



SOCIETATEA DE INVESTIȚII FINANCIARE
TRANSILVANIA S.A.

QUARTERLY REPORT
for the quarter ended as at
31 March 2021

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ABOUT THE COMPANY

Quarterly report prepared in accordance with Law no. 24/2017, F.S.A. Regulation no. 5/2018, B.S.E. (Bucharest Stock Exchange) Rulebook and F.S.A. Rule no. 39/2015 on the approval of the Accounting Regulations in compliance with I.F.R.S. applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority from the Financial Instruments and Investments Sector.

Date of report: 31.03.2021

Company's name	Societatea de Investiții Financiare Transilvania S.A.
Registered office	Municipiul Brașov, Str. Nicolae Iorga nr. 2, Cod poștal 500057
Telephone no./Fax	0268 416 171 / 0268 473 215
Website	www.siftransilvania.ro
Sole Registration Code	3047687
Tax Registration Code	RO3047687
Trade Register Number:	J 08/3306/1992
Registered with the Securities Registration Office within F.S.A.	Registration Certificate no. 401/05.02.2020
Registered with the F.S.A. Register under Section 8	Alternative Investment Fund Managers (A.I.F.M.), Subsection Alternative Investment Fund Managers authorized by F.S.A. (A.A.I.F.M.) - under no. PJR071 A.F.I.A.A./080005
Subscribed and paid-up share capital	RON 216,244,379.70
Main characteristics of the securities issued by the company	Common, registered, indivisible, of equal value and dematerialized, issued at the nominal value of RON 0.10/share
Regulated market on which the issued securities are traded	Bucharest Stock Exchange, Main Segment, PREMIUM category (market symbol: SIF3)

S.I.F. Transilvania is managed in a two-tier system by an Executive Board which carries out its activity under the control of a Supervisory Board.

The Company's Shareholders Register is kept, under contract and as provided by law, by the company Depozitarul Central S.A. Bucharest.

The depository services with respect to the portfolio of financial instruments are provided by BRD Groupe Société Générale and the company's financial statements are audited by the financial auditor Deloitte Audit S.R.L. Bucharest.

PREAMBLE

Due to its specific scope of business, S.I.F. Transilvania relates to both the national economic and legislative context and the regional/global macroeconomic context, a series of events which occurred during the first three months of 2021 having a direct or indirect impact on the Company's results and performance.

General macroeconomic context

At a global level, from a macroeconomic point of view, general trends/events which impacted the financial markets have been recorded. At a local level, a series of uncertainty triggering factors that influenced the investors' perception on the predictability of the national economic model stood out.

The Company's activity was carried out in an internal and international context, characterized by an excessive volatility and a high degree of unpredictability. All these events were triggered by the crisis generated by the COVID-19 pandemic.

Impact of COVID-19 pandemic on the Company's activity

General framework

Globally, during the first quarter of 2021, a number of overall developments focused on measures to combat the crisis caused by the COVID-19 pandemic have been recorded. The general context has maintained in close-up the recovery instruments that had a contribution in the positive adjustment of the prognosis related to the post-pandemic evolution. All these developments remain dependant on the success of the currently implemented vaccination campaigns.

The general context is focused on the general recovery trend and also on the risks related to such trend (risks that the actual developments significantly differ by reference to the consensus as of the actual reporting date) based on reporting related to COVID-19 pandemic (number of new cases, workload in the medical system, new implemented restrictions, pandemic-induced fatality, success of vaccination campaigns, chances of implementing efficient treatment schemes).

Most of the governments have maintained support measures addressed to both population and economic environment. Moreover, the main Central Banks have maintained, at both rhetoric and effective measures taken level, relaxed monetary policies implemented by means of the entire range of instruments available to them (reduction of monetary policy ratio, adequate management of liquidity conditions on monetary markets, acquisition of government securities/corporate bonds etc.). As a result of the liquidity excess induced by the measures adopted by the Central Banks and also of the improvement of the investors sentiment due to the decisions adopted by a number of authorities, positive developments have continued at the level of the main capital markets, which have determined new historical maximum levels for a series of stock indices. The current recovery trends still have an asymmetrical character.

The general context remains volatile, being characterized by a high degree of unpredictability.

At national level, during the first quarter of 2021, there was a number of significant developments generated by the attempt to synchronize the locally adopted measures with the general pandemic development context at global level.

The government has continued to implement measures designed to support the local economy focused, inter alia, on social protection of vulnerable categories, consolidation of the healthcare system and recovery of the economic activity. In parallel, NBR (National Bank of Romania) has maintained a relaxed monetary policy by adopting measures focused on the mitigation of the negative effects of the crisis caused by COVID-19 pandemic on the Romanian companies and population: decrease of monetary policy interest, supply of liquidity to banks, acquisition of government securities in RON from the secondary market, all these being intended to finance the real economy and public sector in good conditions.

These measures have determined a general context characterized by a sustained recovery of the economy which has associated a number of significant risks like those regarding the re-inflammation of inflationist trends. Under these conditions, the discussions on the manoeuvre space still maintained by the monetary and fiscal policies return to the fore.

The economic impact of COVID-19 pandemic

The COVID-19 pandemic occurred brutally in the global macroeconomic environment, on an already fragile general context, which was facing an economic growth that already had a slowdown tendency. The main uncertainties maintain within the area of the estimates regarding the general architecture of the economic recovery (actual form, asymmetrical profile, sustainable character of accrued structural deficits, and the opportunity cost associated to significant reforms).

Under these conditions, S.I.F. Transilvania has adopted a proactive strategy designed to manage the current and estimated market conditions.

The management of the Company considers that the financial position and the investment activity of S.I.F. Transilvania have been and could also be within the following periods negatively affected by the development of COVID-19 pandemic. The unfavourable consequences could materialize at the level of the negative adjustments of the value of some holdings from the managed portfolio and at the level of the revenues from dividends distributed by the number of issuers from the portfolio (which have adjusted the dividend policies based on either the decisions communicated by the regulatory bodies, or in response to the general macroeconomic context).

The Company shall continue to closely monitor the development of the economic environment and the effects of the economic measures applied at both national and international level. Nevertheless, the management of the Company considers that the monitoring measures poses a number of specific risks considering that they still expect an economic environment characterized by excessive volatility and high degree of unpredictability.

Impact of COVID-19 pandemic on the portfolio managed by the Company

The investment activity of the Company has adapted to the national and international context characterized by an excessive volatility and a high degree of unpredictability.

The management of the Company cannot credibly estimate the impact on the financial statements induced by a series of relevant factors like future declines of the liquidity of financial markets and of the quotations of financial assets, determined by the increase of volatility on the capital and foreign currency markets.

Nevertheless, the management of S.I.F. Transilvania does not estimate difficulties in complying with its undertakings in relation to the shareholders and with the obligations towards third parties, the

current cash flows and those estimated for the future period being sufficient to cover the debts towards third parties and the undertakings resulted from the implementation of the shareholders' remuneration policy.

By reference to the sectors of interest for the portfolio managed by the Company, the implications of COVID-19 on the tourism sector stand out as concerns their importance.

According to the latest data published by the National Institute of Statistics (having as the reference date March 2021), the tourism sector has recorded the following significant developments:

- ⇒ the arrivals recorded in the tourist reception structures during the first quarter of 2021 have totaled 1,410.5 thousand, decreasing by 20.0% as compared to the similar period of the previous year; out of the total number of arrivals during the reviewed period, the arrivals of the Romanian tourists in the tourist reception structures with accommodation functions accounted for 95.4%, while the arrivals of the foreign tourists accounted for 4.6%;
- ⇒ the night stays recorded in the tourist reception structures during the first quarter of 2021 have totaled 2,608.8 thousand, decreasing by 24.7% as compared to the similar period of the previous year; out of the total number of night stays during the reviewed period, the night stays of the Romanian tourists in the tourist reception structures with accommodation functions accounted for 94.3%, while the night stays of the foreign tourists accounted for 5.7%;
- ⇒ the average stay during the reviewed period was of 1.8 days for the Romanian tourists, and 2.3 days for the foreign tourists;
- ⇒ the index regarding the net use of the accommodation places during the first quarter of 2021 was of 17.2% per total tourist accommodation structures, decreasing by 5.2% as compared to the similar period of the previous year;
- ⇒ higher indexes regarding the use of the accommodation places during the reviewed period were recorded for hotels (20.0%), tourist villas (17.0%), tourist chalets (15.6%), inns (15.4%), boarding houses (14.2%), bungalows (13.4%), agritourist boarding houses (12.8%) and lay-bys (12.5%);
- ⇒ by county, during the first quarter of 2021, the number of tourist arrivals in the tourist reception structures with accommodation functions have recorded higher values in Brașov (244.5 thousand), Bucharest (132.6 thousand), Prahova (102.2 thousand), Suceava (74.4 thousand), Bihor (67.9 thousand), Vâlcea (64.2 thousand), Mureș (61.8 thousand), Sibiu (60.8 thousand) and Cluj (58,2 thousand);
- ⇒ the night stays of the tourists have recorded higher values in: Brașov (482.6 thousand), Bucharest (213.4 thousand), Prahova (207.8 thousand), Bihor (144.2 thousand), Suceava (134.3 thousand), Vâlcea (133.1 thousand), Mureș (116.9 thousand), Sibiu (103.8 thousand), Cluj (95.8 thousand), Constanța (70.5 thousand), Caraș Severin (64.7 thousand), and Timiș (63.8 thousand).

Considering:

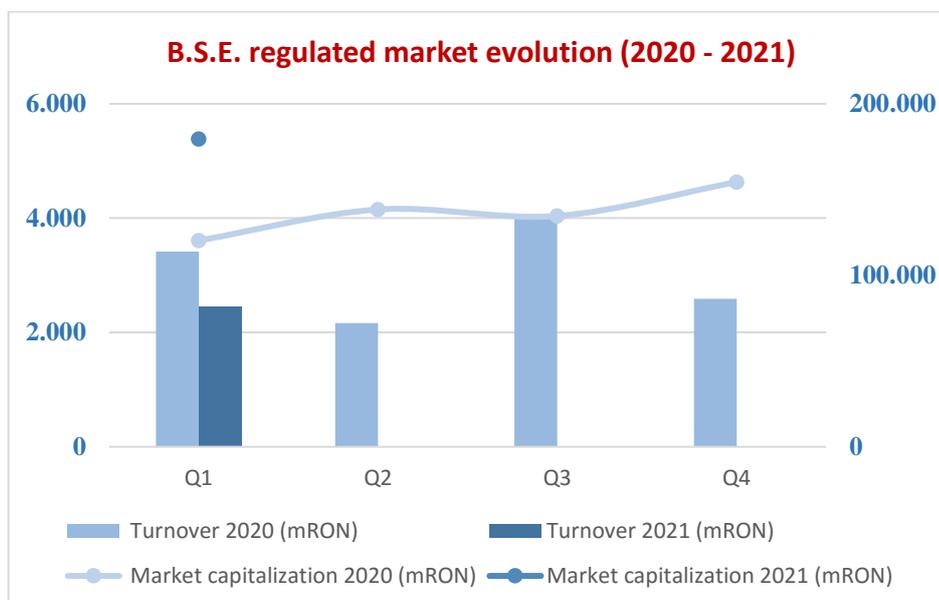
- ⇒ the current economic context due to the COVID-19 pandemic triggering,
- ⇒ classification of S.I.F. Transilvania as an investment entity,
- ⇒ the fact that an investment entity measures and evaluates the performance of substantially all of its investments on a fair value basis (I.F.R.S. 10.27),

during the first quarter of 2021, the Company has recorded the performance of the fair values afferent to each holding from its managed portfolio. At the end of the reviewed period, the fair values of most of its holdings are determined based on valuation reports prepared in accordance with the International Valuation Standards.

Romanian capital market context

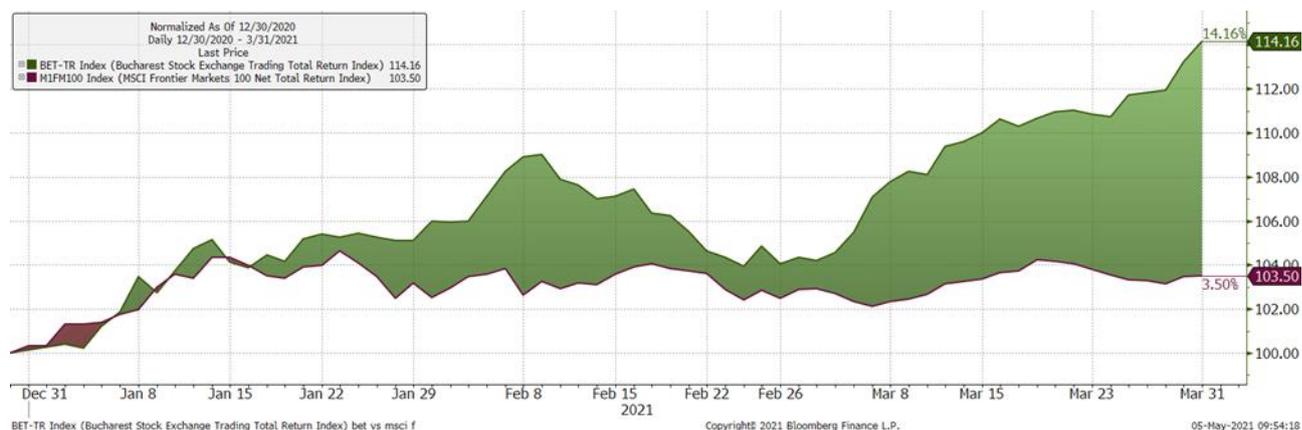
During Q1 2021, the performance of the shares listed on the regulated market - the main segment of the Bucharest Stock Exchange - as compared to the performance recorded in the previous financial year, has revealed the following key aspects:

- ⇒ as compared to the similar period of the previous year, the value of the transactions carried out during the first quarter of 2021 on the B.S.E.'s regulated segment recorded a low aggregate level;
- ⇒ at the end of the reviewed period, the regulated market's capitalization was higher than the one recorded at the end of 2020 (ytd advance), and higher than the one recorded at the end of the similar period from the previous year (yoy advance).



Source: Bucharest Stock Exchange

During the first quarter of 2021, the TOTAL RETURN (calculated in local currencies), recorded by the main index of the regulated market (BET) had a positive evolution, its value at the end of the period being significantly higher as compared to the one marked by the reference index MSCI FM10.



Source: Bloomberg

PERFORMANCE OF S.I.F. TRANSILVANIA SHARES DURING THE FIRST QUARTER OF 2021

During the first quarter of 2021, SIF3 shares' performance recorded a trend characterized by the following trading key aspects:

- ⇒ minimum closing price RON 0.3350/share
- ⇒ average price RON 0.3427/share
RON 0.3424/share, if DEAL transactions are not considered
- ⇒ maximum closing price RON 0.3520/share
- ⇒ traded volume 28.3 million shares
18.4 million shares, if DEAL transactions are not considered
- ⇒ number of trading sessions 63 sessions
- ⇒ daily average trading volume 0.4 million shares/session
0.3 million shares/session, if DEAL transactions are not considered



Source: Bloomberg

During the reviewed period, SIF3 shares price recorded an oscillatory evolution, materialized at the end of the period in a closing price higher than the reference price of the period (i.e. the closing price of the trading session of 30.12.2020).

REVIEW OF S.I.F. TRANSILVANIA'S ACTIVITY

General framework

S.I.F. Transilvania is a Romanian legal person organised in the form of joint stock company (S.A.). The Company is listed on the Bucharest Stock Exchange, on the Main segment, in Premium category, under symbol SIF3, the trading of the shares issued by the Company being subject to the rules applicable to regulated market and closed-end alternative investment funds.

S.I.F. Transilvania is authorized as an Alternative Investment Fund Manager (A.I.F.M.), according to the provisions of Law no. 74/2015 on alternative investment fund managers, under F.S.A. Authorization no. 40/15.02.2018. Moreover, the Company is under authorization as a Retail Investor Alternative Investment Fund (R.I.A.I.F.), of closed-end type, diversified, established as an investment company, self-managed, according to the provisions of Law no. 243/2019 on the regulation of alternative investment funds.

The Company is managed in a two-tier system by an Executive Board which carries out its activity under the control of a Supervisory Board.

S.I.F. Transilvania manages an investment portfolio which has a predominant exposure on the Romanian capital market, mainly on listed shares issued by companies from financial, banking, tourism, real-estate and energy sectors. The Company may also invest in fixed income financial instruments, i.e. treasury bills, government securities and corporate bonds, and also in bank deposits.

The structure of the aggregate portfolio managed by the Company complies with the investment limitations undertaken through the risk profile, i.e. by the status as Alternative Investment Fund intended for retail investors, and it therefore remains focused on shares listed on the Romanian capital market, selected based on consistent substantiation criteria.

The main investment goals of S.I.F. Transilvania are maximization of the aggregate returns obtained by the current and potential shareholders by means of investments in the shares issued by the company, and increase of the unit value of the assets by means of the entire range of instruments provided by the legislation applicable to the capital markets.

Starting with the financial year 2015, S.I.F. Transilvania has been adopting the I.F.R.S. standards as the accounting base, in compliance with the requirements of the F.S.A. Rule no. 39/2015 *for the approval of the accounting regulations compliant with International Financial Reporting Standards, applicable to the entities authorized, regulated and supervised by the Financial Supervisory Authority from the financial instruments and investments sector.*

I.F.R.S. 10.4 sets out certain exceptions with respect to the preparation of consolidated financial statements, among which the exception applicable to parent companies which are classified as “investment entities”. Within the process of reassessing the investment entity status, S.I.F. Transilvania regularly reviews the extent to which the requirements concerning the classification as an investment entity are met. Starting with 1 January 2015, as a result of the analyses carried out, S.I.F. Transilvania’s management has found that the Company met the requirements of the definition of an “investment entity” in compliance with I.F.R.S. 10.

Under these circumstances, starting with the financial year 2015, S.I.F. Transilvania has prepared a single set of financial statements, respectively separate financial statements in accordance with I.F.R.S.

Investment entity

I.F.R.S. 10 defines an investment entity as an entity that:

- i. obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- ii. commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both;
- iii. measures and evaluates the performance of substantially all of its investments on a fair value basis.

Starting 1 January 2015, the Company’s financial investments have been measured at their fair value. In light of IFRS 9, since 1 January 2018, S.I.F. Transilvania has classified its investments in subsidiaries and associated entities, the bonds and the fund units as financial instruments at fair value through profit or loss. The Company’s investments in other equity instruments (other than subsidiaries and associated entities) are classified as financial assets at fair value through other comprehensive income and/or as financial assets at fair value through profit or loss.

S.I.F. Transilvania directly provides services related to investment management for its investors, having as its main and exclusive business scope those activities specific to closed-end investment companies. S.I.F. Transilvania does not provide investment related consultancy and administrative services, directly or indirectly through a subsidiary, to third parties and/or its investors.

S.I.F. Transilvania applies an exit strategy based on the permanent monitoring of the investments made under the approved investment programs, the analysis of the current market developments and the achievement of higher yields and of the objectives defined under the annual revenue and expenditure budgets.

S.I.F. Transilvania presents its strategy to the current and potential investors based on specific documents which are discussed and approved by the General Meeting of Shareholders, namely the 2020–2024 Strategy, the 2020-2024 Investment Policy Statement and the annual investment programs.

The Company monitors the investment portfolio’s structure and performance and:

- i. publishes the Statement of assets and liabilities on a monthly basis (Net asset value – Annex no. 16 to the F.S.A. Regulation no. 15/2004);
- ii. calculates on a monthly basis and publishes together with the quarterly/half-yearly/yearly reports the Statement of Assets (Detailed Statement of Investments – Annex no. 17 to the F.S.A. Regulation no. 15/2004).

Financial assets at fair value

According to the International Financial Reporting Standards, the fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

According to IFRS 13, the fair value levels, depending on the input data used in the measurement process, are defined as follows:

- Level 1 input data are (unadjusted) quoted prices in active markets for identical assets and liabilities that the entity can access at the measurement date;
- Level 2 input data are input data other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 input data are unobservable input data for the asset or liability.

Establishing the materiality threshold of the input data within the process of fair value measurement requires the use of professional judgment, considering the specific factors, as a result of the complexity implied by the measurement of these investments and also of the presentation in the financial statements of the fair value changes.

The process of fair value measurement of the financial instruments held by S.I.F. Transilvania is carried out according to the asset valuation policy, the internal procedure and the related methodology.

As at 31 March 2021, the Company's financial assets measured at fair value, classified under Level 1 and Level 3 in the fair value hierarchy, are the following:

- RON -	Level 1:	Level 2:	Level 3:	Total
Financial assets measured at fair value through other comprehensive income	613,304,267	-	26,709,637	640,013,904
Shares	613,304,267	-	26,709,637	640,013,904
Corporate bonds	-	-	-	-
Fund units	-	-	-	-
Financial assets measured at fair value through profit or loss	234,732,081	-	410,107,784	644,839,865
Shares	234,732,081	-	373,068,588	607,800,669
Corporate bonds	-	-	0	0
Fund units	-	-	37,039,196	37,039,196
Total financial assets measured at fair value as at 31 March 2021	848,036,348	-	436,817,421	1,284,853,769

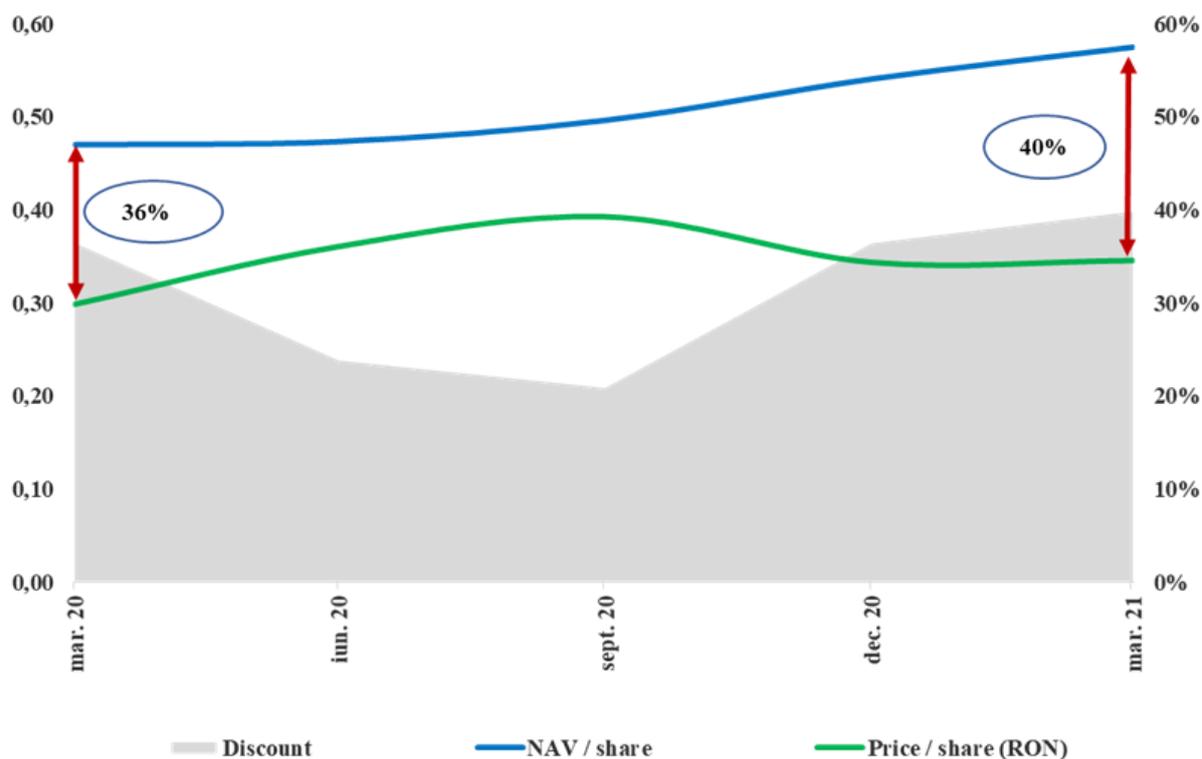
The structure of the portfolio of financial assets owned by S.I.F. Transilvania is dominated by shares, their value as at 31 March 2021 accounting for 97.1% of the total portfolio value. As concerns the financial assets whose fair value is determined based on the Level 1 input data, their weight in the total value of S.I.F. Transilvania's portfolio as at 31.03.2021 is 66.0%.

