other taxes	2,386,209	2,782,029
Depreciation of tangible and intangible assets	885,641	865,830
Services	2,736,191	3,013,100
Other administrative expenses	2,000,850	17,271,689
Total	**16,451,702**	**36,821,760**

8. NET EXPENSES WITH ASSET VALUE ADJUSTMENTS

	2024	**2023**
Incomes from uncollected premiums receivable value adjustments	(10)	(77,103)
Expenses from adjustments to value receivables from claims recoveries in reserve	3,647,267	1,489,046
Expenses with adjustments of non- current receivables	1,745,271	464,568
Incomes/Expenses with provisions for remaining annual leave	40,493	(155,639)
Total	**5,433,021**	**1,720,872**

9. INCOME TAX EXPENSE

a) Income tax expense

	2024	**2023**
Current income tax expense	13,237,823	9,550,455
Deferred income tax expense / income	(807,929)	1,172,224
Total	**12,429,894**	**10,722,679**

b) Reconciling the accounting result with the income tax expense

	Fiscal base 2024	**Effect (16%)**	**Fiscal base 2023**	**Effect (16%)**
Profit before taxation	**82,837,749**	**13,094,039**	**71,451,819**	**11,207,276**
Non-taxable income	(1,798,059)	(287,689)	(7,171,036)	(1,147,366)
Non-deductible expenses	7,407,247	1,185,160	2,028,225	324,516
Legal reserve and sponsorships	-	-	-	-
Temporary differences with fiscal impact	(4,603,849)	(736,616)	5,920,054	947,209
Taxable profit	**82,843,088**	**13,254,894**	**72,229,062**	**11,556,650**
Loss from previous years	-	-	-	-
Taxable profit after fiscal loss	**82,843,088**	**-**	**72,229,062**	**-**
Profit tax before sponsorships (16%)		13,254,894		11,556,650
Sponsorships		(825,000)		(833,971)
Profit tax bonus		-		-
Profit tax		12,429,894		10,722,679

10. TANGIBLE ASSETS

	It equipment	Furniture and cars	Total
Gross value			
Balance as at 1 January 2023	**70,390**	**1,431,648**	**1,502,038**
Purchases	8,020	974,539	982,559
Outputs	118	-	118
Balance as at 31 December 2023	**78,292**	**2,406,187**	**2,484,479**
Balance as at 1 January 2024	**78,292**	**2,406,187**	**2,484,479**
Purchases	15,696	360,659	376,355
Outputs	23,098	18,185	41,283
Balance as at 31 December 2024	**70,890**	**2,748,661**	**2,819,551**
Amortizare cumulata			
Balance as at 1 January 2023	**41,894**	**926,811**	**968,705**
Expenses of the year	14,778	308,695	323,473
Outputs	108	-	108
Balance as at 31 December 2023	**56,564**	**1,235,506**	**1,292,070**
Balance as at 1 January 2024	**56,564**	**1,235,506**	**1,292,070**
Expenses of the year	10,937	324,775	335,712
Outputs	23,098	18,185	41,283
Balance as at 31 December 2024	**44,403**	**1,542,096**	**1,586,499**
Net value as at 1 January 2023	**28,496**	**504,837**	**533,333**
Net value as at 31 December 2023	**21,728**	**1,170,681**	**1,192,409**
Net value as at 31 December 2024	**26,487**	**1,206,565**	**1,233,052**

