

## CURRENT REPORT

In compliance with Law no. 24/2017 regarding Issuers of Financial Instruments and Market Operations and A.S.F. Regulation no. 5/2018

Date of the Report: 15.11.2023

Name of company: Millenium Insurance Broker (MIB) Broker de Asigurare-Reasigurare S.A.

Headquarters: Bucuresti, Splaiul Independentei 111, Sector 5

Phone number: 004-021-3303796

Fiscal Code: 9557790 LEI

Code: 787200WYTZDL2D67V730

Trade Register registration number: J40/5065/1997

Subscribed and paid in share capital: 583.946 RON

Regulated market where the issued securities are traded: MTS AeRO Premium

Significant events to be reported:

Report of the third quarter 2023 of Millenium Insurance Broker (M.I.B.) Broker de Asigurare-Reasigurare S.A., 15th of Noivember 2023



# REPORT Third Quarter 2023

## Millenium Insurance Broker (MIB) Broker de Asigurare-Reasigurare S.A.

<b>Company name</b>	<b>Millenium Insurance Broker (MIB) Broker de Asigurare-Reasigurare S.A.</b>
Trade Register registration number	J40/5065/1997
CAEN Code	6622
Domain	Insurance agents and insurance brokers
Fiscal Code	9557790
LEI Code	787200WYTZDL2D67V730
HQ Address	Municipiul București, Splaiul Independenței nr. 111, Sector 5.
Phone	021.3303796 ; 0213303799
E-mail	office@myinsurance.ro
Website	<a href="https://www.myinsurance.ro/">https://www.myinsurance.ro/</a>
Trading Symbol	MIB
ISIN Code	ROV1FB29MU02
FISN CODE	MILLENIUM/REGSHS RON0.28
CFI CODE	ESVUFR
Total number IF	2.085.520 common stocks, dematerialized
Nominal Value	0,28 lei
Free-float	21,46%

### 1. Current Activity in the Third Quarter 2023

#### 1.1. Legislative changes in Q3 2023

The third semester of 2023 was rich in legislative changes and novelties, with both short-term and long-term impact on the activity of the company. More precisely:

- changes of the legislation regarding compulsory insurance for dwellings, by raising the insurance premiums from 20 euro to 130 lei, and by allowing the direct collaboration between insurance brokers and PAID – they will have a positive effect on this type of insurance products, starting with the application date (November 2023);

- extension of the maximum deadline at which the insurance policies of Euroins expire, through the effect of the law, having as immediate effect the moving of the renewal of approx. 30000 Euroins policies intermediated by MIB from the third quarter to the fourth quarter.

The direct effect on our company consists of moving a significant revenue from the third quarter to the fourth quarter of 2023. This extension came with some delay, so that the insurance brokers have been obliged by the RCA legislation to notify all the customers about the expiration caused by the law, 30 days before September 8th (the initial maximum expiration date, 90 days after the declaration of bankruptcy) and also to send renewal offers, operation which generated costs, but not the expected revenues, too.