Net asset

The Company's Statement of assets and liabilities is prepared in RON for the end of the last business day of the month and, if applicable, for other reference dates as well. The Company's Statement of assets and liabilities for a particular date is prepared using the form requested by the F.S.A. (according to the F.S.A. Regulations nos. 9/2014 and 15/2004). The net asset value is calculated by the Company on a monthly basis, it is certified by the depository company BRD – Groupe Societe Generale S.A. Bucharest and submitted to the F.S.A. and B.S.E. no later than the 15th day of the following month.

The monthly value of the Company's net asset is calculated as the difference between the total value of the assets held and the aggregate value of the Company's liabilities and deferred income.

Changes in SIF3 shares' trading discount during the last 12 months



Source: S.I.F. Transilvania

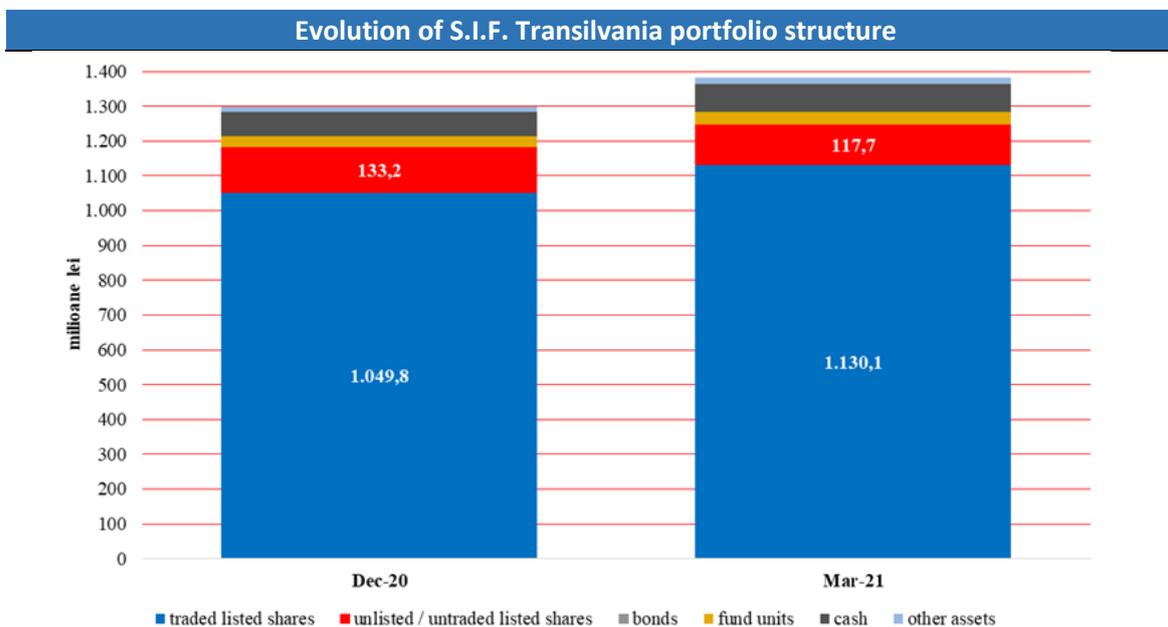
Key considerations on the performance of the financial instruments portfolio during Q1 2021

- ❖ increase in total assets value, with an un-annualized increase rate of approximately 6.3% recorded in the first quarter of financial year 2021;

Evolution and components of S.I.F. Transilvania portfolio			
- RON million -	Dec.-20	evolution	Mar.-21
Total assets	1,300.3	↗	1,381.9
Net asset value	1,170.3	↗	1,244.0
Number of portfolio companies *	94	↘	93
Financial instruments portfolio (incl. cash)	1,283.3	↗	1,364.2
Financial instruments portfolio	1,212.8	↗	1,284.9
Cash & cash equivalent	70.5	↗	79.3

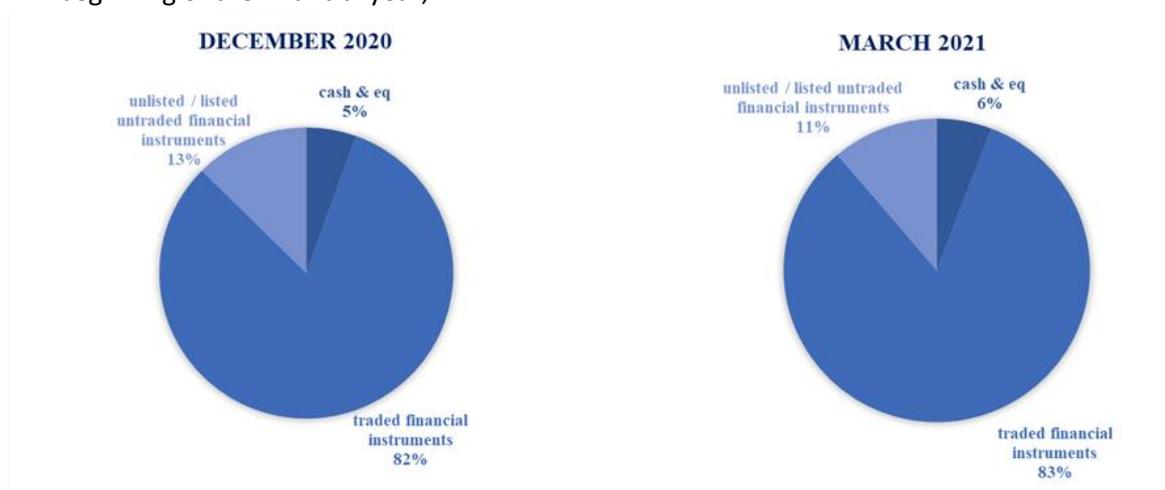
* including instruments pending sale

Source: S.I.F. Transilvania, I.F.R.S. fair values, Annex no. 16 according to F.S.A. Regulation no. 15/2004, F.S.A. Regulation no. 9/2014



Source: S.I.F. Transilvania, Annex no. 16 according to F.S.A. Regulation no. 15/2004, F.S.A. Regulation no. 9/2014

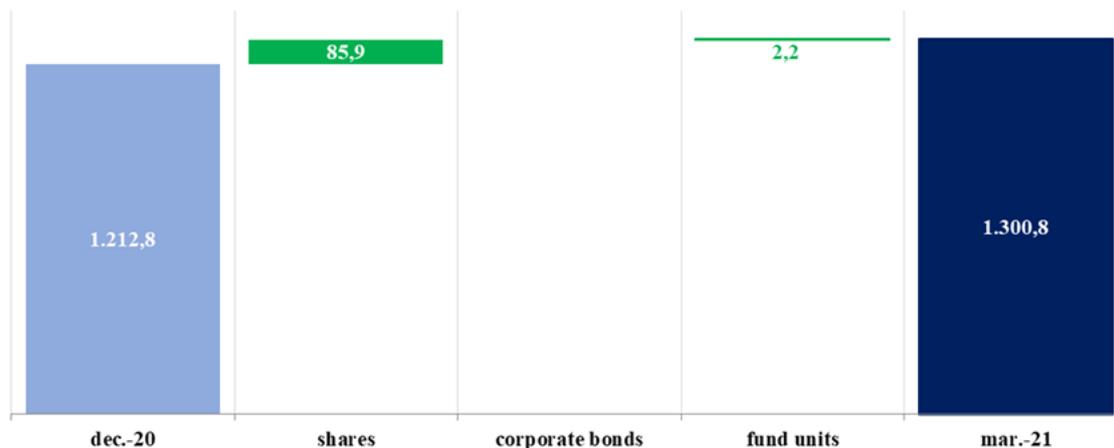
- ❖ in terms of structure, the weight of cash remained relatively constant by comparison with the beginning of the financial year;



Source: S.I.F. Transilvania, I.F.R.S. fair values, Annex no. 16 according to F.S.A. Regulation no. 15/2004, F.S.A. Regulation no. 9/2014

- ❖ the aggregate liquidity profile records a slight improvement;

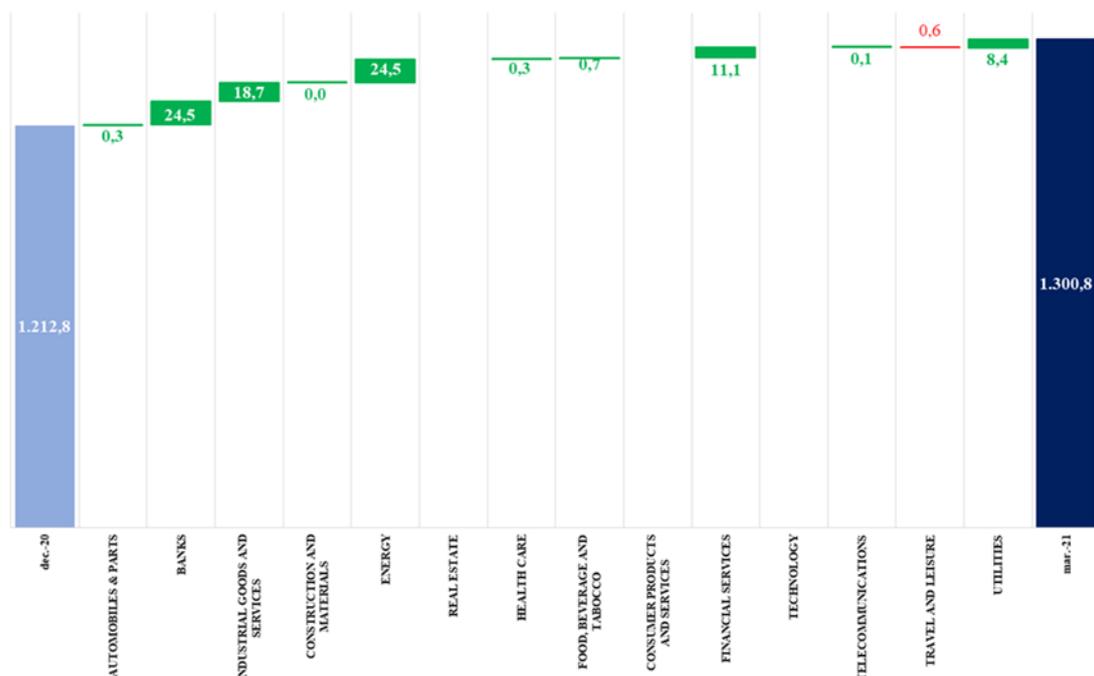
- ❖ any possible migrations have generally occurred at the level of the sub-portfolio of shares listed on an alternative trading system;
- ❖ analysis of financial instruments portfolio variation (fair value + generated cash + attached receivables deducted from fair value) - breakdown by financial instruments



Source: S.I.F. Transilvania

Obs.: The initial value (Dec.-20) of the financial instruments portfolio is calculated according to IFRS fair values. The final value (Mar. - 21) of the financial instruments portfolio is calculated by adding to the IFRS fair values the contribution of each financial instrument resulted from the implementation of the investment program [cash generated /immobilized through sale/acquisition transactions, collected dividends, collected cash distributions, other cashed amounts (shares pending sale), attached receivables]. The amounts are expressed in RON million.

- ❖ analysis of financial instrument portfolio variation (fair value + generated cash + attached receivables deducted from fair value) - breakdown by sectors

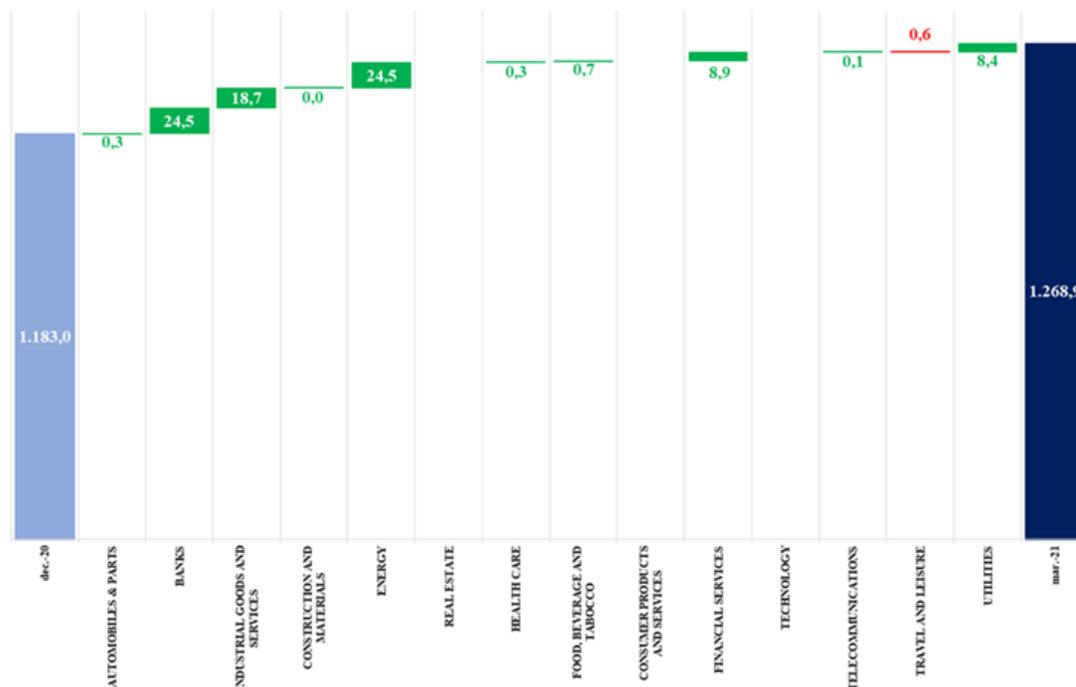


Source: S.I.F. Transilvania

Obs.: The initial value (Dec.-20) of the financial instruments portfolio is calculated according to IFRS fair values. The final value (Mar. - 21) of the financial instruments portfolio is calculated by adding to the IFRS fair values the

contribution of each sector, resulted from the implementation of the investment program [cash generated /immobilized through sale/acquisition transactions, collected dividends, collected cash distributions, other cashed amounts (shares pending sale), attached receivables]. The amounts are expressed in RON million.

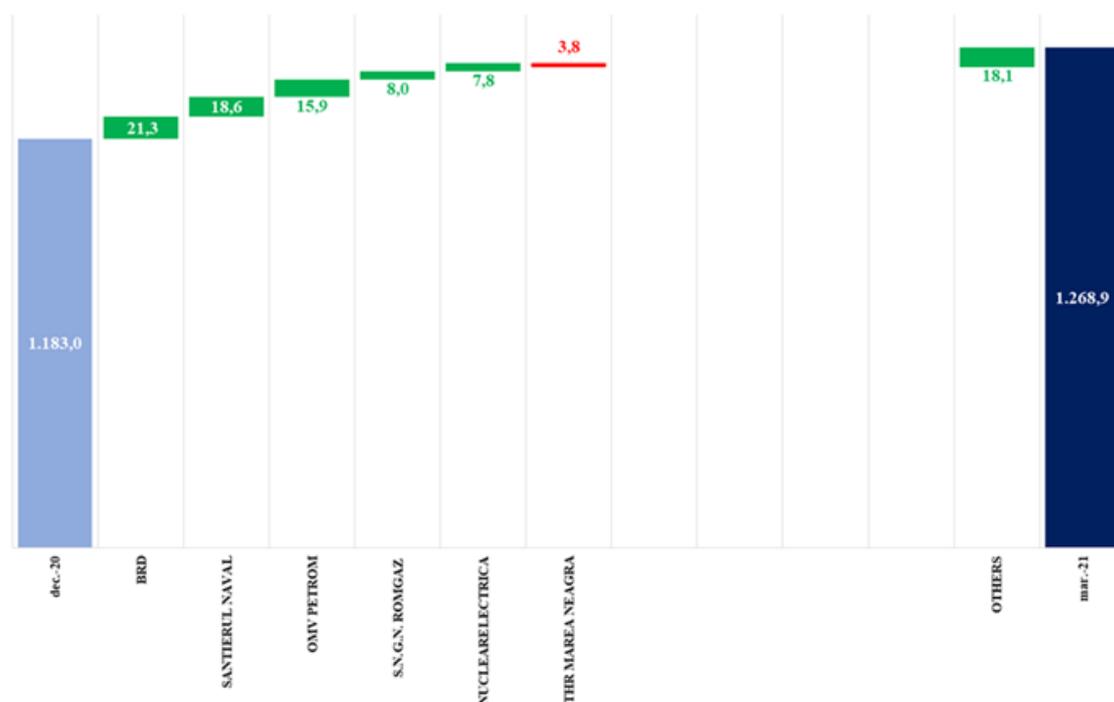
- ❖ analysis of share sub-portfolio variation (fair value + generated cash + attached receivables deducted from fair value) - breakdown by sectors



Source: S.I.F. Transilvania

Obs.: The initial value (Dec.-20) of the share sub-portfolio is calculated according to IFRS fair values. The final value (Mar. - 21) of the share sub-portfolio is calculated by adding to the IFRS fair values the contribution of each sector, resulted from the implementation of the investment program [cash generated /immobilized through sale/acquisition transactions, collected dividends, collected cash distributions, other cashed amounts (shares pending sale), attached receivables]. The amounts are expressed in RON million.

- ❖ analysis of share sub-portfolio variation (fair value + generated cash + attached receivables deducted from fair value) - top 5 positive/negative performances

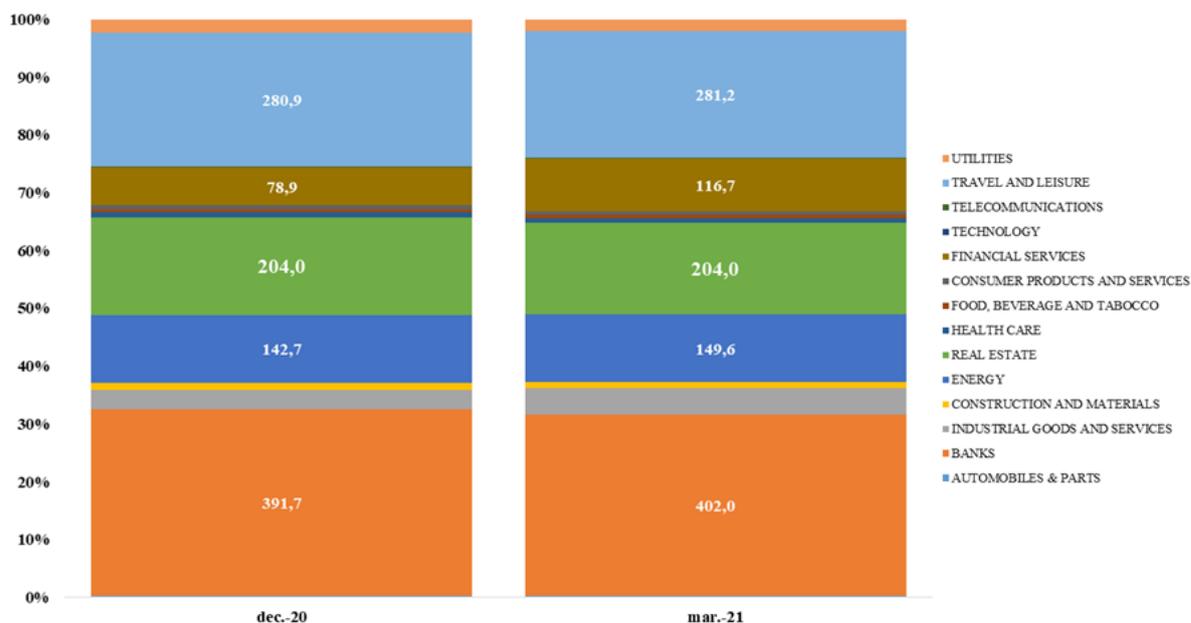


Source: S.I.F. Transilvania

Obs.: The initial value (Dec.-20) of the share sub-portfolio is calculated according to IFRS fair values. The final value (Mar. - 21) of the share sub-portfolio is calculated by adding to the IFRS fair values the contribution of each issuer, resulted from the implementation of the investment program [cash generated /immobilized through sale/acquisition transactions, collected dividends, collected cash distributions, other cashed amounts (shares pending sale), attached receivables]. The amounts are expressed in RON million.