11. INTANGIBLE ASSETS

	Other intangible assets	Use of the assets within operate leasing	Total
Gross value			
Balance as at 1 January 2023	**672,433**	**2,616,020**	**3,288,453**
Purchases	33,948	3,758	37,706
Outputs	4,606	-	4,606
Balance as at 31 December 2023	**701,775**	**2,619,778**	**3,321,553**
Balance as at 1 January 2024	**701,775**	**2,619,778**	**3,321,553**
Purchases	1,747	-	1,747
Outputs	1,536	10,248	11,784
Balance as at 31 December 2024	**701,986**	**2,609,530**	**3,311,516**
Amortizare cumulata			
Balance as at 1 January 2023	**561,402**	**945,385**	**1,506,787**
Expenses of the year	64,066	484,677	548,743
Outputs	3,032	-	3,032
Balance as at 31 December 2023	**622,436**	**1,430,062**	**2,052,498**
Balance as at 1 January 2024	**622,436**	**1,430,062**	**2,052,498**
Expenses of the year	65,273	493,357	558,630
Outputs	1,450	-	1,450
Balance as at 31 December 2024	**686,259**	**1,923,419**	**2,609,678**
Net value as at 1 January 2023	**111,031**	**1,670,635**	**1,781,666**
Net value as at 31 December 2023	**79,339**	**1,189,716**	**1,269,055**
Net value as at 31 December 2024	**15,727**	**686,111**	**701,838**

Intangible assets including software licenses for company's business.

12. REPORTED AQUISITION EXPENSES (DAC)

	2024	2023
Balance as at 1 January	14,211,160	14,627,206
Deferred acquisition costs	10,603,107	9,153,146
Depreciation of deferred acquisition costs	(13,691,580)	(9,569,192)
Balance as at 31 December	**11,122,687**	**14,211,160**

13. FINANCIAL ASSETS EVALUATED AT AMORTISED COST

	31 December 2024	**31 December 2023**
Balance as at 1 January		
Acquisitions	-	19,931,299
Sales/Maturity	-	-
Amortized cost adjustment	-	(19,931,299)
Accumulated interest	-	-
Fair value adjustment	-	-
	-	-
Balance as at 31 December	**-**	**-**

14. OTHER FINANCIAL ASSETS, INCLUDING RECEIVABLES FROM INSURANCE

	31 December 2024	**31 December 2023**
Term deposits held with banks	425,660,443	453,579,144
Premiums to be collected	9,795,918	8,762,505
Depreciation adjustment for uncollected premiums	(102,786)	(102,796)
Balance as at 31 December	**435,353,575**	**462,238,853**

The fair value of these financial assets is their accounting value, taking into consideration that their maturity is less than 1 year.

15. OTHER ASSETS

	31 December 2024	**31 December 2023**
Receivables from recoveries and salvages	4,666,534	2,941,778
Depreciation adjustment for recoveries and salvages	(4,406,187)	(2,941,778)
Tax in advance Italy	2,728,493	2,955,907
Receivables from reinsurance	-	15,953
Different debtors	120,285	128,530
Depreciation adjustment for various debtors	(100,559)	(100,559)
Prepayments	381,344	69,452
Non- current receivable from Policy Holder Guarantee Fund (PHGF)	5,653,056	2,180,507
Depreciation adjustment of receivable from PHGF	(2,209,839)	(464,568)
Other assets	28,139	50,441
Balance as at 31 December	**6,861,266**	**4,835,663**

The fair value of these financial assets is approximated to the accounting amount, taking into consideration that their maturity is less than 1 year.

15. OTHER ASSETS (CONT.)

Movement of the depreciation adjustment

	Uncollected premiums	Receivables from recoveries and salvages	Different debtors
Balance as at 1 January 2023	**179,899**	**15,081,928**	**100,559**
Liabilities during the year	(77,103)	(12,140,150)	-
Balance as at 31 December 2023	**102,796**	**2,941,778**	**100,559**
Balance as at 1 January 2024	**102,796**	**2,941,778**	**100,559**
Income during the year	(10)	1,464,409	-
Balance as at 31 December 2024	**102,786**	**4,406,187**	**100,559**

16. CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
Short term deposits held with banks	38,464,781	1,770,674
Current accounts held with banks	3,804,183	12,181,915
Petty cash	5,152	4,620
Balance as at 31 December	**42,274,116**	**13,957,209**

17. SHARE CAPITAL

	31 December 2024	31 December 2023
Share capital	50,000,000	50,000,000
Retreatment hyperinflation IAS 29	(139,384)	(139,384)
Balance as at 31 December	**49,860,616**	**49,860,616**