## 1.2. The evolution of the intermediated insurance premiums in Q3 2023 vs. Q3 2022

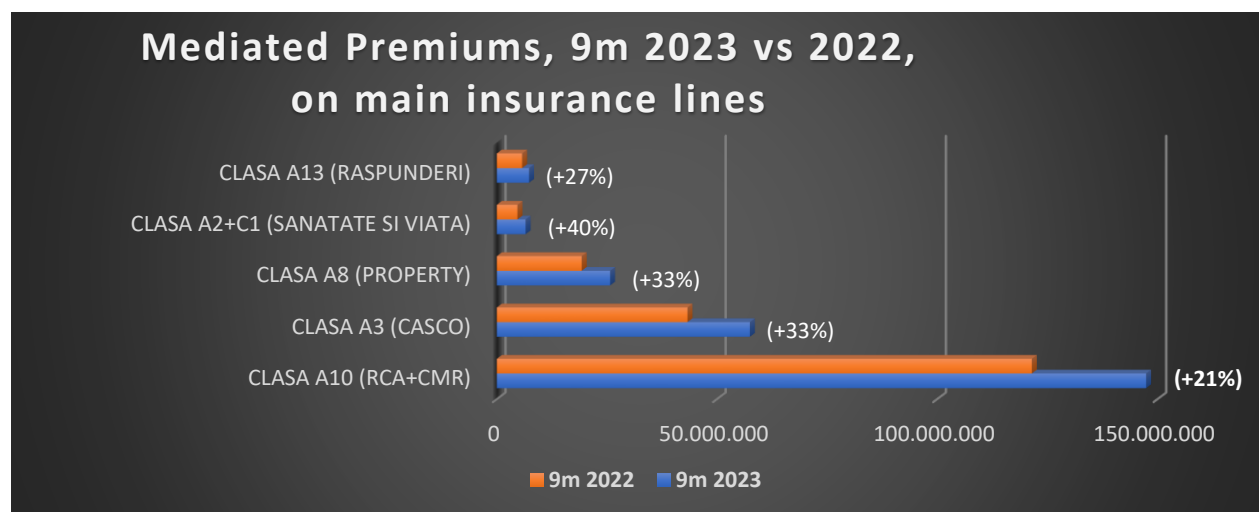
The volume of the intermediated insurance premiums has raised from 63,04 mil. lei in Q3 2022 to 79,86 mil. lei in Q3 2023, a **26,7% growth**, result which we consider is good, in accordance with the efforts of the entire MIB.

In Q3 2023 compared to Q3 2022, MIB has recorded significant growth rates on all main lines of insurance:

- A0 class (RCA + CMR) represents 52% of the insurance premiums and has increased 38%
- A3 class (CASCO) represents 25% of the insurance premiums and has increased 24%
- A8 class (property) represents 11% of the insurance premiums and has increased 26%.
- A2&C1 classes (health & life) represents 3% of the insurance premiums and has increased 40%.

## 1.3. The evolution of the intermediated insurance premiums in the first 9 months 2023 compared to the similar period in 2022

MIB has recorded a nice evolution of the intermediated insurance premiums in the first 9 months of 2023, 25,1% more than the similar period last year. What is important is that this growth comes less from the RCA (only 21% increase compared to the first 9 months in 2022) and more from the facultative insurance products (30% increase compared to the first 9 months in 2022).



## 1.4. Other relevant aspects

During the period 23.08 – 14.09.2023, ASF has performed an unannounced control at the headquarters of MIB, verifying the activity in the interval February – May 2023, in order to check the compliance with the law of insurance distribution. The control report has not mentioned any aspects against the incident legislation.

There is also a decision from ASF that confirmed that „there have not been identified any deficiencies that can determine the application of punitive measures or remediation measures”.

## 2. Financial data at the end of the third quarter 2023

### 2.1. Profit and Loss statement: Q3 2022 versus Q3 2023. Numbers are in Lei.

Indicator / Period	Q3 2022 lei	Q3 2023 lei	Growth % 9 months 2023 / 9 months 2022
Net turnover	36.939.173	41.849.294	13,29
Income from brokerage activity	36.947.014	41.831.524	13,22
Other operating revenues	7.613	171.261	2.149,59
<b>Total operating revenues</b>	<b>36.954.627</b>	<b>42.002.785</b>	13,66
Expenses for third parties services	1.687.103	2.352.517	39,44
Expenses with consumables	59.770	66.333	10,98
Expenses with taxes	40.614	36.108	-11,09
Personnel expenses	1.148.053	1.431.010	24,65
Expenses related to sums due to assistants	31.274.632	35.372.501	13,10
Other operating expenses	109.789	151.354	37,86
Value adjustments related to tangible and intangible assets	102.976	211.668	105,55
Value adjustments related to current assets	-866	0	-100,00
<b>Operational Expenses – Total</b>	<b>34.422.071</b>	<b>39.621.491</b>	15,10
<b>Operational Profit</b>	<b>2.532.556</b>	<b>2.381.294</b>	-5,97
<b>Financial Income</b>	<b>74.339</b>	<b>367.859</b>	394,84
<b>Financial Expenses</b>	<b>52.632</b>	<b>107.430</b>	104,12
<b>Financial Profit</b>	<b>21.707</b>	<b>260.429</b>	1.099,75
<b>Total Revenues</b>	<b>37.028.966</b>	<b>42.370.644</b>	14,43
<b>Total Expenses</b>	<b>34.474.703</b>	<b>39.728.921</b>	15,24
<b>Gross Profit</b>	<b>2.554.263</b>	<b>2.641.723</b>	3,42
<b>Profit tax</b>	<b>364.252</b>	<b>379.365</b>	4,15
<b>Net Profit</b>	<b>2.190.011</b>	<b>2.262.358</b>	3,30