- the share sub-portfolio generated, on the value of assets managed, a net positive impact amounting to RON 85.9 million;
- the impact is determined based on the fair values recorded by the financial instruments in the portfolio at the reference date, the result of the transactions carried out with various financial instruments, the financial resources generated by these holdings (dividends collected, cash involved by sale/acquisition operations), the attached receivables (dividends to be collected, deducted from the fair value of the financial instruments);
- starting with the financial year 2021, S.I.F. Transilvania has implemented a new industry classification of the managed portfolio which is based on *industries - supersectors - sectors* specific to ICB classification (FTSE Russell);
- the new classification system provides a much more accurate presentation of the managed portfolio's structure, with additional details regarding the adopted pro-cyclical/defensive profile;
- under these circumstances, the bank supersector is separated from that of the financial services, and the energy supersector no longer includes elements specific to the defensive utility supersector;
- the reference term of this analysis is the ICB supersector;

- as a result of maintaining unfavourable effects induced by COVID-19 crisis, tourism and leisure supersector continues to record a net negative adjustment (insignificant in terms of amplitude);
- the rest of the supersectors records positive adjustments; the positive adjustments recorded by pro-cyclical sectors stand out (banks + 24.5 million RON, energy + 24.5 million RON);
- the breakdown by supersectors of the share sub-portfolio's performance is similar to the one afferent to the aggregate financial instrument portfolio, and it captures the same context characterized by a slightly asymmetrical recovery subsequent to COVID-19 crisis;
- top 5 negative performances include a single issuer classified in the tourism and leisure supersector;
- top 5 positive performances generally include pro-cyclical issuers (except issuer S.N. Nuclearelectrica, which benefited from particular positive elements);
- ❖ the aggregate treasury (cash and cash equivalents) has improved as compared to the beginning of 2021, as a result of the prudent implementation of the investment program;
- ❖ during the first quarter of 2021, the number of companies in the share sub-portfolio managed by S.I.F. Transilvania recorded a slight decrease; the analysis also takes into account the shares pending sale;
- ❖ regarding the operational portfolio, the investments' structure is characterized by concentration on the sectors deemed as strategical in the Company's 2020 - 2024 Investment Policy Statement and 2020 – 2024 Strategy;



Source: S.I.F. Transilvania

Obs.: IFRS fair values reported for Dec.- 20, Mar.- 21, (expressed in million RON)

Investment strategy

The 2021 Investment Program fully complies with the 2020 - 2024 Investment Policy Statement and S.I.F. Transilvania's 2020 - 2024 Strategy, approved by the shareholders in the General Shareholders Meeting of December 2020.

By the way it is drawn up, the investment program ensures a linear transition from the former strategic guidelines approved by the shareholders for 2017 - 2021, drawn-up around the process of accelerated restructuring of the managed portfolio towards the goals provided in the 2020 - 2024 Investment Policy Statement, which bring to the fore an optimal capitalization of the investment potential generated by portfolio holdings and an improvement of the corporate governance system at the level of both the Company and its subsidiaries. At the same time, the program is intended to connect the Company's investment activity with the current national and international context characterized by excessive volatility and a high degree of unpredictability.

By implementing the Investment Program, S.I.F. Transilvania reconfirms its commitment to increase the value of the managed assets by maximizing the aggregate risk-adjusted returns, and it intends:

- ▶ to provide quality for the managed portfolio;
- ▶ to significantly increase the quality of the managed portfolio and of its market value;
- ▶ to ensure the structural balance of the portfolio;
- ▶ to maintain an optimal level of aggregate liquidity of the portfolio;
- ▶ to promote the instruments for efficient and competitive remuneration of the shareholders and to adequately manage the financial resources necessary to implement this strategy.

At the same time, the top management of S.I.F. Transilvania is aware of the exceptional character of the current trading conditions and, therefore, it adapts the working instruments specific to the investment program to the current local and international macroeconomic context.

In the light of the 2020 - 2024 Investment Policy Statement, approved by the General Meeting of Shareholders held in December 2020, and the maintenance of S.I.F. Transilvania's status of investment entity which measures and evaluates the performance of its investments based on fair value, S.I.F. Transilvania will adjust its investment objectives, action lines and strategic guidelines regarding the shareholders remuneration to the existing and projected liquidity conditions.

The action lines provided in the 2020 - 2024 Investment Policy Statement represent the basic instruments for the continuous streamline of S.I.F. Transilvania's activity. As the restructuring by sectoral and liquidity criteria generates additional financing resources, the general objectives of the investment strategy migrate towards the area of efficient management of diversifiable risks associated to the managed portfolio.

The **funding sources** of the investment program target the active management of the entire portfolio of the company, and they are mainly based on the following components:

- ⇒ amounts attached to portfolio shareholdings which do not involve actual sale operations (dividends, coupons, cash distributions);
- ⇒ amounts resulting from the implementation of punctual speculative strategies at the level of some sub-portfolios within the aggregate portfolio managed by the Company;
- ⇒ amounts resulting from the active management of the portfolio, broken down as follows:

- resources resulting from the portfolio restructuring process by accelerating the sale of shares without relevant investment potential held in unlisted companies or listed companies with low liquidity (according to S.I.F. Transilvania's exit strategy – a basic element of the process of classification as an investment entity); by reference to the current and estimated investment process, an optimal balance between the resources generated by the restructuring operations and the impact of such operations on the execution of the Revenue and Expenditure Budget shall be sought;
 - sale of listed shares with high liquidity, conditioned by market circumstances and current funding requirements (according to the same exit strategy); this approach shall be based on relevant criteria regarding the restructuring of the sub-portfolios the concerned shares are part of in line with strict principles of strategic allocation;
- ⇒ attracted funding sources allowed by the valid legislation and applicable to the sector in which S.I.F. Transilvania operates.

The **investments** targeted under the investment program consider:

- ⇒ implementation of punctual strategies based on rigorous principles of strategic allocation at the level of sub-portfolios focused on medium - long investment horizons;
- ⇒ implementation of punctual speculative strategies located at the level of sub-portfolios focused on short investment horizons, supported by a wide range of financial instruments permitted by the capital market regulations, in order to capitalize on favourable market conditions and circumstances;
- ⇒ continuation of the process of developing and increasing the efficiency of portfolio companies by using the entire range of operations permitted by the applicable legislation, in accordance with the commitments undertaken under the previous investment programs, aiming at developing and streamlining the companies' activity or balancing the invested capital structure;
- ⇒ investments in companies operating in fields with favourable growth/recovery perspectives;
- ⇒ continuation of the structural rebalancing of the portfolio managed, by diversifying the investments in financial instruments that may optimize the estimated yield /undertaken risk ratio;
- ⇒ carrying out operations based on financial instruments permitted by the capital market regulations, in order to implement a market risk management strategy.

Investment program during the first three months of 2021

During the first quarter of 2021, the investments were mainly directed towards acquisitions of financial instruments listed on the local regulated market and characterized by high liquidity.

The investments made during the first three months of 2021 consisted of acquisitions at the level of both the portfolio classified in the FVTPL category and portfolio classified in the FVTOCI category, being focused on consolidation of shareholdings in issuers with a stable dividend policy, but also in companies with growth potential from the following sectors:

- Financial and banking: Banca Transilvania (TLV) and Evergent Investments (EVER)
- Food service industry: Sphera Franchise Group (SFG)

Consistent with the objective of restructuring the managed portfolio based on liquidity criteria and pursuing the fulfilment of the strategy of investing in financial instruments with liquidity at least comparable to that of the assets sold, no investments in unlisted financial instruments were made during the reviewed period.

At the same time, the Company purchased fund units issued by FII Fondul Privat Comercial on the domestic market and fund units WisdomTress DAX30 on the external market, the latter being subsequently sold for speculative purpose.

As regards divestments, the Company capitalized on a series of opportunities and sold shares held in the following sectors:

- Aluminium profile manufacturer: Alumil ROM Industry (ALU)
- Financial and banking: Evergent Investments (EVER) - shares sold within the tender offer initiated by the company and BRD Group Societe Generale (BRD)
- Hotels: Casa de Bucovina Club de Munte (BCM)
- Energy and power generation: Nuclearelectrica (SNN)
- Utilities: Electrica (EL); Conpet (COTE); Oil Terminal Constanta (OIL);
- Oil: OMV-Petrom (SNP)
- Shipping: Șantierul Naval Constanța (SNC)
- Construction materials: Teraplast (TRP) and
- Fondul Proprietatea (FP).

The acquisitions made during the reporting period account for RON 34.43 million and EUR 0.106 million, and the sales totalize RON 50.54 million and EUR 0.086 million.

Portfolio management during January - March 2021

During January-March 2021, S.I.F. Transilvania continued the implementation of the actions outlined in the 2020 - 2024 Strategy approved by the Ordinary General Meeting of Shareholders of 04.12.2020 with regard to portfolio management, i.e.:

- ⇒ monitoring and assessment of the portfolio companies' activity, based on the financial results recorded at the end of FY 2020, in the context of COVID-19 pandemic;
- ⇒ substantiation of the voting options exercised in the General Meetings of Shareholders held for the closure of 2020 financial year and the distribution of the net profit, based on the documents provided by the portfolio companies;
- ⇒ promotion of modern management policies in the companies in which S.I.F. Transilvania is a majority shareholder, which are meant to:
 - consolidate the enforcement of the corporate governance principles oriented towards transparency, objective assessment of performance and adequate risk management;
 - optimize the management systems and performance indicators in line with the specificity of the field in which the issuer operates, and with the amplitude of its activity, and also in accordance with the efficient remuneration practices (including by approving the Remuneration Policies), orientation towards promoting medium/long term sustainable performance;
 - ensure the financial sources for the implementation of competitive shareholders' remuneration policies, having the effect of increasing the revenues generated by

dividends granted by this category of companies, without affecting their capacity to generate profit during the following period;

- ⇒ appointment in management and supervisory positions of people with professional expertise and qualification based on clearly predefined criteria and in accordance with the internal selection procedure, including independent administrators;
- ⇒ definition and implementation of a standardized sector classification system - on three levels: sector/supersector/industry - aligned with the similar systems used by the main platforms providing financial information (Bloomberg, Capital IQ etc.), and repositioning of portfolio companies depending on the actual specificity of their activity;
- ⇒ identification and steering of synergies existing at the level of the companies which operate in the same sector/supersector in order to improve the operational efficiency;
- ⇒ establishment of the performance criteria and objectives for 2021 for each company based on the specificity of their activity, the indicators provided by the Revenue and Expenditure Budget and Investment Programs for 2021, aligned with the provisions of the Remuneration Policy established at the level of each entity;
- ⇒ carrying on the restructuring and improvement of the portfolio managed by S.I.F. Transilvania.

Portfolio structure evolution (shares and fund units) by supersectors

Portfolio structures by supersectors	31.03.2021		31.12.2020	
	No. of companies	%*	No. of companies	%*
Automobiles and Parts	3	0.29	3	0.29
Banks	5	31.29	5	32.29
Industrial Goods and Services	11	4.56	11	3.29
Construction and Materials	8	1.11	10	1.25
Energy	8	11.64	9	11.77
Real Estate	20	15.88	20	16.82
Health Care	1	0.85	1	0.88
Food, Beverages and Tobacco	6	0.56	6	0.54
Consumer Products and Services	2	0.67	2	0.70
Financial Services**	13	9.08	12	6.51
Technology	1	0.02	1	0.02
Telecommunications	1	0.14	1	0.14
Travel and Leisure	17	21.89	16	23.16
Utilities	2	2.02	2	2.34
TOTAL	98	100.00	99	100.00
Share issuers	93	97.12	94	97.55
Fund units	5	2.88	5	2.46

Source: S.I.F. Transilvania

Obs.: *According to IFRS fair value ** the 5 fund units held on the reference dates are included

Following to the analysis of S.I.F. Transilvania's share portfolio, it resulted that it is necessary to use a standardized sectors classification system which to be in line with the similar systems used by the main platforms providing financial information (Bloomberg, Capital IQ). Therefore, the Company proceeded with internally redefining the economic sectors and repositioning the companies within such sectors based on the following clear, unitary and objective principles:

- use of the Industry Classification Benchmark (ICB) system developed by FTSE Russell;
- use of the following breakdown: Industry - Supersector - Sector;
- the methodology used is focused on providing an accurate and relevant view of the portfolio managed by S.I.F. Transilvania;
- use of a classification system able to provide relevant information on the strategic allocation used by reference to the general investment context, and to delimitate the pro-cyclical sectors from the defensive sectors;

Within the process of internal redefinition of the economic sectors, it resulted as being opportune the separate definition of the banking sector, which to include the companies authorized and supervised by the National Bank of Romania, whose main activity is represented by granting credit and other forms of cash loans, based on own and/or attracted sources (banks and NFI).

The Financial Supersector includes the Investment Fund Sector (closed-end and open-end funds, FP, SIFs) and the Financial Services Sector (market operators, financial services companies, related institutions).

In the case of companies operating within the consumer goods sector, a clear delimitation is made between the goods/services intended for basic consumption (defensive) and the goods/services intended for discretionary consumption (pro-cyclical).

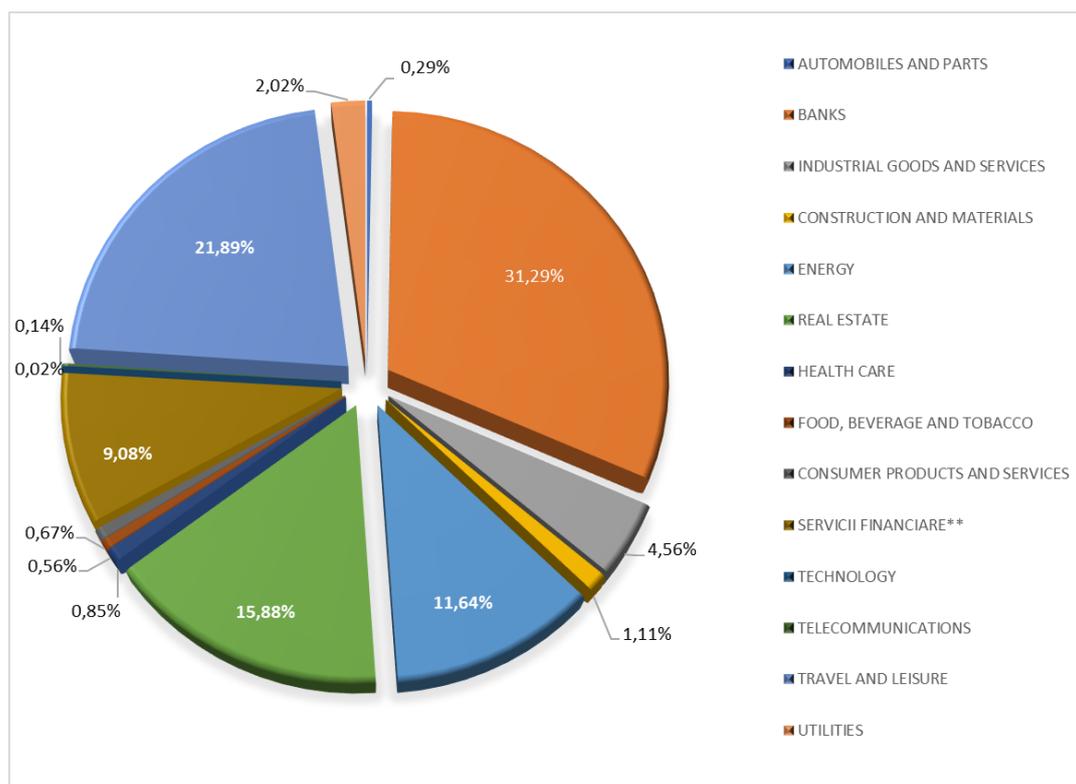
Similarly, the companies previously classified in the Energy Sector were reclassified depending on their offensive profile (Industry: Energy – Supersector: Energy) / defensive (Industry: Utilities – Supersector: Utilities), with the afferent sectors.

During the first quarter of 2021, the efforts to restructure and streamline the portfolio reflected also into the change of the portfolio structure by sectors, while the total number of portfolio companies remained relatively constant as at 31.03.2021, compared to 31.12.2020.

Thus, the Company recorded a decrease in the number of companies from the “Construction and Materials” supersector (from 10 to 8) and “Energy” supersector (from 9 to 8), decrease compensated by an increase in the number of issuers in “Financial Services” supersector (from 12 to 13) and “Travel and leisure” supersector (from 16 to 17). In all cases, the purpose was to take advantage of opportunities which occurred on the capital market.

As a result of the aforementioned changes and market developments, the Company recorded repositioning of the supersectors’ weight in the total portfolio (shares and fund units), namely reduction of the weight of “Banks”, “Real Estate” and “Travel and Leisure” supersectors and increase of the weight of “Industrial Goods and Services” and “Financial Services” supersectors.

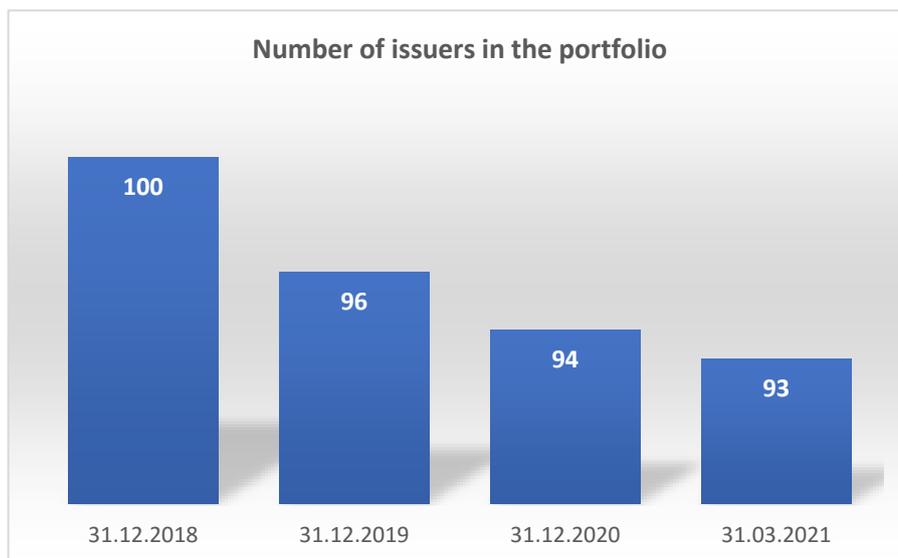
Portfolio structure by supersectors as at 31.03.2021



Source: S.I.F. Transilvania

Obs.: According to IFRS fair value

Changes in the number of portfolio companies



Source: S.I.F. Transilvania

During January-March 2021, the number of portfolio companies has significantly decreased (-1 company), with repositioning recorded on various supersectors, for the optimization of portfolio structure, according to those previously mentioned.

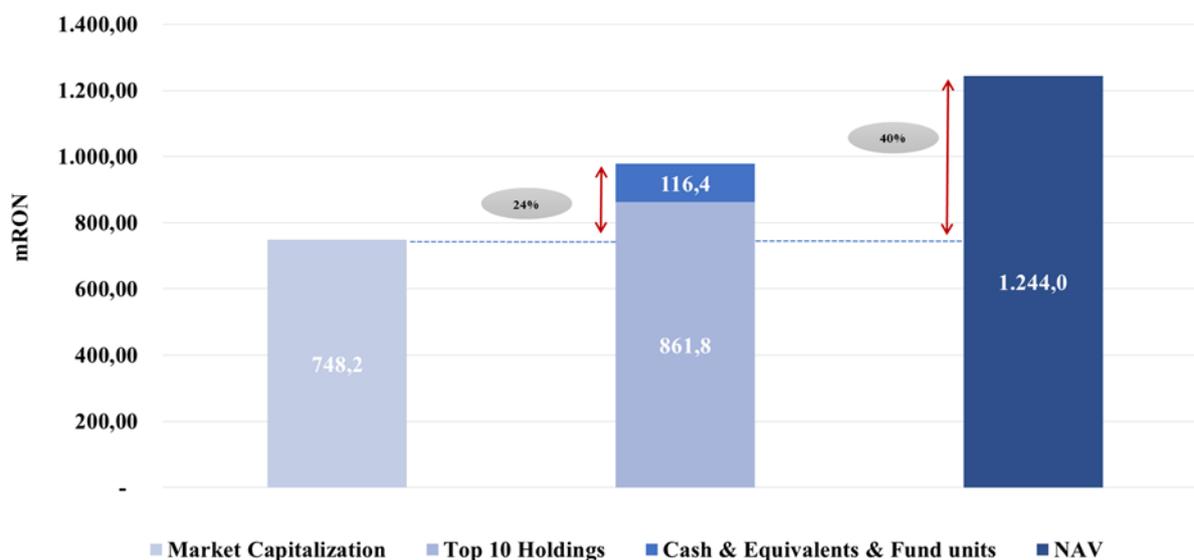
Top 10 holdings

No.	Company name	Holding percentage	% of total assets*
1	BRD – Groupe Societe Generale	2.99%	23.95%
2	TURISM FELIX	63.13%	7.39%
3	OMV PETROM	0.39%	6.79%
4	FEPER	85.80%	4.10%
5	S.N.G.N. ROMGAZ	0.41%	3.78%
6	T.H.R. MAREA NEAGRA	78.11%	3.76%
7	BANCA TRANSILVANIA	0.35%	3.50%
8	COMCM	56.72%	3.12%
9	CASA ALBA INDEPENDENȚA	53.35%	3.08%
10	ORSOVA SHIPYARD	50.00%	2.89%
Top 10 holdings			62.36%
Total financial instruments portfolio			92.98%

Source: S.I.F. Transilvania

* according to IFRS fair values reported for Mar.- 21, (expressed in RON)

Changes in SIF3 shares' trading discount



Source: S.I.F. Transilvania

Corporate governance

S.I.F. Transilvania is an Alternative Investment Fund Manager (A.I.F.M.), authorized by the F.S.A., according to the provisions of Law no. 74/2015 on managers of alternative investment funds, based on the F.S.A. Authorization no. 40/15.02.2018, being registered with the F.S.A. Register under no. PJR07¹ AFIAA/080005/15.02.2018.

The Company is under authorization as a Retail Investor Alternative Investment Fund (R.I.A.I.F.) of closed-end type, diversified, established as an investment company, self-managed, according to the provisions of Law no. 243/2019 *on the regulation of alternative investment funds and to amend and supplement regulatory acts*.

Governance structures

S.I.F. Transilvania is managed under a two-tier system by an Executive Board which carries out its activity under the control of a Supervisory Board.

As at 31.03.2021, the Supervisory Board of S.I.F. Transilvania consisted of Mr. Crinel-Valer Andănuț – President, Mr. Nicolae Petria – Vice-President, Mr. Constantin Frățilă – Member and Mr. Gheorghe Luțac – Member.

The Extraordinary General Meeting of Shareholders of 29 June 2020 approved the decrease in the number of members of the Supervisory Board, from seven members to five members. The Articles of Incorporation of the company, amended and supplemented under the Resolution of the Extraordinary General Meeting of Shareholders mentioned above and the F.S.A. Authorization no. 145/19.08.2020, can be consulted on the Company's website.

The Ordinary General Meeting of Shareholders of 04.12.2020 approved the election of the Supervisory Board of the company, consisting of five members, for a 4-year mandate as of the date the structure of the Supervisory Board is authorized by the Financial Supervisory Authority, composed by Mr. Prodan Paul-George, Mr. Abrudan Patrițiu, Mr. Nicoară Marius-Petre, Mr. Frățilă Constantin and Mr. Momanu Radu.