Shareholders' structure

	31 December 2024	31 December 2023
Egadi Company SRL	90.00%	90.00%
Simone Lentini	10.00%	10.00%
	100.00%	100.00%

18. TECHNICAL RESERVES

	31 December 2024	31 December 2023
Unearned premium reserve	74,031,573	112,602,874
Reported but not settled loss reserve	505,417	436,566
Incurred but not reported claims reserve	18,953,529	6,754,874
Unexpired risks reserve	20,706,986	26,911847
Balance as at 31 December	**114,197,505**	**146,706,161**

Unearned premium reserve structure per insurance products:

	31 December 2024	31 December 2023
Performance Bonds	68,397,691	108,113,383
Bid Bonds	1,525,511	1,742,938
Advance Payment Bonds	2,456,427	752,138
Maintenance Bonds	1,338,454	1,905,458
Money Retention Bonds	313,490	88,957
Balance as at 31 December	**74,031,573**	**112,602,874**

Reported but not settled loss reserve structure per insurance products:

	31 December 2024	31 December 2023
Asigurari de garantii de buna executie	505,417	436,566
Balance as at 31 December	**505,417**	**436,566**

The company considers that the Incurred but not reported claims reserve registered as at 31 December 2024 is sufficient to cover the payments for claims that occurred but they were not yet notified up to this date.

The company calculated the Incurred but not reported claims reserve using the „*expected loss ratio*” method, taking into account the paid indemnities and the gross written premiums both estimated in the next year’s Annual Business Plan, resulting in a reserve of 505,417 lei as at 31 December 2024 compared to a reserve of 436,566 lei as at 31 December 2023.

18. REZERVE TEHNICE (CONTINUARE)

Miscari ale valorilor rezervelor tehnice

a) Unearned premiums reserve

	Brut
At the beginning of the year 2023	
Gross premium reserve increase during the year (gross written premiums in 2023)	**135,838,779**
Gross premiums reserve decreasing the during the year (premiums written in previous years, but earned in 2023)	112,602,874 (135,838,779)
Year end 2023	**112,602,874**
At the beginning of the year 2024	**122,683,544**
Gross premium reserve increase during the year (gross written premiums in 2024)	74,031,573
Gross premiums reserve decreasing the during the year (premiums written in previous years, but earned in 2024)	(122,683,544)
Year end 2024	**74,031,573**

b) Reported but not settled loss reserve (RBNS) and Incurred but not reported claims reserve (IBNR)

	Brut
At the beginning of the year 2023	**8,721,806**
Increase during the year	329,928
Decrease during the year	(1,860,294)
Year end 2023	**7,191,440**
At the beginning of the year 2024	**7,191,440**
Increase during the year	12,691,491
Decrease during the year	(423,985)
Year end 2024	**19,458,946**

19. DEBTS ASSOCIATED TO INSURANCE CONTRACTS

	31 December 2024	31 December 2023
Payables to intermediaries	1,501,542	1,429,578
Insurance premiums collected in advance	476,123	4,681
Insurance premiums to be allocated	52,134	7,488
Insurance parties' cash collateral	175	-
Payables to intermediaries	47,356,895	55,988,974
Balance as at 31 December	**49,386,869**	**57,430,721**

20. DATORII COMERCIALE SI ALTE DATORII

	31 December 2024	31 December 2023
Salaries and contributions	4,309,856	4,360,336
Other taxes	272,841	435,034
EU insurance activity tax	481,157	398,428
Profit tax	2,474,596	4,490,278
Operational leasing debts	721,182	1,232,024
Other debts	327,701	15,521,122
Balance as at 31 December	**8,587,333**	**26,437,222**

21. DEFERRED INCOME TAX RECEIVABLES

	31 December 2024	31 December 2023
Exchange rate differences unearned premiums reserves and deferred acquisition expenses	197,573	294,441
Interest income by the effective interest method	-	-
Non-deductible impairment adjustments	(974,142)	(237,526)
Adjustment with depreciation of non-current assets	(49,934)	(74,331)
Operational leasing	(5,5612)	(6,770)
Deferred income tax receivable	**(832,115)**	**(24,186)**