### 2.2 Operational income 9 months 2023

Operating income / Operational Revenues represents the totality of income generated by all the activities of the company.

In the first 9 months of 2023, the company has registered operational income of 42.002.785 lei, a 13,66% raise from the same period in the previous year, when they were 36.954.627 lei.

We consider the growth is good, although not directly proportionate with the increase in the volume of the insurance premiums. The situation can be explained by some RCA policies, where the work is not properly compensated by the commissions obtained (they do not even cover distribution costs). It is the case of policies issued for risky customers, allocated by BAAR and uncommissioned, or the case of policies with very small commission levels (0,1%, 1%, 2%) for some client categories less wanted by the insurers (transport companies taxi, car rentals, security and protection, driving schools etc.) and also for policies done for less than 6 months. These policies have affected the average commission and thus the growth in revenues.

The revenues from the distribution activity represent 99% of revenues, the other revenues come from other activities and financial revenues as well.

### 2.3 Operational Expenses first 9 months 2023

In Q3 2023, the company has reported operational expenses of 39.621.491 lei, 15.10% more compared to the similar period in 2022, when they reached 34.422.071 lei

### 2.4 Financial revenues and expenses first 9 months 2023

The financial income and expenses represent those income and expenses generated the financial assets of the company. The value of the financial income has a low percentage out of total income of the company (1%)

At the end of the first 9 months of 2023, the financial revenues were 367.859 lei, a increase with 394,84% compared to the siliar period in 2022, when they were 74.339 lei

The financial expenses at the end of Q3 2023 were 107.430 lei, a growth of 104,12% compared to Q3 2022, when their value was 52.632 lei

### 2.5 NET Profit at the end of Q3 2023

The net profit has raised from 2.190.011 lei in Q3 2022 to 2.262.358 lei in Q3 2023, a **3.30% growth**, result which is good enough in the current market context. Also, the net profit increased with 10,29% compared to the previous report period (2.051.304 lei at 30.06 2023).

### 2.6 Structure of total debt at 31.12.2022, respectively at 30.09.2023

Debt is on very short-term and represents the result of the current / operational activity.

At 30.09.2023 the company had no bank loans.

	31.12.2022 -lei-	30.09.2023 -lei-
<b>Total Debt</b>	<b>4.262.519</b>	<b>4.558.128</b>
Other debt (leasing) and related interest	15.078	0
Debt related to insurance distribution activity	3.597.490	4.026.187
Debt related to personnel	69.045	86.870
Other debt, including fiscal debt and social insurance debt	120.227	133.606
Other debt	460.679	311.465

### 2.7. Degree of indebtness of the company: end of Q3 2023.

Below is presented the degree of indebtness of the company, by dividing the total debt to total assets.

	31.12.2022 - lei -	30.09.2023 - lei -
Debt	4.262.519	4.558.128
Total Assets	13.411.320	14.048.636
Level of indebtedness (Total Debt / Total Assets)	31,78%	32,45%

## Millenium Insurance Broker (MIB) Broker de Asigurare-Reasigurare S.A.

Ștefan Emanuel Prigoreanu – President of the Board of Administrators and CEO