Subsequent to the end of the reporting period, under Authorizations no. 69/19.04.2021 and no. 80/27.04.2021, the Financial Supervisory Authority authorized Mr. Prodan Paul-George, Mr. Abrudan Patrițiu, Mr. Nicoară Marius-Petre, Mr. Momanu Radu and Mr. Constantin Frățilă in the capacity of members of the Supervisory Board of S.I.F. Transilvania, in accordance with Article 3 and Article 5 of the Resolution of the Ordinary General Meeting of Shareholders of 04.12.2020.

According to the Articles of Incorporation, the Executive Board of the Company consists of three members, appointed by the Supervisory Board. As at 31.03.2021, the Executive Board had the following structure: Mr. Marius Adrian Moldovan–Executive President/CEO, Mr. Radu Claudiu Roșca–Executive Vice-President/Deputy CEO and Mr. Tony Cristian Răduță-Gib – Member of the Executive Board/Director.

The membership of the Executive Board was approved by F.S.A. under Authorizations no. 77/15.05.2020, no. 78/15.05.2020 and no. 103/12.06.2020. The mandate of the Executive Board's members expires on 20.04.2024.

Detailed information on the corporate governance structures of the Company can be found on the website www.siftransilvania.ro, Section About SIF Transilvania.

Corporate events during the first quarter of 2021

- On 16.02.2021, the Ordinary General Meeting of Shareholders took place, being summoned upon the request of a group of shareholders holding 6.074013% of the share capital, during which the shareholders dismissed the proposal to initiate the liability action against Mr. Crinel-Valer Andănuț - President of the Supervisory Board, Mr. Nicolae Petria - Vice-President of the Supervisory Board and Mr. Gheorghe Luțac -Member of the Supervisory Board;

- On 23.03.2021, the Company's Executive Board summoned the Ordinary General Meeting of Shareholders for 28/29 April 2021, with the following main items on the agenda:
 - approval of the financial statements for FY 2020;
 - approval of distribution of the net profit of 2020 by destination;
 - approval of liability discharge of the members of the Supervisory Board and Executive Board;
 - approval of the revenue and expenditure budget and the investment program for FY 2021;
 - approval of SIF Transilvania's Remuneration Policy in accordance with the provisions of Article 92¹ of Law no. 24/2017;
 - approval of performance indicators forming the basis for the establishment of the variable remunerations of the members of the Executive Board and Supervisory Board for FY 2021;
 - approval to reduce the mandate of auditor Deloitte Audit S.R.L until 31.12.2021;
 - appointment of the financial auditor for a 3-year mandate, i.e. as of 01.01.2022 until 31.12.2024, in order to audit the financial statements afferent to FY 2022, 2023 and 2024.

The resolution of the Ordinary General Meeting of Shareholders which took place on 28.04.2021 is available on the company's website, Section *OGMS April 2021*.

- Through the Current Report of 26.02.2021, S.I.F. Transilvania has informed the investors that it had carried out the annual revision of the valuation policy and procedures according to the legal provisions, and it has communicated to the investors the fact that no modification had occurred as compared to the previously approved form available on the company's website, section *About SIF Transilvania/Internal Regulations*.

Relationship with shareholders and investors

During the first quarter of 2021, the Company fulfilled its transparency, information and reporting obligations, as set forth under the legal regulations and the B.S.E.'s Corporate Governance Code, both as an issuer traded on the Bucharest Stock Exchange, as well as an Alternative Investment Fund Manager (A.I.F.M.).

In this respect, during the reviewed period, the Company prepared current reports, press releases and periodical reports, which were notified to the shareholders and investors by uploading them on the websites of B.S.E., F.S.A. and the Company. The reports and press releases were disseminated simultaneously in Romanian and English language.

The Company was permanently in contact with the shareholders and investors through the Corporate Governance Office, answering their questions and requests, via post services, e-mail, by phone and at the Company's headquarters. Moreover, the stakeholders receive via email, based on subscription, a monthly newsletter with news regarding the Company's activity, the structure of the managed portfolio, the performance of SIF3 shares, the execution of the Revenue and Expenditure Budget, etc.

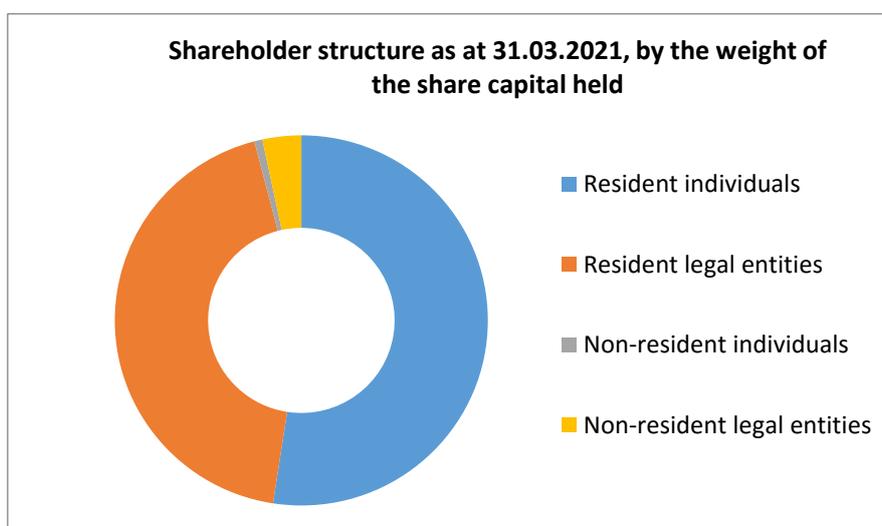
The Corporate Governance Office representatives can be contacted as follows:

- ✓ by phone: 0268 401141, 0268 401157, 0800 800 112 (toll-free telephone line available during business days from 9⁰⁰ to 11⁰⁰);
- ✓ by e-mail: actionari@siftransilvania.ro, investitori@siftransilvania.ro;
- ✓ by the contact form available on the Company's website www.siftransilvania.ro, *Contact* Section.

Shareholding structure as at 31.03.2021

According to the data provided by Depozitarul Central S.A., S.I.F. Transilvania's shareholding structure as at 31.03.2021 was as follows:

	Number of shareholders	Number of shares held	% of the share capital
Resident individuals	6,962,823	1,104,412,519	51.07
Resident legal entities	226	1,000,416,071	46.26
Total resident shareholders	6,963,049	2,104,828,590	97.33
Non-resident individuals	2,390	13,536,173	0.63
Non-resident legal entities	25	44,079,034	2.04
Total non-resident shareholders	2,415	57,615,207	2.67
TOTAL	6,965,464	2,162,443,797	100.00



Shareholders' remuneration policy

In accordance with the 2020-2024 Investment Policy Statement, approved by the shareholders in the Ordinary General Meeting of Shareholders of 04.12.2020, the Company's policy regarding the remuneration of own shareholders considers the following relevant aspects:

- ✓ the long-term investment interest is generated by reaching attractive and sustainable returns over a foreseeable time horizon;
- ✓ engaging and supporting excessive dividend distribution rates from the positive results obtained proved unfeasible on medium/long term, because it determines an accelerated (value and qualitative) erosion of the managed portfolio and limits the implementation of the investment programs;
- ✓ the optimal funding of the annual investment programs implies medium- and long-term engagement of the financial resources, and it is based on internal factors (streamlining the divesting programs in order to facilitate the sale process of the shareholdings classified in the category of accelerated exit) and also on external factors (general circumstances characterized by liquidity conditions and development of trading benchmarks);

- ✓ the Company's interest regarding the correlation of the cash flows with the shareholders' remuneration requirements, so that the operations necessary to provide the financial resources not to determine significant negative effects on the value and quality of the managed portfolio.

Considering the abovementioned aspects, the Company's strategy shall be focused on implementing a balanced policy for remuneration of own shareholders focused on both direct remuneration (dividend income) and indirect remuneration (capital gain facilitated by the decrease of the trading discount).

For 2020 - 2024, in close correlation with the current liquidities level, the stage of the portfolio restructuring process and the requirements to ensure the resources for investment programs, the Company has proposed to the current and potential shareholders the following mixture of complementary instruments for the remuneration of the capital invested in SIF3 shares:

- ✓ distribution of cash dividends focused on a competitive yield by reference to the average trading price afferent to the financial year for which the dividend is calculated;
- ✓ carrying out of SIF3 share redemption programs followed by shares cancellation and decrease of the Company's share capital, provided that such programs are approved by the Company's shareholders.

The Company has distributed dividends from the net profit recorded during every financial year, except 2006 and 2013 financial years, when the profit was fully distributed as reserves that were used in 2007 and 2014 in order to double the share capital and grant free shares.

The situation of the dividends granted from the profit generated during the last three financial years, actually paid until 31.03.2021, is as follows:

Year when the profit was generated	Year when the dividend was paid	Distributed gross dividends			Paid gross dividends	
		RON/share	thousand RON	dividend yield ^{**)}	thousand RON	%
2017	2018	0.0100	21.624*	3.95%	15,186	70.23
2018	2019	0.0121	26,165	5.58%	17,722	67.73
2019	2020	0.0355	76,767	12.65%	50,091	65.25

^{*)} It does not include the amount of RON 218.4 thousand representing dividends afferent to 21,842,867 shares held by the company as at the registration date, an amount that was not paid by the company as a result of the fact that the own shares do not grant the right to dividends.

^{**)} Dividend yield calculated by reference to the average trading price of SIF3 shares in the year when the profit was generated.

The dividends distributed from the net profit generated in 2019, in gross amount of RON 0.0355/share, were made available to the shareholders as of 26.10.2020 (*payment date*) via Central Depository (Depozitarul Central), the Participants in the compensation-settlement and register system and the payment agent (Banca Transilvania).

Subsequent to the end of the reporting period, the Ordinary General Meeting of Shareholders of 28.04.2021 approved the distribution of the net profit achieved in the financial year 2020, amounting to RON 34,541,911.98, to Other reserves – own financing sources created from profit.

Social responsibility

During the first three months of 2021, S.I.F. Transilvania carried out a series of sponsorship activities, consisting in offering financial support for the organization of a conferences in the legal field, as well as for funding some charity projects and a surgical procedure.

Regarding the responsibility towards its employees, the Company pays significant importance to their professional training, with the two components - in-depth/life-long advanced training and professional development, as part of its general development strategy. This activity is carried out based on professional training plans, involving both the employees' attendance to conferences, seminars, classes, as well supporting them in their personal efforts of professional advanced training.

In the context of the COVID-19 pandemic, in order to protect its employees' health and prevent infection, the Company makes available disinfectants and medical protection devices, periodically performs through-out disinfection of the Company's headquarters and tests the employees in order to detect the COVID-19 virus. Moreover, the Company has implemented a program allowing the employees to carry out telework.

Internal auditor

S.I.F. Transilvania's internal audit function is separate and independent from other functions and activities of the Company, the internal audit activity being carried out based on a service contract concluded with an auditor – individual or legal entity.

The internal audit activity is subordinated to the Supervisory Board. The internal auditor is selected by the Audit Committee and appointed by the Supervisory Board.

During the 1st quarter of 2021, the internal audit activity was carried out by Mazars Romania S.R.L. We state that under Resolution no. 5/17.12.2020, the Supervisory Board has approved the extension of the commission of the internal auditor until 31.12.2021.

Compliance

The Compliance Office is subordinated to the Supervisory Board and is functionally and hierarchically independent from other organizational structures of the company.

The Compliance Officer is subject to the authorization by the F.S.A. and is registered with the F.S.A.'s Public Register.

By decision of S.I.F. Transilvania's management, the Compliance Officer has also responsibilities regarding the observance by the Company of the obligations incumbent in the implementation of specific legislation on preventing and combating of money laundering and terrorism financing through the capital market and is also designated as person in charge with the implementation of the international sanctions on the capital market within S.I.F. Transilvania.

The scope of the Compliance Office is to supervise and control the compliance of S.I.F. Transilvania and its employees with the legal provisions in force and the Company's internal procedures in order to prevent the occurrence of legal and internal non-compliance events.

As of 14.09.2020, the position of Compliance Officer has been exercised by Mrs. Loredana-Floriana Baston, authorized by F.S.A. under Decision no. 161/14.09.2020 and registered with F.S.A. Public Register under no. PFR14RCCO/080013.

The activity of the Compliance Office during the first quarter of 2021 consisted mainly in monitoring the compliance with the legal requirements, the F.S.A. regulations, Policies and procedures regarding S.I.F. Transilvania's functioning in the capacity of A.I.F.M., and of the goals provided in the Investment Plan approved by the Supervisory Board, focusing mainly on: compliance with the legislation and internal regulations, compliance with the reporting deadlines afferent to the activity of the Company, implementation of the provisions of Law no. 243/2019 on regulation of alternative investment funds

(A.I.F.), organisation and deployment of the general meetings of shareholders, observance of legislation and internal procedures regarding anti-money laundering and terrorism financing activities and management of the international sanctions on the capital market.

Risk management

S.I.F. Transilvania has implemented a risk management system that includes policies, procedures and measures for identifying, measuring and managing risks. Risk management policies and procedures are integral part of the “Policies and procedures regarding S.I.F. Transilvania’s functioning as an A.I.F.M.” According to the internal policies and procedures, the internal risk management system integrates competencies and responsibilities across the entire organizational structure (Supervisory Board, Executive Board, Risk Management Office, Compliance Office, Internal Auditor, operational departments). Procedures are in place for the management and monitoring of all relevant risk categories of the company (market risk, credit risk, investment concentration risk, liquidity risk, operational risk).

The risk analyses performed during Q1 2021 indicate the following risk profile of S.I.F. Transilvania:

Type of risk/ Risk Indicator		31.03.2021	Materiality threshold (own funds requirement/ own funds or internally established limits) IAW Risk Appetite	Risk appetite	Limit compliance
No.	Type of risk/exposure				
Market risk- subcategories:					
1	Position risk	9,38%	max. 50%	Medium	Yes
2	Foreign exchange risk	0,00%	max. 20%	Medium	Yes
3	Long-term Interest risk*	0,00%	max. 10%	Medium	Yes
4	Commodity Risk	0,00%	max. 5%	Medium	Yes
5	VaR (Value at risk; historical simulation, 20 days, 99%)	9,77%	max. 25%	Medium	Yes
6	NAV per share volatility	15,90%	max. 18%	Medium	Yes
Credit Risk:					
1	Credit risk	66,59%	max. 100%	Medium	Yes
Liquidity risk- subcategories:					
1	LCR (Liquidity Cover Ratio) (net)	59,98	min. 1,3	Medium	Yes
2	LCR (Liquidity Cover Ratio) (gross)	5,13	min. 1,2	Medium	Yes
3	Financing from temporary resources (due and unclaimed dividends & Loans)	5,91%	max. 10%	Low	Yes
4	Portfolio liquidity (percentage of liquid portfolio in total assets)	47,30%	min. 20%	-	Yes
Counterparty risk					
			N/A	N/A	N/A
Issuer risk- subcategories:					
1	Exposure to high-insolvency risk companies**	0,00%	max. 10%	Low	Yes
2	Exposure to non-listed companies	4,95%	max. 40%	Medium	Yes
3	Sector concentration risk ***	29,09% / 20,35%	max. 40%	Medium	Yes
4	Entity concentration risk ****	23,95%	10% / 40%	IAW Law no. 243/2019	Yes
Operational risk					
1	Operational risk- standardised approach	2,56%	max. 10%	Medium	Yes
Leverage (IAW Reg. (UE) no. 231/2013)					
1	Leverage - Gross Method	1,05			
2	Leverage - Commitment Method	1,11	max. 1,5	Medium	Yes

Notes:

*The long-term interest risk indicator includes the assets with a maturity exceeding 12 months (IAW SIF Transilvania’s Policies and Procedures as an AIFM in force as at 19.08.2020). The deposits in the portfolio as at 31.03.2021 have a maturity of less than 1 year.

**Starting with Q3 2020, the estimation of this exposure rate is based on a quantitative model (Bloomberg methodology, <DRSK><GO>); the indicators included in the model are updated according to the frequency of the financial reporting of each company; according to said model, the Probability of Default resulted for all the companies under analysis, has been below the 10% threshold; consequently, the exposure rate to high-insolvency risk companies as at 31.03.2021, based on the quantitative model is 0 (zero)

***As at Q1 2020 sectors (SIF) financial/tourism; as at Q1 2021 the analysis includes issuers in the (super)sectors financial and leisure (in accordance with the internal classification drawn-up considering FTSE Russell’s Industry Classification Benchmark (ICB) system)

****Law no. 243/2019: Level of holdings in securities and / or money market instruments (traded on a regulated market) issued by the same issuer in Total Assets = maximum 10%, but may be increased to 40% if the V3 level is less than 80% (V3 = The total value of the securities and money market instruments held by SIF Transilvania in each of the issuers in which it has holdings of over 40%, of Total Assets held)

The structure of the financial instruments portfolio complies with the requirements and limitations provided for by the legislation in force applicable to financial investment companies. Regarding the internally set limits the VaR indicator - during the first two months of the Quarter - and the NAVPS Volatility indicator are located in the upper part of the maximum interval assumed through the internally set limits of S.I.F. Transilvania, a limit that, depending on the market conditions’ evolution, can be exceeded during the period to follow. The capital markets remain exposed to the possibility of

an increased degree of unpredictability and/or high volatility, which may lead the VaR indicator to a level close to the levels estimated in the stress testing scenarios (respectively a maximum estimated VaR level of 61,45% according to the stress testing carried out in 2020).

The leverage indicator, determined according to the provisions of the EU Regulation No. 231/2013 supplementing Directive 2011/61/EU with regard to general operating conditions, depositaries, leverage, transparency and supervision, indicated - as at 31.03.2021 - a reduced level according to the materiality threshold, as calculated by both methods required by the above-mentioned regulation. Since S.I.F. Transilvania S.A. does not hold positions on derivative financial instruments, the level of the leverage indicator as calculated by the commitment method does not considerably differ from the value as calculated by the gross method (there is no compensation between long and short positions; leverage according to the gross method = 1.05, leverage according to the commitment method = 1.11).

Gross Method= (Total Assets Exposure - Cash and Cash equivalents) / (Net Asset Value)		
31.03.2021		
Total Assets	Net Assets	Cash and Cash Equivalents
1.381.900.722,00	1.244.004.163,00	79.337.462,00
Leverage Ratio according to the Gross Method	1,05	
Commitment Method= Total Assets Exposure / Net Asset Value		
31.03.2021		
Total Assets	Net Assets	
1.381.900.722,00	1.244.004.163,00	
Leverage Ratio according to the Commitment Method	1,11	

REVIEW OF FINANCIAL STATEMENTS

Economic and financial position

At the end of the first quarter of 2021, the economic and financial position of the company is summarized as follows:

Statement of assets, liabilities and equity

-RON-

INDICATORS	Balance at the end of the period		
	31.03.2021	31.12.2020	31.03.2020
NON-CURRENT ASSETS			
Intangible assets	97,922	89,986	83,001
Tangible assets	15,376,296	15,611,049	15,213,979
Financial assets	1,284,886,056	1,212,824,567	1,035,765,887
TOTAL NON-CURRENT ASSETS	1,300,360,274	1,228,525,603	1,051,062,867
CURRENT ASSETS			
Inventory	2,806	7,351	74,086
Receivables	1,812,751	913,772	665,999
Short-term financial investments	-	-	-
Petty cash and bank accounts	79,336,788	70,509,230	24,968,300
TOTAL CURRENT ASSETS	81,152,345	71,430,352	25,708,385
PREPAID EXPENSES	388,103	321,749	383,687

TOTAL ASSETS	1,381,900,722	1,300,277,705	1,077,154,939
LIABILITIES			
Liabilities due within one year	86,268,913	86,307,479	29,188,587
Liabilities due within more than one year	51,627,645	43,662,024	30,587,489
TOTAL LIABILITIES	137,896,558	129,969,503	59,776,076
PROVISIONS	86,955	86,955	-
Tax provisions (registered in reserve accounts)	-	-	-
CAPITAL AND RESERVES			
Subscribed and paid-in share capital	216,244,380	216,244,380	216,244,380
Other equity	261,026,314	217,865,635	137,301,484
Revaluation reserves	11,951,825	11,991,040	12,238,274
Total reserves, of which:	656,772,596	656,772,596	552,770,072
Legal reserves	43,248,976	43,248,876	43,685,733
Retained earnings	77,515,529	32,805,685	202,725,949
PROFIT/(LOSS) FOR THE PERIOD	20,406,565	34,541,912	(103,310,156)
Profit distribution	-	-	(591,140)
TOTAL EQUITY	1,243,917,209	1,170,221,247	1,017,378,863
TOTAL EQUITY AND LIABILITIES	1,381,900,722	1,300,277,705	1,077,154,939

As at 31.03.2021, the Company's total assets increased by RON 81.62 million, as compared to the end of the previous year, of which:

- **Non-current assets** increased by RON 71.83 million
- **Current assets** increased by RON 9.72 million, of which:
 - ✓ receivables increased by RON 0.89 million;
 - ✓ inventory decreased by RON 0.004 million;
 - ✓ petty cash and bank accounts increased by RON 8.83 million.
- **Prepaid expenses** increased by RON 0.06 million.

The Company's **liabilities** at the end of the first quarter of 2021 amount to RON 137.90 million, being by RON 7.93 million higher than those recorded at the end of the previous year.

Out of total **current liabilities**, outstanding as of 31.03.2021, RON 41.71 million (48.35%) represent dividends due to the shareholders. The Company has contracted a short-term loan in amount of RON 39.97 million (intended for the dividend payment and ratified by the Extraordinary General Meeting of Shareholders of December 2020), accounting for 46.37% of the short-term liabilities.

The liabilities with maturities longer than 1 year consist of the deferred tax calculated for the gain from fair value differences in the case of assets available for sale (RON 50.94 million).

As compared to the end of the previous year, the Company's **equity** as at 31.03.2021 is RON 73.7 million higher, the increase being mainly generated by the positive difference recorded on the fair value measurement of the financial assets in the portfolio.

Net asset value evolution

The net asset value, calculated in accordance with the methodology provided for by the internal procedure compliant with the F.S.A. Regulation no. 9/2014, as compared to the same period of the previous year, performed as follows:

INDICATORS	Results as at:		-RON- Evolution (%) Results 2021 / Results 2020
	31.03.2021	31.03.2020	
Total assets - calculated amount	1,381,900,722	1,077,154,939	128.29
Total liabilities - calculated amount	137,896,559	59,776,076	230.69
Calculated net asset	-RON- 1,244,004,163	1,017,378,863	122.27
	-RON / share- 0.5753	0.4705	122.27

Source: S.I.F. Transilvania

^{*)} Calculated according to the internal procedure compliant with F.S.A. Regulation no. 9/2014, procedure available on the Company's website: www.siftransilvania.ro.