	Result account 2024	Other reserves 2024	Result account 2023	Other reserves 2023
Exchange rate differences unearned premiums reserves and deferred acquisition expenses	(96,868)	-	297,750	-
Interest income by the effective interest method	-	-	(90)	-
Provisions for non-deductible impairment	(736,616)	-	947,209	-
Fair value of treasury bonds held for sale	-	-	-	-
Rome secondary headquarters expenses	-	-	-	-
Adjustment with depreciation of non-current assets	(24,397)	-	(74,331)	-
Operational leasing	1,158	-	1,686	-
Deferred income tax expense / income	**(807,929)**	**-**	**1,172,224**	**-**

	2024	2023
Balance as at 1 January	**(24,186)**	**(1,196,410)**
Movements in the profit and loss account	(807,929)	1,172,224
Movements in other reserves	-	-
Balance as at 31 December	**(832,115)**	**(24,186)**

22. TRANZACTII CU PARTI AFILIATE

During 2024, the company carried out transactions with affiliated parties, respectively Egadi Company SRL, based on a contract for subleasing of an office space, achieving a rental income of 2,400 lei, the same as in 2023.

23. CONTINGENT ASSETS AND LIABILITIES

a) Legal actions in court

The company is involved in several disputes arising from its insurance activity, and their settlement is considered not to have a significant impact on the outcome of operations or financial position.

b) Taxation

The tax system in Romania, with a low degree of predictability, can be modified without prior public consultation. In case of differences of interpretation of the tax legislation, the tax authorities may treat certain aspects differently. In Romania, the fiscal year remains at disposal for fiscal verification for 5 years. The company's management considers that the fiscal obligations included in these financial statements are correctly calculated.

24. RECONCILIATION OF THE RESULT FOR THE YEAR BETWEEN THE STATUTORY FINANCIAL STATEMENTS AND THE IFRS FINANCIAL STATEMENTS

	31 December 2024	**31 December 2023**
The result of the year according to the statutory financial statements	**69.045.633**	**60.495.018**
Adjustments for		
- reversal of the premium reserve re-evaluation at year closing exchange rate	(679,199)	2,061,418
- reversal of the re-evaluation of acquisition costs carried forward at year closing exchange rate	73,777	(200,482)
- reversal of the equalization reserve	-	-
- interest income by the method of the effective interest rate applied to bonds	-	-
- incomes from investments	-	561
- recognition of intangible asset for the right to use of rented assets (IFRS 16)	7,236	9,417
- Depreciation adjustment of receivable from PHGF	152,479	(464,568)
- deferred income tax	807,929	(1,172,224)
Result of the year according to IFRS	**69,407,855**	**60,729,140**
- adjustment for the fair value of available-for-sale assets, net of tax	-	-
Total result for the year	**69,407,855**	**60,729,140**

25. EQUITY RECONCILIATION BETWEEN STATUTORY FINANCIAL STATEMENTS AND IFRS FINANCIAL STATEMENTS

	31 December 2024	31 December 2023
Capitaluri proprii conform sitautiilor financiare statutare	**324,487,152**	**265,441,519**
- reversal of the premium reserve re-evaluation at year closing exchange rate	1,409,445	2,088,644
- reversal of the re-evaluation of acquisition expenses carried forward at year closing exchange rate	(174,610)	(248,387)
- reversal of the equalization reserve	-	-
- interest income by the method of the effective interest rate applied to bonds	-	-
- ajustament of treasury bonds held up the due date	-	-
- recognition of intangible asset for the right to use of rented assets (IFRS 16)	(35,071)	(42,308)
- depreciation adjustment of receivable from PHGF	(312,089)	(464,568)
- deferred income tax	832,115	24,186
Equity as per IFRS	**326,206,942**	**266,799,086**

26. EVENTS SUBSEQUENT TO STATEMENT OF FINANCIAL POSITION DATE

There are no recorded subsequent events to the balance sheet date.