Cash flow

In the first quarter of 2021, the Company recorded a positive cash flow. More details may be found in the Statement of Cash Flows.

Results for the year and execution of the Revenue and Expenditure Budget

INDICATORS	-thousand RON-		
	REB year 2021	REB Q1 2021	RESULTS Q1 2021
Dividend income	30,700	-	9
Interest income	500	125	202
Gain/Loss on financial assets measured at fair value through profit or loss	-	-	24,807
Other operating income	6,500	-	460
Net operating income	37,700	125	25,478
Personnel expenses	10,500	2,625	2,373
Commissions and fees	1,600	400	470
Other expenses	6,600	1,650	1,449
Profit before tax/Loss	19,000	-4,550	21,186

Source: S.I.F. Transilvania

As presented above, the **net income** recorded in the first quarter of 2021 is by RON 25.35 million higher than the value estimated in the Revenue and expenditure budget for the first quarter of 2021.

The **operating expenses** as at 31.03.2021 amount RON 4.29 million, being by RON 0.39 million lower than those provided in the Revenue and expenditure budget for the first quarter of 2021, and represent 22.95% of those provided in the Budget approved for the current year.

The **gross profit** recorded as at 31.03.2021 is in amount of RON 21.19 million, RON 25.74 million higher than the result provided in the Revenue and Expenditure Budget afferent to the first quarter of 2021.

Other relevant elements

Presentation and review of the trends, issues, events or uncertainty factors which have or are likely to have an impact on the Company's liquidity as compared to the same period of the previous year

At this time, we are not aware of any issues, events or uncertainty factors which have or are likely to have a significant or negative impact on the Company's liquidity.

The financial statements prepared for the first quarter of 2021 are condensed interim financial statements prepared for the activity performed by the Company under the going concern principle.

ECONOMIC AND FINANCIAL RATIOS AS AT 31 MARCH 2021

INDICATOR	CALCULATION METHOD	RESULT
Current liquidity ratio ¹⁾ (coefficient)	Current assets/Current liabilities	0.94
Indebtedness indicator ²⁾ (%)	$\frac{\text{Loan capital}}{\text{Equity}} \times 100$	3.21
Clients' debt rotation speed ³⁾ (days)	$\frac{\text{Average clients balance (total receivables)}}{\text{Turnover}} \times 270$	-
Non-current assets rotation speed ⁴⁾ (coefficient)	$\frac{\text{Turnover}}{\text{Non - current assets}}$	-
Result per share (RON) ⁵⁾	$\frac{\text{Net profit /Net loss}}{\text{Number of shares}}$	0.0094
Net asset per share, calculated according to F.S.A. Regulation 9/2014 (RON/share) ⁶⁾	$\frac{\text{Calculated asset value}}{\text{Number of shares}}$	0.5753

Source: S.I.F. Transilvania

Obs.: The indicators are calculated according to Annex no. 13 to F.S.A Regulation no. 5/2018.

¹⁾ This indicator guarantees the covering of the current liabilities from current assets.

²⁾ It reflects the effectiveness of credit risk management. S.I.F. Transilvania has entered into a loan agreement as at 31.03.2021.

³⁾ It reflects the Company's effectiveness in collecting its receivables, respectively the average number of days during which the debtors pay their debts to the Company. In the case of SIFs, turnover means the total net income from the current activity and in order to establish the average clients' balance all net receivables included in the balance sheet were calculated, the highest values being held by the debts resulting from dividends and related accessories, due and not collected.

⁴⁾ It reflects the effectiveness of the non-current assets management. In the total non-current assets registered under the Statement of Assets in the records, the weight of the shares measured at fair value and held in the portfolio companies in the total non-current assets is of 98.81%.

⁵⁾ Calculated by reference to the average weighted number of issued ordinary shares existing during the period, excluding the average number of redeemed shares held by S.I.F. Transilvania at the reporting date.

⁶⁾ Calculated by reference to the number of issued and outstanding ordinary shares.

Marius Adrian MOLDOVAN Chief
Executive Officer/
General Manager

Radu Claudiu ROȘCA Deputy
Chief Executive Officer/
Deputy General Manager

Tony Cristian RADUȚĂ-GIB
– Member of the
Executive Board/Manager

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA

INTERIM CONDENSED FINANCIAL STATEMENTS AS AT 31 MARCH 2021

Prepared in accordance with the Financial Supervisory Authority (F.S.A.) Rule no. 39/2015 approving the accounting regulations compliant with IFRS, applicable to the entities authorised, regulated and supervised by the F.S.A. from the Financial Investments and Instruments Sector, with subsequent amendments

Unaudited

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA
FINANCIAL STATEMENTS
AS AT 31 MARCH 2021

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SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
AS AT 31 MARCH 2021
(All amounts are expressed in RON, unless otherwise stated)

Description	Note	31 March 2021	31 March 2020
Dividend income	4	9,070	65,946
Bank interest income	5	201,847	192,767
Interest income from bonds measured as financial assets at fair value through profit or loss	5	-	29,716
Net (loss)/gain on financial assets at fair value through profit or loss	6	24,807,385	(99,033,071)
Operating income	7	460,168	283,409
Total net income		25,478,469	(98,461,232)
Total employee benefit expense	8	(2,373,110)	(3,067,338)
Fees and commissions expense	9	(470,146)	(421,420)
Impairment losses / Reversal of impairment losses of financial assets	10	-	178,858
Operating expenses	11	(1,140,119)	(1,539,025)
Financing costs		(309,066)	-
Profit before tax		21,186,029	(103,310,156)
Income tax (expense)/credit	12	779,464	-
Net profit for the period		20,406,565	(103,310,156)
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss:</i>			
Net gain/(loss) on revaluation of financial assets at fair value through other comprehensive income, net of deferred tax	27	53,289,397	(134,857,681)
Increases/(Decreases) in revaluation reserve of property, plant and equipment, net of deferred tax	28	-	-
Other comprehensive income/(loss) for the period – total		53,289,397	(134,857,681)
Total comprehensive income for the period		73.695.962	(238,167,837)
Earnings per Share		0.0094	(0.0478)
Diluted Earnings per Share		0.0094	(0.0478)

Executive President/ CEO
Marius Adrian Moldovan

Executive Vice-President/ Deputy CEO
Radu Claudiu Roșca

Head of Financial Department
Diana Vereș

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021
(All amounts are expressed in RON, unless otherwise stated)

	Note	31 March 2021	31 December 2020
Cash and cash equivalents	13	79,336,788	70,509,230
Financial assets measured at fair value through profit or loss	14	644,839,866	643,472,124
Bonds measured at fair value through profit or loss		-	-
Financial assets measured at fair value through other comprehensive income	15	640,013,904	569,320,156
Financial assets at amortised cost	16	1,464,380	565,462
Other assets	17	771,567	709,698
Intangible assets	18	97,922	89,986
Property, plant and equipment	19	14,623,482	14,805,752
Rights of use assets under leases	20	752,814	805,298
Total assets		1,381,900,722	1,300,277,705
Financial liabilities	21	42,870,445	44,013,728
Loans from banks	22	39,967,480	39,951,153
Lease liabilities	20	687,669	718,324
Deferred income tax liabilities	12	50,939,976	42,943,700
Current income tax liabilities	12	2,700,114	132,456
Other liabilities	23	730,874	2,210,142
Provisions for risks and charges	24	86,955	86,955
Total liabilities		137,983,513	130,056,458
Share capital	25	216,244,380	216,244,380
Retained earnings		97,922,094	67,347,597
Revaluation reserves on financial assets at fair value through other comprehensive income	26	261,026,314	217,865,635
Revaluation reserve for property, plant and equipment	27	11,951,825	11,991,040
Other reserves	28	656,772,596	656,772,596
Total equity		1,243,917,209	1,170,221,247
Total liabilities and equity		1,381,900,722	1,300,277,705

Executive President/ CEO
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Head of Financial Department
Diana Vereș

SOCIETATEA DE INVESTIȚI FINANCIARE TRANSILVANIA SA
STATEMENT OF CHANGES IN EQUITY
AS AT 31 MARCH 2021
(All amounts are expressed in RON, unless otherwise stated)

	Note	Share capital	Revaluation reserve for property, plant and equipment	Revaluation reserve for financial assets at fair value through other comprehensive income	Other reserves	Retained earnings	Treasury shares	Total
Balance at 1 January 2021		216,244,380	11,991,039	217,865,635	656,772,596	67,347,597	-	1,170,221,247
Comprehensive income:								
Profit/(Loss) for the period		-	-	-	-	20,406,565	-	20,406,565
Other comprehensive income:								
Net gain/(loss) on the revaluation of financial assets at fair value through other comprehensive income, net of deferred tax	27	-	-	53,289,397	-	-	-	53,289,397
Revaluation reserve on property, plant and equipment, net of deferred tax	28	-	-	-	-	-	-	-
Depreciation transfer to retained earnings on property, plant and equipment upon disposal, net of deferred tax	28	-	(39,215)	-	-	39,215	-	-
Total comprehensive income for the period		-	(39,215)	53,289,397	-	20,445,780	-	73,695,665
Transfer of reserve to retained earnings upon the sale of financial assets at fair value through other comprehensive income, net of deferred tax	27	-	-	(10,128,717)	-	10,128,717	-	-
Transactions with shareholders, recognized directly in equity:								
Legal reserve		-	-	-	-	-	-	-
Allocation of reserves from previous years' profits		-	-	-	-	-	-	-
Dividends distribution		-	-	-	-	-	-	-
Decrease of share capital		-	-	-	-	-	-	-
Balance at 31 March 2021		216,244,380	11,951,825	261,026,314	656,772,596	97,922,094	-	1,243,917,209

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SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA
STATEMENT OF CHANGES IN EQUITY
AS AT 31 MARCH 2021
(All amounts are expressed in RON, unless otherwise stated)

Note	Share capital	Revaluation reserve for property, plant and equipment	Revaluation reserve for financial assets at fair value through other comprehensive income	Other reserves	Retained earnings	Treasury shares	Total
Balance at 1 January 2020	218,428,666	11,136,860	185,377,290	517,635,668	102,066,440	(4,818,103)	1,029,826,821
Comprehensive income:							
Profit/(Loss) for the period	-	-	-	-	(103,310,156)	-	(103,310,156)
Other comprehensive income:							
Net gain/(loss) on the revaluation of financial assets at fair value through other comprehensive income, net of deferred tax	-	-	(134,857,681)	-	-	-	(134,857,682)
Depreciation transfer to retained earnings on property, plant and equipment upon disposal, net of deferred tax	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	(134,857,681)	-	(103,310,156)	-	(238,167,838)
Transfer of reserve to retained earnings upon the sale of financial assets at fair value through other comprehensive income, net of deferred tax			(683,954)		683,954		
Transactions with shareholders, recognized directly in equity:							
Legal reserve							
Allocation of reserves from previous years' profits							
Dividends distribution							
Decrease of share capital	(2,184,286)	-	-	(2,633,816)	-	4,818,103	-
Balance at 31 March 2020	216,244,380	12,238,274	137,301,484	552,770,072	98,824,653	-	1,017,378,863

Executive President/ CEO
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Head of Financial Department
Diana Vereș

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA
STATEMENT OF CASH FLOWS
AS AT 31 MARCH 2021
(All amounts are expressed in RON, unless otherwise stated)

	31 March 2021	31 March 2020
Cash flows from operating activities, total out of which:	11,326,218	(31,853,796)
Receipt from clients	-	-
Payment towards suppliers and employees	(2,649,429)	(3,450,631)
Proceeds from disposal of bonds/ matured bonds	-	8,346,077
Proceeds from sale of equity investments	50,152,817	-
Payments for purchasing equity investments	(35,006,650)	(34,979,975)
Income tax paid	(141,085)	(400,000)
Interest received	201,846	252,374
Dividends received (net of withholding tax)	9,077	32,130
Payments of contributions, tariffs, taxes, owned to the state budget	(1,146,675)	(1,489,149)
Other payments from operating activities	(282,180)	(271,242)
Other payments from investment activities (including trading sales commission)	188,497	106,620
Cash flows from investing activities, total out of which:	90,476	(90,788)
Payments for purchase of tangible and intangible assets	(44,063)	(90,788)
Receipts from sale of tangible assets	134,539	-
Cash flows from financing activities, total out of which:	(2,589,136)	(803,824)
Dividends paid to shareholders (including dividend tax)	(2,229,108)	(803,824)
Interest paid	(287,778)	-
Payments related to lease contracts	(72,250)	-
Net increase/(decrease) of cash and cash equivalents	8,827,558	(32,748,408)
Cash and cash equivalents at the beginning of the year	70,509,230	57,716,708
Cash and cash equivalents at the end of the period	79,336,788	24,968,300

Executive President/ CEO
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Executive Vice-President/ Deputy CEO
Radu Claudiu Roșca

Head of Financial Department
Diana Vereș

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
AS AT 31 MARCH 2021
(All amounts are expressed in RON, unless otherwise stated)

1. GENERAL INFORMATION

Societatea de Investiții Financiare Transilvania S.A. (“S.I.F. Transilvania” or the “Company”) was established in 1996 in accordance with Law 133/1996 and carries out its activity in Romania, in accordance with Law 31/1990 on companies, Law 297/2004 on capital market and Law no. 243/2019 on the regulation of alternative investment funds.

The Company is a joint-stock company from a legal point of view.

The Company has its headquarters in Brașov, 2 Nicolae Iorga Street, Postal Code 500057

Contact details of the Company are:

Phone: 0268-416171

Fax: 0268-473215

Web page: www.siftransilvania.ro

e-mail: transif@transif.ro

Registration code with the Trade Register: 3047687

Tax code: RO 3047687

Order number in the Trade Register: J08/3306/1992

The Company is registered with the Securities Registration Office within the Financial Supervisory Authority through Certificate no. 401/05.02.2020 and with the F.S.A. Register in Section 8 – Alternative Investment Fund Managers, Sub-section – Alternative investment fund Managers authorised by the FSA (A.F.I.A.A.) under no. PJR07¹ A.F.I.A.A./080005. According to the Articles of Incorporation, the Company’s main field of activity is Other financial service activities not elsewhere classified – CAEN Code 6499.

The Company performs its activity in Romania.

The regulated market on which the issued securities are traded is the Bucharest Stock Exchange (market symbol: SIF3).

At 31 March 2021 the subscribed and paid-in share capital as registered with the Trade Register is RON 216,244,379.80 (31 March 2020: RON 216,244,379.80) and is divided into 2,162,443,797 shares (31 March 2020: 2,162,443,797 shares).

The main characteristics of the shares issued by the Company are as follows: the shares are common, registered, indivisible, of equal value and dematerialized, issued at the nominal value of RON 0.10 per share.

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
AS AT 31 MARCH 2021
(All amounts are expressed in RON, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The main accounting policies applied for preparing these financial statements in accordance with IFRS are presented below.

These Financial Statements are prepared on a going concern basis.

2.1 Basis of preparation

The Company's financial statements have been prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union ("IFRS") and in accordance with Rule no. 39 from 28 December 2015 on the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, applicable to the entities authorized, regulated and supervised by the Financial Supervisory Authority ("A.S.F.") – Instruments and financial investments sector ("Rule 39/2015").

Starting with 1 January 2015, the Company applies the Amendments of IFRS 10 – Consolidated Financial Statements, IFRS 12 – Disclosure in interests in other entities and IAS 27 - Separate Financial Statements ("Amendments"), being the date at which the classification criteria as investment entity were fulfilled.

The Amendments introduced an exception to the principle from IFRS 10 "Consolidated Financial Statements", under which all subsidiaries must be consolidated. The Amendments define an investment entity and provide that a parent company that is classified as an investment entity has to measure its subsidiaries at fair value through profit or loss instead of consolidating those subsidiaries in its consolidated financial statements, as such the Company no longer consolidates subsidiaries and associates and prepares only separate financial statements. The Company does not have any subsidiary providing to the Company financial investment related services. The Company's management annually assesses whether the Company maintains its investment entity status.

2.2 Basis of measurement

The Company's financial statements have been prepared under the historical cost convention, except for the revaluation of financial instruments recognised at fair value through profit or loss, financial instruments recognised at fair value through other comprehensive income and for the fair value revaluation of land and buildings.

These financial statements have been prepared on a going concern basis which assumes that the Company will continue its activity in the foreseeable future as well. The Company's management considers that the Company will continue to operate normally in the future and, consequently, the financial statements have been prepared on this basis.

2.3 Foreign currency translation

a) Functional and presentation currency

The functional currency is the Romanian leu ("RON"). This is the currency of the primary economic environment in which the Company performs its activity. The financial statements are prepared and presented in RON, unless otherwise stated.

b) Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary assets and liabilities are translated into RON currency at the official exchange rate of the National Bank of Romania ("NBR") at the end of the reporting period. The foreign currency non-monetary assets and liabilities measured at fair value, including equity investments, are translated into RON using the official exchange rate at the date of fair value measurement.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Foreign currency translation (continued)

b) Transaction and balances (continued)

The exchange rate of major foreign currencies was the following:

Currency	31 March 2021	31 March 2020	Increase/ (decrease) (%)
Euro (EUR)	1: RON 4,9251	1: RON 4,8254	+2.06
US Dollar (USD)	1: RON 4,1969	1: RON 4,3983	-4.57

The foreign exchange differences resulted from the monetary and non-monetary items are reported as follows:

- a) As part of "Net gains /(losses) on unrealised FX differences" in "Other operating expenses" for the registered FX differences from revaluation of cash and cash equivalents in foreign currency;
- b) As part of "Net gains /(losses) on FX differences realised from transactions" recorded in "Other operating income";
- c) As part of "Net gains /(losses) from financial assets at fair value through profit or loss" for the gains or losses from the revaluation of financial assets at fair value through profit or loss; and
- d) As part of "Net gains/(losses) from financial assets at fair value through other comprehensive income, net of deferred tax" for the gains or losses on the revaluation of financial assets at fair value through other comprehensive income.

2.4 Use of estimates and judgements

The preparation of the separate financial statements in accordance with IFRS requires the use by the management of estimates, judgments and assumptions that affect the amounts recognised in the financial statements, as well as the following year reported value of the assets and liabilities. Estimates and assumptions associated with these are based on historical experience and other factors deemed reasonable in light of the given circumstances, and the result of this considerations represents the basis for the judgements used when establishing the accounting value of the assets and liabilities for which no other valuation sources are available. The results obtained may differ from the value of the estimates.

Estimates and underlying assumptions are periodically reviewed. The revisions of accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period in which the estimate is revised and future periods, if the revision affects both current period and following periods.

Change in estimates, in its nature, is not related to prior periods and is not a correction of errors.

To the extent these kinds of change in estimates give rise to changes in assets and liabilities or equity, the effect of changes is recognized by adjusting the carrying amount of the related assets, liabilities or equity item in the period of the change.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Use of estimates and judgements (continued)

The main Notes that present estimates with material impact on the amounts recognised in the financial statements are the following:

- Note 3.1 – Investment entity classification;
- Nota 12 – Current income tax and deferred tax;
- Nota 28 – Revaluation reserve for property, plant and equipment;
- Nota 32 – Fair values of financial assets and liabilities;
- Nota 33 – Risk management;
- Nota 35 – Commitments and contingencies.

2.5 General consideration regarding the accounting policies applied

If a standard or interpretation specifically applies to a transaction, to another event or a condition, then the accounting policies applied to that element, are considered selected through the application of the standard or of the respective interpretation, taking into account any implementation guidance issued by the International Accounting Standards Board (“IASB”) for the standard or interpretation in question.

The change of an accounting policy is permitted only under one of the following conditions:

- the change is imposed by a standard or an interpretation;
- the change will provide more reliable and relevant information on the effects of transactions, events and conditions.

Any significant errors of the previous period identified with regards to the recognition, valuation, presentation or disclosure of financial statements elements must be corrected retroactively in the first financial statements that are authorized for issuance through:

- adjusting the comparatives for the previous period or periods in which the error was identified; or
- adjusting the initial balances of the assets, liabilities and equity, for the most distant period presented, if the error has occurred before the most distant period presented.

2.6 Presentation of the financial statements

The financial statements are presented in accordance with IAS 1 “Presentation of Financial Statements”. The Company has adopted a presentation based on liquidity, in the Statement of financial position and a presentation of the revenue and expenses according to their nature, in the Statement of profit or loss and other comprehensive income, considering that these methods of presentation provide information that is more relevant than other methods that have been allowed by IAS 1 “Presentation of financial statements”.

2.7 New Accounting Pronouncements – based on IASB effective date

The Company will present in the Notes to the annual financial statements the newly issued standards and interpretations that are compulsory for the financial year ended and how they affect the financial statements prepared for the respective financial year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Subsidiaries and associates

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed or has rights to variable benefits that can be obtained as a result of the Company's involvement in the activity of its subsidiary and when the Company has the possibility to influence such benefits through the control held over that subsidiary.

The associates are those entities over which the Company has significant influence over the financial and operational policies but does not have control, or shared control. The existence of significant influence is determined, in each reporting period, through the analysis of the shareholder structure of the entities in which the Company owns 20% or more of the voting rights, analysis of the constitutive acts and also of the Company capabilities to participate in the decision-making process over the financial and operational policies of the respective entity.

However, where the Company holds less than 20% of the voting rights in an entity, but is considered a significant shareholder and exercises significant influence through representation on the Board of Directors and through participation in the decision-making regarding the entity's policies, then such entity shall be considered an associate.

The Company does not exercise significant influence on a number of companies where it holds from 20% to 50% of the voting rights (Note 14). In this category fall companies where the Company's rights as minority shareholder are protective and the majority shareholder does not participate, or the group of shareholders that hold the majority of the shares in such entity act without considering the Company's opinions.

The investments in subsidiaries and associates at 31 March 2021 and 31 March 2020 are presented in Note 14.

2.9 Financial assets and liabilities

(i) Classification

a) Financial assets at fair value through profit or loss

The Company classifies its investments in subsidiaries and associates and the financial instruments acquired mainly for active and frequent trading, the corporate bonds and the fund units as financial assets at fair value through profit or loss.

The Company deems as financial assets at fair value through profit or loss at initial recognition those being financial instruments that are not classified as held for trading but are managed, and their performance is measured on a fair value basis, in accordance with the Company's investment strategy.

The Company's policy requires the Investment Manager and the Executive Board to evaluate the information about these financial assets on a fair value basis together with other related financial information.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10. Financial assets and liabilities (continued)

b) Financial assets at amortised cost

Financial assets and liabilities are measured at amortised cost using the effective interest method less impairment losses (for financial assets). Financial assets and liabilities at amortised cost include cash and current accounts, deposits with banks, dividends to be received, bonds, debts to shareholders, amounts owed to service providers and other receivables and payables.

The amortised cost of a financial asset or liability is the amount at which the asset or financial liability is measured at the time of initial recognition minus principal payments plus or minus cumulative depreciation, determined by the effective interest method, of any difference between the amount initially recognized and maturity value less any impairment losses with financial assets.

A financial asset must be carried at amortised cost, except for financial assets measured at fair value through profit or loss at initial recognition, if both of the following are met:

- (i) the financial asset is held within a business model whose objective is to hold the financial assets to collect the contractual cash flows; and
- (ii) the contractual terms of the financial asset generate, at certain dates, cash flows that are exclusively payments of principal and interest on the principal due.

Financial liabilities at amortised cost - are recognized at the time of initial recognition and are not attributable to a trading activity.

The Company recognises an impairment with expected credit losses on financial assets at amortised cost in accordance with IFRS 9.

These instruments are classified in Stage 1, Stage 2 or Stage 3, depending on their relative credit quality in terms of initial payments. Thus:

- Stage 1: includes (i) newly recognized exposures; (ii) exposures for which credit risk has not materially deteriorated since initial recognition; (iii) low credit risk exposures (reduced credit risk relief).
- Stage 2: includes exposures that, although performing, have experienced a significant deterioration in credit risk since initial recognition.
- Stage 3: includes impaired credit exposures.

For Stage 1 exposures, impairment is equal to the expected credit loss calculated over a time horizon of up to one year. For Stage 2 or 3 exposures, the depreciation is equal to the expected loss calculated over a time horizon corresponding to the full duration of the exposure.

As regards bank deposits and amortized cost bonds, the Company has opted to apply the low credit risk relief in full compliance with IFRS 9.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10. Financial assets and liabilities (continued)

b) Financial assets at amortised cost (continued)

Allowances for impairment of receivables are based on the present value of the expected cash flows of the principal. To determine the present value of future cash flows, the basic requirement is to identify estimated collections, payment maturity and discount rate used.

The Company defined as non-performing exposures the receivables that meet one or both of the following criteria:

- exposures for which the Company estimates that it is unlikely that the debtor will fully pay its obligations regardless of the exposure value and the number of days for which the exposure is delayed;
- unpaid amounts.

c) Financial assets at fair value through other comprehensive income

The Company's investments in equity instruments, other than those classified as financial assets at fair value through profit or loss, are classified as financial assets at fair value through other comprehensive income, based on management decision, at initial recognition. The reason for the classification of the investments as financial assets measured at fair value through other comprehensive income is represented by the decision to hold the investments for a long term and collect the dividends. The method used to derecognise each category of financial asset at fair value through other comprehensive income is "first in, first out", given the measurement and evaluation of the Company's performance at fair value.

Dividends received from equity investments are recognized in profit or loss account of the year when the Company has the right to receive dividends and it is probable that these will be collected.

All the other elements regarding changes in the fair value are recognized in other comprehensive income for the year until the investment is derecognized or depreciated, when the accumulated gain or loss is reclassified from other comprehensive income to a retained earnings account for the period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The Company believes that the accurate determination of the fair value is an essential requirement for presenting information that is useful to the investors and the Company's key personnel for proper decision-making purposes. The estimation of fair value of financial instruments held by S.I.F. Transilvania is performed according to the related policy, procedure and methodology on the valuation of assets for financial reporting purposes.

The methods were established separately for:

- a) Equity instruments (shares held in companies);
- b) Corporate bonds and
- c) Fund units.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10. Financial assets and liabilities (continued)

c) Financial assets at fair value through other comprehensive income (continued)

According to IFRS 13, the fair value levels are defined, according to the inputs used in the valuation model, as follows:

- Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 inputs: unobservable inputs for the asset or liability.

(ii) Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the “effective interest method “ for any difference between that initial amount and the amount payable at maturity, minus any reduction for impairment losses in the case of financial assets.

Accrued interest includes amortisation of transaction costs deferred at initial recognition and of any premium or discount to maturity amount using the effective interest method.

Accrued interest income and accrued interest expense, including both accrued coupon and depreciation discount or premium (including fees deferred at origination, if any), are not presented separately and are included in the carrying amount of related items in the statement of financial position.

(iii) Recognition

Financial assets and financial liabilities are initially recognised at fair value plus directly attributable transaction costs, for the financial assets and financial liabilities not carried at fair value through profit or loss.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

The Company initially recognises bank deposits on the date that they are originated. All other financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss) are initially recognised on the transaction date.

(iv) Derecognition

The Company derecognises a financial asset when the contractual rights to receive cash flows from that asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

The Company fully derecognises a financial liability when its contractual obligations are discharged or cancelled or have expired.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10. Financial assets and liabilities (continued)

c) Financial assets at fair value through other comprehensive income (continued)

(v) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts, and there is an intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously. Such a right of set off (a) must not be contingent on a future event and (b) must be legally enforceable in all of the following circumstances:

- (i) in the normal course of business,
- (ii) in the event of default and
- (iii) in the event of insolvency or bankruptcy.

2.10 Property, plant and equipment

(i) Recognition and measurement

The property, plant and equipment are presented at their revalued value less the accumulated depreciation and the provision for impairment losses. Capital expenditure on property, plant and equipment under construction is capitalized and depreciated once the assets enter into use.

Property, plant and equipment are subject to revaluation with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using the fair value at the end of the reporting period. If there is no market-based evidence of fair value, the fair value is estimated using an income approach. Increases in the carrying amount arising on revaluation are credited to other comprehensive income and increase the revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised in other comprehensive income and decrease the previously revaluation surplus recognised in equity, while all other decreases are charged to profit or loss for the year.

The revaluation reserve for property, plant and equipment included in equity is transferred directly to retained earnings when the revaluation surplus is realised on the retirement or disposal of the asset.

Upon revaluation of property, plant and equipment, accumulated depreciation at the date of revaluation is treated as follows: accumulated depreciation at the date of revaluation is eliminated from the gross carrying amount of the asset and the gross carrying amount after the recording of revaluation is equal to its revalued amount; this method is used when it is performed a detailed valuation of the land and building portfolio.

The revaluation of property, plant and equipment is carried out at fair value, which is determined based on valuations performed by authorised external valuers.

The latest revaluation of the Company's land and buildings was performed at December 31, 2019 by REVALTEX SRL (independent valuator – ANEVAR member), which resulted in an increased revaluation reserve by 806,882, namely 5.70%.

Gains and/or losses from de-recognition of tangible assets is determined as difference between the revenues from sales of tangible assets and the expenses with their disposal and are recognized in profit or loss for the year (within other operating income or expenses).

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Property, plant and equipment (continued)

(ii) Subsequent costs

The amounts paid or payable, generated by the repairs and daily maintenance costs of the tangible assets owned, are recorded as expense, according to the accrual accounting principle, accordingly changing the value of the Company's profit or loss of the period.

The amounts paid or to be paid, generated by activities that will lead to an increase in the value and/or the useful life of the asset, through the upgrade of the tangible assets owned, and also the activities that lead to a significant increase in the technical parameters which increase the potential of obtaining future economic benefits are capitalised in the value of the tangible assets (increasing the accounting value of that asset).

The Company recognises the cost of a partial replacement of an item of property, plant and equipment in its carrying amount when such cost is incurred, if the IAS 16 recognition criteria are met, and the carrying amount of the replaced part is derecognised whether or not the replaced part was amortised separately. If the carrying amount of the replaced part cannot be determined, the replacement cost will be used as indication of the cost value of the replaced part upon acquisition or construction.

(iii) Depreciation

The depreciation expense for each reporting period is recorded in the profit and loss account.

Depreciation is calculated using the accounting value (acquisition cost or revalued value) using the straight-line depreciation method, on the entire useful life of the asset (starting with the date of entering into operation) and is recorded as expense on a monthly basis.

Depreciation of an asset begins when the asset is available for use, when it is in the location and condition necessary for it to operate in the manner intended by the management. The depreciation of an asset ceases at the earlier of the date the asset is classified as held for sale (or included in a disposal group that is classified as held for sale), in accordance with IFRS 5, "Non-current assets held for sale and discontinued operations" and the date the asset is derecognised.

Each part of a tangible asset item that presents a significant cost to the total cost of that item, shall be depreciated separately.

Depreciation methods and useful lives are established at each reporting date.

Land is not depreciated.

Categories	Years
Building	50
Other equipment, furniture and other tangible assets	up to 12
Vehicles	up to 6

A tangible asset must be derecognised:

- a) upon sale; or
- b) when no future economic benefits are expected from its use or sale.

The gain or loss that results from the derecognition of a tangible asset is included in the profit and loss account when the item is derecognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Intangible assets

Intangible assets include software and licences.

Intangible assets that are acquired by the Company are initially valued at cost. Cost is represented either by the amount of cash or cash equivalents paid, or the fair value of other consideration given, to acquire the asset at the time of its acquisition.

For measurement subsequent to initial recognition, the Company applies the cost model, meaning that intangible assets are carried at cost less accumulated amortisation and impairment losses.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimate useful life for software is between 1 to 3 years and licenses are amortised on the validity period, using the straight-line method.

2.12 Leases

(i) Recognition

Starting with the year 2019, the Company applies IFRS 16 - Leases ("IFRS 16"), which replaces IAS 17. Thus, according to IFRS 16, a contract is or contain a lease if it conveys the right to use an identified asset for a period of time in exchange for consideration. At the date of commencement of the contract a lessee shall recognise an asset relating to the right of use and a liability arising from the contract lease.

As previously under IAS 17, lessors classify leases as operating or financial. A lease is classified as a finance lease if it substantially transfers all the risks and rewards incidental to the ownership of an underlying asset. Otherwise, a lease is classified as an operating lease. For finance leases, a lessor recognizes financial income over the lease term, based on a pattern that reflects a constant periodic rate of return on net investment. The lessor recognizes operating lease payments as income on a straight-line basis or, if more representative of the pattern in which the profit from the use of the underlying asset is diminished, another systematic basis.

The Company has decided, as allowed by the standard, not to apply the provisions of IFRS 16 for short term lease agreements with a term of less than 1 year and those with a low value of the asset (less than USD 5,000).

(ii) Valuation

Initially, the right to use the underlying asset is valued at cost.

The cost of the right-of-use asset includes:

- a) the amount of the initial assessment of the debt arising from the leasing contract;
- b) any lease payments made on or before the date of lease commencement, minus any leasing incentives received;
- c) any initial direct costs incurred by the lessee; and
- d) an estimate of the costs (disassembly, restoration of premises) to be borne by the lessee either on the date of commencement or on the date of the end of the contract.

The lease liability is initially measured at the present value of the lease payments payable over the lease term, using the rate implicit in the lease if it is readily determinable. If this rate cannot be easily determined, the lessee will use its incremental borrowing rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Leases (continued)

(ii) Valuation (continued)

At the time of commencement, the lease payments included in the assessment of the debt arising from the lease shall comprise the following payments relating to the right to use the underlying asset during the term of the lease which are not paid on the date of commencement of the lease:

- a) fixed payments;
- b) variable lease payments which depend on an index or rate, initially assessed on the basis of the index or rate from the date of commencement of the course;
- c) residual value amounts;
- d) the exercise price of a purchase option if the lessee is reasonably certain to exercise the option;
- e) payments of penalties for termination of the lease, if the duration of the lease reflects the exercise by the lessee of an option to terminate the lease.

iii) Further assessment of the right-of-use asset

It is based on the cost model, the right-of-use asset is valued at the initial cost minus any accumulated depreciation and any accumulated depreciation losses respectively adjusted for any debt revaluations.

Depreciation shall be calculated in accordance with IAS 16 and shall be carried out throughout the contract period, i.e. the useful life of the underlying asset, applying the linear depreciation method.

After the start date of the contract, the debt increases to reflect interest and decreases to reflect the lease payments made. Interest expense on the debt arising from the lease is reflected in the profit or loss account.

2.13 Impairment of non-financial assets

At each balance sheet date, the Company must verify if there are indications of asset impairment. Where such indication exists, the Company estimates the asset's recoverable amount as the greater of its value in use and its fair value less any associated costs incurred to sell the asset.

2.14 Cash and cash equivalents

Cash and cash equivalents consist of petty cash and cash at bank, including short-term deposits. Cash and cash equivalents are carried at amortized cost in the statement of financial position.

For the purposes of preparing the cash flow statement, cash and cash equivalents include petty cash, current bank accounts, including deposits with original maturity up to 3 months, cash in transit, other short-term investments that are convertible into cash at any time and that are subject to an insignificant risk of change in value and overdraft facilities as well as their accompanying receivables.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Trade receivables

Trade receivables are included in the category of financial assets (refer to Note 2.9 *Financial assets and liabilities – b) Financial assets at amortised cost*). Trade receivables are carried at original invoice amount less any allowance (impairment adjustment) created.

2.16 Provisions

Provisions for liabilities and charges are non-financial liabilities with uncertain maturity or value.

A provision is recognised in the statement of financial position when the Company has a current legal or implicit obligation generated by a past event, it is likely that an outflow of economic benefits will be required to settle the respective obligation and the amount can be reliably estimated.

2.17 Contingent liabilities and contingent assets

Contingent liabilities are not recognized in the financial statements. They are disclosed in Notes, unless the possibility of an outflow of economic benefits is removed.

Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

2.18 Dividends payable (at amortised cost)

The Company records a liability to pay dividends in the year when the distribution of the profit on dividends is approved by the General Meeting of Shareholders.

Dividends payable recognized in the statement of financial position are financial liabilities. The financial liability is extinguished either by the payment of the amounts owed to the shareholders or when the obligation expires, i.e. after 3 years from the dividend payment date, when dividends are prescribed in accordance with Romanian law, if the shareholders did not collect them within this period. As such, the financial liability represented by the dividends prescribed after the end of the statutory period of 3 years from the payment date is directly reversed in profit or loss and included in "Other operating income".

2.19 Share capital

Ordinary shares are classified as equity.

2.20 Trade payables and other liabilities

Trade payables are recognised based on the accrual accounting when the counterparty has fulfilled its contractual obligations (except prepaid expenses) and are carried at amortised cost.

2.21 Employee benefits

Short-term benefits

Short-term employee benefits include salaries, bonuses and social security contributions. Short-term employee benefits are recognised as an expense when services are rendered.

In the normal course of business, the Company makes payments to the public pension, health care and unemployment systems. All employees of the Company are members of the State pension plan and have the legal obligation to contribute to the state scheme (through social contributions). All the contributions due by the Company are recognised in the profit and loss account of the year when the expenses are incurred.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Employee benefits (continued)

Short-term benefits (continued)

In addition to salaries and other salary rights, the members of the Supervisory Board, the members of the Executive Board and the Company's employees have the right to receive a variable remuneration, in accordance with the remuneration policy approved at the Company level. The Company includes these benefits in the short-term benefits.

The Company does not operate any other pension scheme and, consequently, has no obligation in respect of pensions.

2.22 Income tax expense

Current income tax includes both current income tax and deferred income tax. Income tax is recognized in profit or loss or in equity if the tax is related to equity items.

Current income tax is the tax payable on the taxable profits of the period, determined using the tax rates available at the balance sheet date and any adjustments related to prior periods.

2.23 Deferred tax

Deferred tax is determined using the balance sheet method, based on the temporary differences arising between the tax base for calculating the tax on assets and liabilities and their carrying amount. The deferred tax is calculated using the tax rates that are expected to be applied to temporary differences when achieving the carrying amount of assets and liabilities, as provided for by the legislation in force at the reporting date.

Deferred tax receivables are recognized to the extent that sufficient future taxable profits allowing the existence of such receivables are likely to be obtained. Deferred tax receivables are properly reduced if it is considered that the benefit from afferent tax is not likely to be obtained. The main temporary differences arise from the changes in the fair value of the financial investments recognised at fair value through other comprehensive income. The Company registers deferred tax liabilities from investments classified as financial assets at fair value through other comprehensive income and from revaluation reserves of tangible assets.

At 31 March 2021, the tax rate used to calculate the current and deferred tax was 16% (31 March 2020: 16%).

2.24 Basic and diluted earnings per share

Basic and diluted earnings/(loss) per share is calculated by dividing the profit or loss for the year with the weighted average number of ordinary paid shares, outstanding during the year, excluding the average number of ordinary shares bought redeemed the Company and held as treasury shares.

The weighted average number of ordinary shares outstanding during the year is the number of ordinary paid shares outstanding at the beginning of the year, adjusted by the number of ordinary shares bought back during the year (based on their settlement date) multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the reporting year.

At 31 March 2021 and 31 March 2020, none of the Company's issued shares or other instruments had dilutive effect, therefore basic and diluted earnings per share are the same.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 Income recognition

The Company recognises income from financial instruments in accordance with IFRS 9. The Company took into account the provisions of IFRS 15 as of 2020 and the conclusion is that the Company did not obtain income from the contracts concluded with clients.

The revenues recorded by the Company are accounted for by their nature (operational, financial), on an accrual basis.

Revenues are measured at the fair value of the consideration received or receivable. When the result of a transaction involving the rendering of services cannot be reliably estimated, revenue shall be recognized only to the limit of the expenses recognized that are recoverable.

2.26 Interest income and interest expense

Interest income and interest expenses corresponding to financial instruments are recognized in profit or loss using the effective interest method based on accrual basis. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or expense over the relevant period of time.

The effective interest rate is the rate that exactly discounts the estimated future cash flows payable or receivable during the expected life of the financial instrument or, when appropriate, a shorter period, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. In order to calculate the effective interest rate, the Company estimates the cash flows, considering all contractual terms of the financial instrument, but does not account for future credit losses. The calculation includes all fees paid or received between the parties that are part of the effective interest rate, transaction costs, and all other premiums or discounts.

2.27 Dividend income

Dividends on equity instruments are recognised in profit or loss as “Dividend income” when the Company's right to receive such income is established.

2.28 Net gains/losses from sale of financial instruments

- a) Net gains / (losses) from financial assets at fair value through profit or loss

Net gains/(losses) from financial assets at fair value through profit or loss include both the changes in fair value from marking-to-market and the income from sale of these financial instruments.

- b) Net gains / (losses) from disposal of financial assets at fair value through other comprehensive income

Net gains or losses from disposal of financial assets at fair value through other comprehensive income include the revaluation reserve of financial assets at fair value through other comprehensive income.

Income from the sale /disposal of investments held will be recognized at the date when the property right is transferred from seller to buyer, using the accounting value at the transaction date.

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3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and assumptions are continuously evaluated and are based on historical experience and other factors, including expectations of future events believed to be reasonable under the circumstances. In addition to experience and historical information, the Company also considers in evaluating these effects the current conditions in the financial industry.

3.1 Investment entity classification

The Company applied the Amendments to IFRS 10, IFRS 12 and IAS 27 starting 1 January 2015 when, after considering the criteria provided for by the Amendments, the Company's management concluded that the Company qualifies for classification as an investment entity. Thus, a company classified as an investment entity is not required to consolidate any of its subsidiaries.

The Management of S.I.F. Transilvania assesses annually whether the Company maintains its investment entity status. Thus, the Company re-assessed in 2020 the investment entity criteria and concluded that it meets such criteria, since the Company still:

- a) obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- b) commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- c) measures and evaluates the performance of substantially all of its investments on a fair value basis.

In addition, the Company has other characteristics specific to an investment entity, as follows:

(a) Investment-related services

The Company is a joint stock company which operates as a closed-end financial investment company, directly providing investment management services for its investors; the Company's main business activities are exclusively the activities specific to closed-end investment companies.

The Company does not provide advisory services and investment support or administrative services, directly or through a subsidiary, to third parties and/or its investors.

(b) Business purpose

The Company's scope is to increase the value of the invested capital through an efficient management of its own assets.

The Company's Strategy for 2020 – 2024, the Investment Policy Statement for 2020 – 2024 and the annual investment, program approved by the Annual General Meeting of Shareholders, are public information which are presented on the Company's official website and can be consulted anytime by third parties and/or potential investors in order to support their decisions to invest in the Company.

The main investment objectives of the Company are the maximization of the aggregate returns achieved by the current and potential shareholders as a result of investing in SIF3 shares and the increase of the unitary net asset value by using the entire range of instruments provided for by the capital market legislation.

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3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

3.1 Investment entity classification (continued)

(c) Exit strategy

Starting with 1 January 2015, the Company applies an exit strategy, based on continuous monitoring of the investments made under the approved investment programs and on continuous analysis of current market conditions, aiming to identify the optimal exit moments so as to fulfil the objectives set by the annual revenue and expenditure budgets, respectively achieving aggregate higher yields.

The Company applies an exit strategy adapted to the specificity of each category of investment, which is defined based on the following elements: the strategy applied, the investment time horizon and the triggering factors of the exit transaction.

(d) Fair value measurement

Starting with 1 January 2015, all financial investments of the Company are measured at fair value. The investments in subsidiaries and associates, as well as the corporate bonds issued by the latter and owned by the Company, are classified as financial assets at fair value through profit or loss. The other investments in shares, bonds and fund units have been classified as financial investments available for sale and, starting 1 January 2018, further to the application of IFRS 9, they have been classified as financial investments at fair value through other comprehensive income.

The fair value of the financial instruments held by S.I.F. Transilvania is estimated according to the internal procedure and related methodology.

A company classified as an investment entity is not required to consolidate any of its subsidiaries.

The information described above is presented in Note 14.

4. DIVIDEND INCOME

The dividend income recorded by the Company as at 31 March 2021, compared to 31 March 2020, is the following:

Entity	31 March 2021	%	31 March 2020	%
SOFT APLICATIV SI SERVICII SA SIBIU	-	-	28,326	43
OTP REAL ESTATE & CONSTRUCTION	-	-	22,292	34
ALTELE	9,070	100	15,328	23
Total	9,070	100	65,946	100

5. INTEREST INCOME

	31 March 2020	31 March 2020
Interest from bank deposits	201,847	192,767
Interest income from corporate bonds classified as financial assets at fair value through profit or loss	-	29,716
Total	201,847	222,483

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6. NET GAINS/LOSS FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 March 2021	31 March 2020
Net gains / (loss) from the sale of financial assets measured at fair value through profit or loss	1,797,521	572,283
Net gains from the revaluation of financial assets measured at fair value through profit or loss	23,009,864	(99,605,354)
Total	24,807,385	(99,033,071)

The differences resulting from the measurement of holdings at fair value through profit or loss for the first quarter of 2021 have been generated both by the unfavourable impact of the COVID-19 pandemic on some issuers and the positive evolution of other issuers.

The most important negative adjustment of fair value (unrealized loss) was recorded in the case of a portfolio company operating in the tourism sector, sector seriously affected by the evolution of the COVID-19 pandemic (Turism Hoteluri si Restaurante Marea Neagra - RON 3.82 million). The most important positive adjustment of fair value (unrealized profit) was recorded in the case of the issuer Santierul Naval SA (+RON 18.62 million).

Net gains and losses from the sale of holdings measured at fair value through profit or loss are calculated as the difference between the amounts obtained from the sale of the holdings and their fair value at the date of the last annual financial statements.

During Q1 2021, a series of sale operations were carried out based on the exit strategy approved at the Company level (defining principle of any investment entity). During Q1 2021, the partial exit from OMV Petrom generated the most significant profit achieved (RON 1.38 million).

During Q1 2021, the Company recorded negative adjustments of fair value amounting to - RON 99.6 million, generated mainly by the unfavourable impact of the COVID-19 pandemic.

7. OPERATING INCOME

	31 March 2021	31 March 2020
Net gains / losses on realised foreign exchange differences from transactions	283,188	186,793
Other operating income	176,980	96,616
Total	460,168	283,409

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8. EMPLOYEES REMUNERATION EXPENSE

	31 March 2021	31 March 2020
Salary expense	2,320,939	2,999,841
Social contribution expense	52,171	67,497
Total	2,373,110	3,067,338

9. COMMISSIONS AND FEES EXPENSE

	31 March 2021	31 March 2020
Commission on the net asset value, paid to the Financial Supervisory Authority	282,457	249,649
Depository commissions	73,993	77,352
Transaction costs	94,690	79,092
Financial services costs	4,431	3,577
Other fees and commissions	14,575	11,750
Total	470,146	421,420

10. IMPAIRMENT LOSSES/ REVERSAL OF IMPAIRMENT LOSSES OF FINANCIAL ASSETS

	31 March 2021	31 March 2020
Impairment losses/reversal of impairment losses of financial assets	-	178,858
Total	-	178,858

11. OPERATING EXPENSES

	31 March 2021	31 March 2020
Legal expenses	55,587	259,045
Other tax expenses (i)	89,381	113,398
Depreciation and amortization expenses	166,464	162,147
Audit expenses	10,462	149,749
Postal and telecommunication charges	18,072	23,503
Consumable materials expense	64,392	42,902
Insurance premium charges	44,598	40,594
Utilities expense	44,260	51,713
Travel expenses	4,021	13,519
Protocol, donation and sponsorship expenses	13,916	67,428
Rent	26,374	9,998
Maintenance and repairs expenses	3,120	109,060
Net gains/(losses) from unrealised foreign exchange differences	133	(134)
Other expenses (ii)	599,339	496,103
Total	1,140,119	1,539,025

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11. OPERATING EXPENSES (CONTINUED)

- (i) Other tax expenses line includes local taxes for buildings, vehicles, land.
(ii) Other expenses line includes consulting services, IT system maintenance, financial expenses, security, archiving and translation services etc.

12. CURRENT INCOME TAX AND DEFERRED TAX

The differences between regulations issued by the Romanian Ministry of Finance and the accounting rules applied in preparing these financial statements give rise to temporary differences between the carrying value and fiscal value of certain assets and liabilities.

The deferred income tax will be calculated in case of temporary differences using the taxing rate applicable at the date of such differences.

Income tax comprises the following:

	31 March 2021	31 March 2020
Current corporate income tax expense	779,464	-
Deferred tax income	-	-
Total	779,464	-

Deferred tax analysed by source of temporary difference

Differences between the regulations issued by the Romanian Ministry of Finance and the IFRS accounting principles give rise to temporary differences between the carrying amount of assets and liabilities used for financial reporting purposes and their tax bases. The tax effect of the movements in these temporary differences is detailed below.

	1 January 2020	Credited/ (charged) to other comprehensive income	31 March 2021
Tax effect of deductible/(taxable) temporary differences			
Fair valuation of financial assets measured through other comprehensive income (Note 27)	(41,847,147)	(7,996,276)	(49,843,423)
Fair valuation of tangible assets (Note 28)	(1,096,553)	-	(1,096,553)
Net deferred tax liability	(42,943,700)	(7,996,276)	(50,939,976)

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13. CASH AND CASH EQUIVALENTS

	31 March 2021	31 December 2020
Current accounts at banks, in RON	2,376,691	2,816,513
Current accounts at banks, in foreign currency	7,372,810	7,322,527
Bank deposits, in RON	69,580,720	60,367,057
Petty cash	6,567	3,133
Total	79,336,788	70,509,230

Cash and cash equivalents presented in the financial statements as at 31 March 2021 and 31 December 2020 are neither past due, nor impaired.

The bank deposits, as at 31 March 2021 and 31 December 2020, have a contractual maturity of up to 1 month.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Following the classification of the Company as an investment entity, all its investments in subsidiaries and associates have been classified as financial assets at fair value through profit or loss and, as such the Company has recognised them at fair value starting with 1 January 2015. For the financial year 2015, the fair value differences that in the previous years were recognised as reserve for the financial assets available for sale were derecognised as effect of deconsolidation.

The structure of the financial assets at fair value through profit or loss as at 31 March 2021, compared to 31 December 2020, is the following:

	31 March 2021	31 December 2020
Shares quoted on Romanian markets, of which:	558,599,838	564,759,705
- <i>quoted on the Bucharest Stock Exchange (BSE)</i>	276,716,245	282,911,444
- <i>quoted on the alternative trading system of the BSE (AeRO)</i>	281,883,593	281,848,265
Shares quoted on international markets	1,099,483	837,322
Unquoted shares	48,101,348	48,099,581
Quoted unit funds	1,637,826	1,459,710
Unquoted unit funds	35,401,370	28,315,803
	644,839,865	643,472,124
Corporate bonds issued by Romanian entities	-	-
Total	644,839,865	643,472,124

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14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Investments in subsidiaries as at 31 March 2021 are the following:

Entity	Fair value 31 March 2021	Market type	Shareholding %	Voting rights %
S.I.F. TRANSILVANIA PROJECT MANAGEMENT COMPANY SA	303,662	unquoted	100.00	100.00
CRISTIANA SA	19,802,424	unquoted	99.80	99.80
TERRACOTTA STAR SA	0	unquoted	97.48	97.48
ORGANE DE ASAMBLARE SA	0	AeRO	95.70	95.70
TURISM COVASNA SA	26,297,669	AeRO	93.33	95.15
TRATAMENT BALNEAR BUZIAS SA	8,635,015	AeRO	91.87	91.87
SEMBRAZ SA	799,305	AeRO	90.97	90.97
INTERNATIONAL TRADE&LOGISTIC CENTER SA	4,150,788	unquoted	87.30	87.30
FEPER SA	56,650,457	AeRO	85.80	85.80
ARO-PALACE SA	31,908,535	AeRO	85.74	85.74
MECANICA CODLEA SA	4,896,711	AeRO	81.07	81.07
TURISM, HOTELURI, RESTAURANTE MAREA NEAGRA SA	51,965,776	BSE	78.11	78.11
GRUP BIANCA TRANS SA	2,766,589	unquoted	77.47	76.41
ROMRADIATOARE SA BRASOV	13,889,636	AeRO	76.51	76.51
TUSNAD SA	14,481,773	AeRO	76.41	76.41
UTILAJ GREU SA	3,632,414	AeRO	70.39	70.39
GASTRONOM SA	9,177,738	AeRO	70.29	70.29
TRANSILVANIA LEASING SI CREDIT IFN SA BRASOV	18,088,077	AeRO	68.64	68.64
TURISM FELIX SA	102,105,820	BSE	63.13	63.77
COMCM SA CONSTANTA	43,083,648	BSE	56.73	56.73
VIROLA-INDEPENDENTA SIBIU	5,783,514	AeRO	53.62	53.62
CASA ALBA INDEPENDENTA SIBIU	42,589,499	AeRO	53.35	53.35
INDEPENDENTA SA	6,086,421	AeRO	53.30	53.30
SIBAREX SA	0	unquoted	52.85	52.85
SANTIERUL NAVAL SA	39,980,024	BSE	50.00	50.00
Total	507,075,493			

All the Company's subsidiaries are incorporated in Romania.

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14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Investments in subsidiaries as at 31 March 2020 are the following:

Entity	Fair value 31 March 2020	Market type	Shareholding %	Voting rights %
S.I.F. TRANSILVANIA PROJECT MANAGEMENT COMPANY SA	303,203	unquoted	100.00	99.998
CRISTIANA SA	21,365,196	unquoted	99.80	99.80
TERRACOTTA STAR SA	0	unquoted	97.48	97.48
ORGANE DE ASAMBLARE SA	0	AeRO	95.70	95.70
TURISM COVASNA SA	31,486,841	AeRO	93.33	95.15
TRATAMENT BALNEAR BUZIAS SA	8,678,700	AeRO	91.87	91.87
SEMBRAZ SA	776,772	AeRO	90.97	90.97
INTERNATIONAL TRADE&LOGISTIC CENTER SA	3,644,196	unquoted	87.30	87.30
FEPER SA	48,753,726	AeRO	85.80	96.83
ARO-PALACE SA	34,328,467	AeRO	85.74	85.74
MECANICA CODLEA SA	4,361,321	AeRO	81.07	81.07
TURISM, HOTELURI, RESTAURANTE MAREA NEAGRA	40,942,733	BSE	77.71	77.71
ROMRADIATOARE SA BRASOV	17,708,081	AeRO	76.51	76.51
TUSNAD SA	16,303,524	AeRO	76.41	76.41
GRUP BIANCA TRANS SA	2,392,896	unquoted	70.85	70.85
UTILAJ GREU SA	4,038,444	AeRO	70.39	70.39
GASTRONOM SA	9,970,626	AeRO	70.29	70.29
TRANSILVANIA LEASING SI CREDIT IFN SA BRASOV	16,392,320	AeRO	68.51	68.51
TURISM FELIX SA	100,345,280	BSE	63.20	63.20
COMCM SA CONSTANTA	19,571,290	BSE	56.73	56.73
VIROLA-INDEPENDENTA SIBIU	4,890,664	AeRO	53.62	53.62
CASA ALBA INDEPENDENTA SIBIU	14,434,891	AeRO	53.35	53.35
INDEPENDENTA SA	1,555,585	AeRO	53.30	53.30
SIBAREX SA	0	unquoted	52.85	52.85
SANTIERUL NAVAL SA	15,535,095	BSE	50.00	50.00
Total	417,779,852			

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14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

The fair value of companies quoted on alternative markets was determined according to the Company's accounting policies, based on valuation reports.

All the Company's subsidiaries are incorporated in Romania.

Investment in associates as at 31 March 2021 are the following:

Entity	Fair value 31 March 2021	Market Type	Shareholding %
CONCAS SA	13,980,291	Quoted	47.21
SIMEC SA	0	Quoted	45.78
NEPTUN-OLIMP SA	10,888,229	Quoted	41.18
APOLLO ESTIVAL 2002 SA	963,395	Unquoted	39.62
PRAHOVA ESTIVAL 2002 SA	295,730	Quoted	39.62
TOMIS ESTIVAL 2002 SA	414,759	Unquoted	39.62
SERVICE NEPTUN 2002 SA	1,429,365	Quoted	39.62
TURISM LOTUS FELIX SA	14,545,594	Unquoted	38.27
ROMAGRIBUZ VERGULEASA SA	0	Unquoted	37.30
TRANSILVANIA HOTELS & TRAVEL S.A.	0	Unquoted	37.01
HIDROMECANICA SA	0	Unquoted	36.27
FELAM SA	0	Unquoted	36.22
DORNA TURISM SA	3,492,104	Quoted	32.01
HARGHITA SA	0	Unquoted	31.42
EMAILUL SA	8,545,523	Quoted	28.93
SOFT APLICATIV SI SERVICII SA	266,976	Unquoted	28.33
COMSIG SA	0	Unquoted	27.09
DUPLEX SA	335,589	Quoted	26.87
The Foundations Feeder	156,281	Unquoted	26.67
VERITAS PANCIU SA	0	Unquoted	26.33
LEGUME FRUCTE BUZAU S.A.	2,322,037	Unquoted	25.23
CNM PETROMIN SA CONSTANTA	0	Unquoted	23.83
FONDUL ROMAN DE GARANTARE A CREDITELOR PT.INTREPRINDERI	2,408,843	Unquoted	23.02
Total	60,044,715		

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14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Investment in associates as at 31 March 2020 are the following:

Entity	Fair value 31 March 2020	Market Type	Shareholding %
CONCAS SA	9,648,666	Quoted	47.21
SIMEC SA	0	Quoted	45.78
NEPTUN-OLIMP SA	3,430,124	Quoted	41.18
APOLLO ESTIVAL 2002 SA	2,048,566	Unquoted	39.62
PRAHOVA ESTIVAL 2002 SA	230,012	Quoted	39.62
TOMIS ESTIVAL 2002 SA	635,890	Unquoted	39.62
SERVICE NEPTUN 2002 SA	1,487,132	Quoted	39.62
TURISM LOTUS FELIX SA	17,066,831	Unquoted	38.27
ROMAGRIBUZ VERGULEASA SA	0	Unquoted	37.30
TRANSILVANIA HOTELS & TRAVEL S.A.	0	Unquoted	37.01
HIDROMECHANICA SA	0	Unquoted	36.27
FELAM SA	0	Unquoted	36.22
DORNA TURISM SA	3,590,281	Quoted	32.01
HARGHITA SA	0	Unquoted	31.42
EMAILUL SA	4,650,888	Quoted	28.93
SOFT APLICATIV SI SERVICII SA	266,976	Unquoted	28.33
COMSIG SA	0	Unquoted	27.09
DUPLEX SA	329,772	Quoted	26.87
The Foundations Feeder	153,118	Unquoted	26.67
VERITAS PANCIU SA	0	Unquoted	26.33
LEGUME FRUCTE BUZAU S.A.	629,347	Unquoted	25.23
CNM PETROMIN SA CONSTANTA	0	Unquoted	23.83
FONDUL ROMAN DE GARANTARE A CREDITELOR PT.INTREPRINDERI	1,637,821	Unquoted	23.02
Total	45,805,423		

Corporate bonds measured at fair value through profit or loss, held by the Company as at 31 March 2021, as compared to 31 March 2020, are the following:

Entity	Currency	No. of units 31 March 2021	No. of units 31 March 2020	Fair value 31 March 2021	Fair value 31 March 2020
Organe de Asamblare SA	RON	2,200,000	2,200,000	-	-
Sibarex SA	RON	900,000	900,000	-	-
Total				-	-

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14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

At 31 March 2021, the Company held corporate bonds issued by the following entities:

- *Organe de Asamblare SA Braşov* – corporate bonds with a total nominal value of RON 5.5 million. The bonds are unquoted, non-convertible into shares and are issued at a nominal value of RON 2.50 per bond, with a maturity of 48 months (maturity date: 25 January 2017) and an annual interest rate represented by the variable interest of ROBOR 3 months plus 2.00%. Interest payments are made on an annual basis. At 31 March 2021, accrued interest related to these bonds is RON 835,189. The principal and interest must be repaid in full by the date of repayment, early repayment cannot be made without the written agreement of the owner. The bonds issued are secured by the assets from the patrimony of Organe de Asamblare. As a result of the issuer's bankruptcy starting August 2016, the collection of principal and interest due became unlikely, the fair value of such receivables as at 31 March 2021 being zero (31 March 2020: zero). Through Civil Decision no. 1345 / SIND of 15.11.2017, the Company's reorganization plan, which will span on a period of three years, was approved.
- *Sibarex SA* – bonds with a total nominal value of RON 2.25 million. The bonds are unquoted, non-convertible into shares, are issued at a nominal value of RON 2.50 per bond, having a maturity period of 3 years (maturity date: 21 November 2016) and the annual interest rate resulting from the variable interest of ROBOR at 6 months plus 2.00%. Interest payments are made quarterly. As at 31 March 2021, accrued interest related to these bonds was RON 211,247. Principal and interest must be repaid in full by the repayment date or anticipated (partial or total) at the issuer's request. Given the Resolution of the issuer's Extraordinary General Meeting of Shareholders of 14.11.2016 regarding the company's dissolution followed by liquidation, the fair value of the bonds as at 31 March 2021 is zero (31 March 2020: zero). The bonds issued are secured with pledge without dispossession on the production equipment up to the value of bonds underwritten and paid and plus the entire period estimated interest. Through Civil Decision no. 288/03.10.2017, the simplified procedure of bankruptcy and dissolution of the company was initiated.

The fund units held by the Company, carried at fair value through profit or loss, are as follows:

Entity	31 March 2021		31 December 2020	
	No. of units	Fair value	No. of units	Fair value
Fondul Inchis de Investitii Multicapital Invest	4,934	13,486,102	4,934	13,486,102
Fond Inchis de Investitii Bet-Fi Index Invest	2,054	1,459,710	2,054	1,459,710
Fondul Inchis de Investitii Star Value	13,713	14,329,674	13,713	14,329,674
Fondul Deschis de Investitii Napoca	413,087	250,950	413,087	250,950
Fondul Inchis de Investitii Fondul Privat Comercial	10,644	5,321,047	543	249,077
Total	444,432	37,039,196	434,331	29,775,513

The portfolio managed by the Company includes investment funds with a diversified investment policy. The funds register a high exposure on shares, which places them in a medium / medium-high risk class. Of these, only the BET-FI Index follows the evolution of a stock index (the BET-FI index).

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14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

- Multicapital Invest

The fund aims to create added value by identifying shares with high potential in the medium or long term, in sectors with positive development forecasts. At the same time, the Fund seeks to capitalize opportunities on short-term by actively managing the portfolio. The Fund focuses its resources on a limited number of companies. The Fund may not invest in financial instruments issued by SAI STAR ASSET MANAGEMENT SA. The fund will not invest in Total Return Swap instruments. The synthetic risk indicator places the fund in risk class 4.

- BET – FI Index

The Fund is listed on the Bucharest Stock Exchange and gives access to the yield of the BET-FI index. The Fund is based on the risk dispersion across the 5 financial investment companies (SIFs) and the shares of Fondul Proprietatea, traded on the BSE regulated market, by correlating the performances with those obtained by their index, BET-FI index. Certinvest BET-FI Index has a high degree of risk, determined by the exposure of over 90% on shares.

- Star Value

The fund invests in financial instruments such as: shares listed on a regulated market or ATS, listed or unlisted corporate bonds, credit instruments issued by listed or unlisted central and local public authorities, money market instruments, bank deposits, derivative financial instruments, securities of Collective Investment Undertakings, shares issued by closed-end companies and other financial instruments allowed by the FSA regulations, by observing the investment limits for each asset. The fund cannot invest in financial instruments issued by SAI STAR ASSET MANAGEMENT SA. The fund cannot make short sales. The fund will not invest in Total Return Swap instruments. The synthetic risk indicator places the fund in risk class 4.

- Fondul Privat Comercial

The Private Commercial Fund is an alternative investment fund, which places the resources attracted in listed shares issued by financial companies, bonds, fund units and bank deposits. The objective of the fund is to increase the value of the invested capital and to obtain income. The Fund will not invest in: promissory notes and other money market instruments such as bills of exchange, structured products, derivative financial instruments, traded outside regulated markets, corporate bonds not admitted to trading on a regulated market, Swap instruments and SFT - securities financing transaction. The synthetic risk indicator places the fund in risk class 5.

- Fondul Deschis de Investitii Napoca

FDI Napoca is an open-end investment fund with the fundamental objective of increasing the value of invested capital and which places a majority share of the resources attracted in shares listed on regulated markets in Romania. The Fund states that the investment objective can be achieved through an investment policy oriented in the medium and long term in listed shares, aiming to obtain profits as a result of the increase in the value of the investments made. The synthetic risk indicator places the fund in risk class 5.

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15. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The structure of the financial assets at fair value through other comprehensive income, by asset type, is the following:

	31 March 2021	31 December 2020
Shares quoted on Romanian markets, of which:	619,769,124	549,075,377
- quoted on the Bucharest Stock Exchange (BSE)	613,304,267	542,588,268
- quoted on the alternative trading system of the BSE (AeRO)	6,464,857	6,487,108
Unquoted shares	20,244,780	20,244,780
Total	640,013,904	569,320,156

Out of the shares listed on the Bucharest Stock Exchange, the following shares have been used as collateral for the loan contracted from Banca Transilvania during 2020 (See Note 23. "Loans from banks"):

- 3,180,380 shares issued by BRD-Groupe Societe Generale SA, with a market value of 47,260,447 lei (using the closing price published on the Bucharest Stock Exchange on the last working day of December 2020);
- 61,300,310 shares issued by OMV Petrom SA, with a market value of 22,282,663 lei (using the closing price published on the Bucharest Stock Exchange on the last working day of December 2020).

	31 March 2021	31 March 2020
Carrying amount as at 1 January	569,320,156	640,339,351
Net gains /losses on fair value, of which:		
- net gains/losses on mark-to-market during the year	63,214,952	(157,199,462)
Acquisitions	28,513,548	520,790
Sales	(21,034,752)	(1,889,071)
Carrying amount as at 31 March	640,013,904	481,771,608

16. FINANCIAL ASSETS AT AMORTISED COST

The Company applies the provisions of IFRS 9 regarding expected credit losses, thus it classifies its receivables in Stage 1, Stage 2 and Stage 3. No exposures were identified that, although performing, recorded a significant deterioration of credit risk (Stage 2) that would require the presentation under Stage 2. For Stage 3 sundry debtors, for which the collection is uncertain, the Company has calculated the impairment allowances. By applying the estimations according to IFRS 9 in respect of Stage 1, the Company concluded that the expected loss allowance was not significant.

Sundry debtors include mainly amounts arising from final court sentences.

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16. FINANCIAL ASSETS AT AMORTISED COST (CONTINUED)

Financial assets at amortised cost, not past due and not impaired (Stage 1), are the following:

	31 March 2021	31 December 2020
Receivables from disposal of shares	-	-
Total	-	-

Financial assets at amortised cost, past due and impaired (Stage 3), are presented as follows

31 March 2021	Receivables from group companies	Other receivables	Dividends receivable
Gross carrying amount	210,538	1,512,889	143,092
Loss allowance	(210,538)	(59,714)	(131,887)
Net value	-	1,453,175	11,205

31 December 2020	Receivables from group companies	Other receivables	Dividends receivable
Gross carrying amount	210,538	622,241	134,822
Loss allowance	(210,538)	(59,517)	(131,887)
Net value	-	562,527	2,935

17. OTHER ASSETS

	31 March 2021	31 December 2020
Consumables and other inventories	2,806	7,351
Prepayments	566,766	500,352
Other assets	201,994	201,995
Total	771,566	709,698

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18. INTANGIBLE ASSETS

	Licenses	Other intangible assets	Total
<i>Balance at 1 January 2021</i>			
Gross carrying amount	432,615	787,053	1,219,668
Accumulated amortisation	(350,413)	(779,268)	(1,129,682)
Net carrying amount	82,202	7,784	89,986
Acquisitions	20,555	-	20,555
Sales or scraps	(791)	-	(791)
Amortisation recorded during the year	(9,700)	(2,919)	(12,619)
Amortisation for the assets sold	791	-	791
<i>Balance at 31 March 2021</i>			
Gross carrying amount	452,379	787,053	1,239,432
Accumulated amortisation	(359,323)	(782,188)	(1,141,511)
Net carrying amount	93,056	4,864	97,922
<i>Balance at 1 January 2020</i>			
Gross carrying amount	390,755	806,601	1,197,356
Accumulated amortisation	(327,957)	(786,898)	(1,114,855)
Net carrying amount	62,798	19,703	82,501
Acquisitions	57,344	-	57,344
Sales or scraps	(15,484)	(19,548)	(35,033)
Amortisation recorded during the year	(37,775)	(11,918)	(49,694)
Amortisation for the assets sold	15,319	19,548	34,867
<i>Balance at 31 December 2020</i>			
Gross carrying amount	432,615	787,053	1,219,668
Accumulated amortisation	(350,413)	(779,268)	(1,129,682)
Net carrying amount	82,202	7,784	89,986

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19. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings	Plant and equipment	Fixtures, fittings and furniture	Total
<i>Balance at 1 January 2021</i>				
Gross carrying amount	14,647,752	522,022	164,720	15,334,494
Accumulated depreciation	(426,916)	(139,333)	(35,246)	(601,495)
Net carrying amount	14,220,836	382,689	129,474	14,732,999
Acquisitions	-	44,764	11,327	56,091
Tangible assets in progress	11,002	-	-	11,002
Advances for tangible assets	32,988	-	-	32,988
Sales or scraps	-	(88,676)	-	(88,676)
Depreciation recorded during the year	(106,729)	(36,823)	(10,293)	(153,845)
Depreciation for the assets sold	-	32,922	-	32,922
<i>Balance at 31 March 2021</i>				
Gross carrying amount	14,691,742	478,111	176,047	15,345,900
Accumulated depreciation	(533,645)	(143,234)	(45,539)	(722,418)
Net carrying amount	14,158,097	334,877	130,508	14,623,482
<i>Balance at 1 January 2020</i>				
Gross carrying amount	14,647,752	354,257	115,634	15,117,643
Accumulated depreciation	-	-	-	-
Net carrying amount	14,647,752	354,257	115,634	15,117,643
Acquisitions	-	209,260	50,346	259,607
Tangible assets in progress	94,623	(83,621)	-	11,002
Advances for tangible assets	61,750	-	-	61,750
Sales or scraps	-	(41,495)	(1,260)	(42,755)
Depreciation recorded during the year	(426,916)	(163,121)	(35,666)	(625,703)
Depreciation for the assets sold	-	23,789	420	24,209
<i>Balance at 31 December 2020</i>				
Gross carrying amount	14,804,125	438,400	164,720	15,407,245
Accumulated depreciation	(426,916)	(139,333)	(35,246)	(601,495)
Net carrying amount	14,377,209	299,067	129,474	14,805,752

The Company has no restrictions on its property titles. There are no cases of tangible assets pledged.

At 31 March 2021 and 31 March 2020, the Company did not record any contractual obligations in respect to the purchase of tangible assets.

The latest revaluation of the land, buildings and other tangible assets owned by the Company was performed as at 31 December 2019 and the revaluation differences were recorded in other comprehensive income.

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20. RIGHT-OF-USE ASSET UNDER LEASES; LEASE LIABILITIES

The Company holds leasing contracts mainly for vehicles.

Right-of-use assets under leases:

Balance at 1 January 2021

Gross carrying amount	825,014
Accumulated amortisation	(19,716)
Net carrying amount	805,298
Purchases	-
Amortisation during the year	(52,484)

Balance at 31 March 2021

Gross carrying amount	825,014
Accumulated amortisation	(72,200)
Net carrying amount	752,814

Balance at 1 January 2020

Gross carrying amount	-
Accumulated amortisation	-
Net carrying amount	-
Purchases	825,014
Amortisation during the year	(19,716)

Balance at 31 December 2020

Gross carrying amount	825,014
Accumulated amortisation	(19,716)
Net carrying amount	805,298

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20. RIGHT-OF-USE ASSET UNDER LEASES; LEASE LIABILITIES (CONTINUED)

Liabilities from leasing contracts:

Balance at 1 January 2021	718,324
Debt recognition	718,324
Debts paid	(39,984)
Expenses with exchange rate differences	9,329
Balance at 31 March 2021	687,669
Due in less than one year	126,928
Due in more than one year	560,741

Year	31 March 2021
Year 1	126,928
Year 2	149,789
Year 3	145,164
Year 4	265,788
Total debt	687,669

Balance at 1 January 2020	-
Debt recognition	740,751
Debts paid	(22,657)
Expenses with exchange rate differences	268
Income from exchange rate differences	(498)
Balance at 31 December 2020	718,324
Due in less than one year	157,583
Due in more than one year	560,741

Year	31 decembrie 2020
Year 1	157,582
Year 2	149,789
Year 3	145,164
Year 4	265,788
Total debt	718,323

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21. FINANCIAL LIABILITIES

Description	31 March 2021	31 December 2020
Dividend payables (i)	41,715,591	42,465,622
Trade payables	1,154,310	1,535,252
Collections made in advance from third parties	20	20
Liabilities with related parties	524	12,834
Total	42,870,445	44,013,728

(i) The movement in the dividends payable is presented in the following table:

Description	31 March 2021	31 December 2020
Balance at 1 January	42,465,622	27,836,083
Dividends approved to be distributed	-	76,766,755
Dividends returned	280	58
Dividends paid during the current year, including tax	(750,311)	(50,551,222)
Dividends prescribed (recorded as income)	-	(11,586,052)
Balance at 31 March	41,715,591	42,465,622

22. LOANS FROM BANKS

Description	31 March 2021	31 December 2020
Loans from banks	39,967,480	39,951,153
Balance	39,967,480	39,951,153

In October 2020, the Company contracted from Banca Transilvania a short-term loan (for a period of one year, with maturity on 11.10.2021), amounting to RON 40,000,000, with an annual interest rate of 3.33% (variable depending on the one-month ROBOR index), intended for the payment of dividends for 2019, operation performed in October 2020. The Company makes monthly interest payments, the principal being repaid at maturity of the loan. Thus, being a short-term loan, the Company considers that its book value is similar to the fair value.

The loan was contracted with the following guarantee structure:

- Movable mortgage over the current accounts opened by the Company at Banca Transilvania, with registration in the National Register of Mobile Advertising ("RNPM");
- Movable mortgage over 3,180,380 shares issued by BRD-Groupe Societe Generale SA held by the Company, blocked at the Central Depository and registration in RNPM;
- Movable mortgage over 61,300,310 shares issued by OMV Petrom SA held by the Company, blocked at the Central Depository and registration in RNPM.

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23. OTHER LIABILITIES

	31 March 2021	31 December 2020
Salaries liabilities	342,566	291,062
Taxes payable	98,556	1,588,025
Social contributions owed to the state budget	289,752	331,055
Total	730,874	2,210,142

24. PROVISIONS FOR RISKS AND CHARGES

	31 March 2021	31 December 2020
Provisions for risks and charges	86,955	86,955
Total	86,955	86,955

The amount of RON 86,955 represents the value of the provision established for a litigation with a former employee.

25. SHARE CAPITAL

The statutory share capital of the Company as at 31 March 2021 is RON 216,244,380, out of which RON 216,244,380 represents the subscribed and paid-in share capital (registered with the Trade Register).

The subscribed and paid-in share capital is divided in 2,184,286,664 shares. The shares issued by the Company are common, registered, indivisible, of equal value and dematerialized, issued at nominal value of RON 0.10 per share.

	31 March 2021	31 December 2020
Share capital registered with the Trade Register	216,244,380	216,244,380
Share capital according to IFRS	216,244,380	216,244,380

Shareholder structure as at 31 March 2021

Shareholders	Number of shareholders	Shares held	Percentage out of
			total shares (%)
Resident shareholders	6,963,049	2,104,828,590	97.33
individuals	6,962,823	1,104,412,519	51.07
legal persons	226	1,000,416,071	46.26
Non-resident shareholders	2,415	57,615,207	2.67
individuals	2,390	13,536,173	0.63
legal persons	25	44,079,034	2.04
TOTAL	6,965,464	2,162,443,797	100.00
individuals	6,965,213	1,117,948,692	51.70
legal persons	251	1,044,495,105	48.30

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26. FAIR VALUE REVALUATION RESERVE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The fair value revaluation reserve of financial assets at fair value through other comprehensive income is net of tax.

	31 March 2021	31 December 2020
Gross fair value revaluation reserve of financial assets at fair value through other comprehensive income	310,869,737	259,712,782
Deferred tax liabilities (Note 12)	(49,843,423)	(41,847,147)
Net reserve	261,026,314	217,865,635

This Note shows the changes in the fair value revaluation reserve of financial assets at fair value through other comprehensive income.

	Revaluation reserves for financial assets at fair value through other comprehensive income		
	Gross	Deferred tax	Total net
Balance at 1 January 2021	259,712,782	(41,847,147)	217,865,635
Gain on changes in fair value from mark-to-market	63,218,210	(9,928,814)	53,289,397
Transfer of reserve to retained earnings upon the sale of financial assets measured at fair value through other comprehensive income	(12,061,255)	1,932,538	(10,128,717)
Balance at 31 March 2021	310,869,737	(49,843,423)	261,026,314

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27. REVALUATION RESERVE FOR PROPERTY, PLANT AND EQUIPMENT

The last revaluation of the Company's tangible assets was performed at 31 December 2019 by REVALTEX SRL (independent valuator – ANEVAR member), which resulted in an increased revaluation reserve by RON 806,882, namely 5.70%.

The revaluation reserves cannot be distributed to shareholders as dividends.

	Gross	Deferred tax	Total net
Balance at 1 January 2020	12,217,937	20,337	12,238,274
Transfer of the reserve to retained earnings	(340,481)	-	(340,481)
Revaluation differences	-	93,246	93,246
Balance at 31 December 2020	11,877,456	113,583	11,991,040
Balance at 1 January 2021	11,877,456	113,583	11,991,040
Transfer of the reserve to retained earnings	(39,215)	-	(39,215)
Revaluation differences	-	-	-
Balance at 31 March 2021	11,838,241	113,583	11,951,825

28. OTHER RESERVES

Other reserves have been created as a result of the statutory profit allocation.

	31 March 2021	31 December 2020
Legal reserve (i)	43,248,876	43,248,876
Reserves from previous years' profits	609,611,626	609,611,626
Other reserves (ii)	3,912,094	3,912,094
Total	656,772,596	656,772,596

(i) The statutory legal reserves represent the accumulated transfers from the retained earnings made according to the local legislation. These reserves cannot be used to remunerate the shareholders with dividends. The local legislation provides that at least 5% of the Company's profit must be transferred to legal reserves until this reserve reaches up to 20% of the share capital of the Company.

(ii) Tax facilities generated by favourable exchange rate differences.

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29. TRANSACTIONS WITH RELATED PARTIES

Entities or persons are generally deemed as related parties if the parties are under common control, or one party has the ability to control the other party or can exercise a significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

The transactions with related parties, recorded as at 31 March 2020, compared to 31 March 2021, are as follows:

Expenses with subsidiaries	Transaction type	31 March 2021	31 March 2020
International Trade Center& Logistic	Renting services	5,712	5,712
Aro Palace S.A.	Hotel services	2,026	14,258
Cristiana	Rent, utilities	23,798	40,596
Total		31,536	54,086

Expenses with subsidiaries are included in the "Other operating expenses" line in the statement of profit or loss and other comprehensive income.

During Q1 2021, the Company did not conclude any transaction with the Supervisory Board members, the Executive Board members or its employees.

As at 31 March 2021 and 31 March 2020, the Company did not record dividend income from its subsidiaries.

Dividend income from associates is presented as follows:

Dividend income from associates	31 March 2021	31 March 2020
Soft Aplicativ si Servicii SA	-	28,326
Total	-	28,326

Dividend income from related parties is included in "Dividend Income", in the Statement of Profit or Loss and Other Comprehensive Income on line.

Key management

The fixed paid or payable remuneration is as follows:

	31 March 2021	31 March 2020
Supervisory Board	478,932	882,012
Executive Board	733,296	857,016
Total	1,212,228	1,739,028

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30. PRESENTATION OF THE FINANCIAL INSTRUMENTS BY MEASUREMENT CATEGORIES

For the purposes of measurement, IFRS 9 “Financial Instruments” classifies financial assets into the following categories: (a) financial assets measured at amortised cost; (b) financial assets measured at fair value through other comprehensive income; (c) financial assets at fair value through profit or loss and (d) financial liabilities at amortised cost. The following table provides a reconciliation of financial assets and liabilities with these measurement categories as at 31 March 2021:

	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Financial liabilities measured at amortised cost	Total
Cash and cash equivalents	79,336,788	-	-	-	79,336,788
Financial assets measured at fair value through other comprehensive income	-	640,013,904	-	-	640,013,904
Financial assets at fair value through profit or loss	-	-	644,839,866	-	644,839,865
Bonds measured at fair value through profit or loss	-	-	-	-	-
Financial assets at amortised cost	1,464,380	-	-	-	1,464,380
Total financial assets	80,801,168	640,013,904	644,839,866	-	1,365,654,937
Financial liabilities (at amortised cost)	-	-	-	42,870,445	42,870,445
Loans from banks	-	-	-	39,967,480	39,967,480
Total financial liabilities	-	-	-	82,837,925	82,837,925

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30. PRESENTATION OF THE FINANCIAL INSTRUMENTS BY MEASUREMENT CATEGORIES (continued)

The following table provides a reconciliation of financial assets and liabilities with these measurement categories as at 31 December 2020:

	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Financial liabilities measured at amortised cost	Total
Cash and cash equivalents	70,509,230	-	-	-	70,509,230
Financial assets measured at fair value through other comprehensive income	-	569,320,156	-	-	569,320,156
Financial assets at fair value through profit or loss	-	-	643,472,124	-	643,472,124
Bonds measured at fair value through profit or loss	-	-	-	-	-
Financial assets at amortised cost	565,462	-	-	-	565,462
Total financial assets	71,074,692	569,320,156	643,472,124	-	1,283,866,972
Financial liabilities (at amortised cost)	-	-	-	44,013,728	44,013,728
Loans from banks	-	-	-	39,951,153	39,951,153
Total financial liabilities	-	-	-	83,964,881	83,964,881

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31. FINANCIAL ASSETS AND LIABILITIES FAIR VALUES

31.1 Hierarchy analysis of the fair value of financial instruments measured at fair value

According to IFRS 13, according to the input used in the valuation model, the fair value levels are defined as follows:

- Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 inputs: unobservable inputs for the asset or liability.

To estimate the fair value that uses Level 1 inputs, the Company relates to the closing /reference prices on the domestic and/or foreign regulated trading systems.

According to International Financial Reporting Standards, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The materiality level of the inputs in the estimation of fair value as a whole is established by using professional judgment, taking into account specific factors, due to the complexity of a valuation of such investments and to the fact that changes in fair value are reflected in the financial statements.

The fair value of the financial instruments held by S.I.F. Transilvania is estimated according to the valuation policy, procedure and methodology for valuing assets for financial reporting purposes.

During Q1 2021, through the Current Report no. 1649/26.02.2021, sent to the Bucharest Stock Exchange and the Financial Supervisory Authority, S.I.F. Transilvania informed the shareholders that the Company revised the valuation policy and procedures, approved and implemented at the Company level and that no changes occurred by reference to the previously approved version.

The Company has included the following financial instruments in the category of financial instruments whose estimated fair value uses Level 3 inputs in the fair value hierarchy:

- (i) Financial assets at fair value through other comprehensive income, consisting of shares (participations in the share capital of issuers of less than 20% classified in this category);
- (ii) Financial assets at fair value through profit and loss, consisting of:
 1. shares (participations in the share capital of issuers of more than 20% and less than 20% classified in this category);
 2. bonds, and
 3. fund units.

The methodology for estimating the fair value takes into account the structure of the portfolio of financial instruments managed by S.I.F. Transilvania, as well as the specifics of the investments held. The data and information used in the process of estimating the fair value will be based on reliable and relevant sources or database, information that is relevant at the reference date. The data and information will be obtained from independent sources, if possible and appropriate. The models used in the process of estimating the fair value depend on the quality, quantity and reliability of available data and information as well as on the professional judgment.

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31. FINANCIAL ASSETS AND LIABILITIES FAIR VALUES (CONTINUED)

31.1. Hierarchy analysis of the fair value of financial instruments measured at fair value (continued)

For *shares* whose estimated fair value uses Level 3 inputs, the following approaches have been considered:

- Market approach - comparison with similar companies' equity transactions;
- The income approach - discounted cash flow method, discounted dividends method and dividend capitalisation method;
- Asset approach - adjusted net asset method.

The process of estimating the fair values relates to an economic environment characterized by volatility and a high degree of unpredictability determined by the effects of the COVID-19 pandemic. Another relevant element in this respect is the periodicity and the degree of complexity of the financial reports published by issuers from the managed portfolio. The general context characterized by unpredictability may continue in the next period. Consequently, the impact and evolution of the COVID-19 pandemic will be a significant assumption to be considered in the future valuation reports.

During the first quarter of 2021, for the equity investments held by S.I.F. Transilvania, classified in the category of securities for which Level 3 inputs are used, corrections of fair value have been taken into consideration in specific situations determined by the occurrence of some corporate events (e.g. changes in the share capital) that generate effects requiring adjustments of the value estimated prior to the occurrence of the event and correlations with the accounting and management records of S.I.F. Transilvania.

At 31 March 2021, the fair value of the portfolio of shares for which Level 1 input data were used represents approximately 66% of the total value of the portfolio of financial assets held by the Company.

The *bonds* whose estimated fair value uses Level 3 inputs maintained during Q1 2021 in the "default" stage determined by the exceeding of the terms provided in the issue prospectuses for the payment of the principal and the coupons. Consequently, they are recorded at nil value.

For the *fund units* whose estimated fair value uses Level 3 inputs, the asset approach, respectively the unitary value of the net asset, as published or communicated by the fund administrator, was considered.

At the level of the entire portfolio of financial instruments held by S.I.F. Transilvania, the value of financial assets recognized at fair value through profit and loss at 31 March 2021 amounts to RON 644.8 million, of which 36.4% represents the value of participations classified at level 1 in the fair value hierarchy.

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31. FINANCIAL ASSETS AND LIABILITIES FAIR VALUES (CONTINUED)

31.1. Hierarchy analysis of the fair value of financial instruments measured at fair value (continued)

As at 31 March 2021, the Company had assets measured at fair value classified on Level 1 and Level 3 in the fair value hierarchy, as follows:

FINANCIAL ASSETS	Level 1	Level 3	Total
Financial assets at fair value through other comprehensive income, out of which:	613,304,267	26,709,637	640,013,904
<i>Shares</i>	<i>613,304,267</i>	<i>26,709,637</i>	<i>640,013,904</i>
Financial assets at fair value through profit or loss, out of which:	234,732,081	410,107,784	644,839,865
<i>Shares</i>	234,732,081	373,068,588	607,800,669
<i>Fund units</i>	-	37,039,196	37,039,196
<i>Corporate bonds</i>	-	-	-
Total financial assets	848,036,348	436,817,421	1,284,853,769
NON-FINANCIAL ASSETS			
Property, plant and equipment	0	14,623,482	14,623,482
Total assets measured at fair value	848,036,348	451,440,903	1,299,477,251

As at 31 March 2020, the Company had assets measured at fair value classified on Level 1 and Level 3 in the fair value hierarchy, as follows:

FINANCIAL ASSETS	Level 1	Level 3	Total
Financial assets at fair value through other comprehensive income, out of which:	458,769,852	23,001,756	481,771,608
<i>Shares</i>	<i>458,769,852</i>	<i>23,001,756</i>	<i>481,771,608</i>
Financial assets at fair value through profit or loss, out of which:	237,855,509	316,138,770	553,994,279
<i>Shares</i>	236,653,919	287,190,879	523,844,798
<i>Fund units</i>	0	2,049,773	2,049,773
<i>Corporate bonds</i>	1,201,590	26,898,118	28,099,708
Total financial assets	696,625,361	339,140,526	1,035,765,887
NON-FINANCIAL ASSETS			
Property, plant and equipment	0	15,213,979	15,213,979
Total assets measured at fair value	696,625,361	354,354,505	1,050,979,866

During Q1 2021, no transfers between the two levels took place.

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31. FINANCIAL ASSETS AND LIABILITIES FAIR VALUES (CONTINUED)

31.1. Hierarchy analysis of the fair value of financial instruments measured at fair value (continued)

The Company has estimated the fair value of the investments in companies in bankruptcy, insolvency or reorganisation procedures as zero in accordance with FSA Regulation 9/2014 and Company's internal procedures.

During Q1 2021, the movements of Level 3 assets were as follows:

	Shares	Bonds	Fund units	Total
Balance at 1 January 2021	399,763,381	-	29,775,513	429,538,894
Acquisitions performed during the year	-	-	5,000,001	5,000,001
Sales during the year	(35,644)	-	-	(35,644)
Bonds upon maturity	-	-	-	-
Transfers to/from level 3	-	-	-	-
Gain / (loss) recognised in:				
Net gain / (loss) from financial assets at fair value through other comprehensive income	13,392	-	-	13,392
Net gain / (loss) from financial assets at fair value through profit or loss	37,096	-	2,263,682	2,300,778
- - realized gain	-	-	-	-
- - unrealized gain	37,096	-	2,263,682	2,300,778
Balance at 31 March 2021	399,778,225	-	37,039,196	436,817,421

During Q1 2020, the movements of Level 3 assets were as follows:

	Shares	Bonds	Fund units	Total
Balance at 1 January 2020	350,166,808	2,090,066	33,594,072	385,850,946
Acquisitions performed during the year	-	-	6,648	6,648
Sales during the year	(814,458)	-	-	(814,458)
Bonds upon maturity	-	-	-	-
Transfers in/from Level 3	-	-	-	-
Gain / (loss) recognised in:				
Net gain / (loss) from financial assets at fair value through other comprehensive income	(6,373,605)	-	-	(6,373,605)
Net gain / (loss) from financial assets at fair value through profit or loss	(32,786,110)	(40,293)	(6,702,602)	(39,529,005)
- - realized gain	690,096	-	-	690,096
- - unrealized gain	(33,476,206)	(40,293)	(6,702,602)	(40,219,101)
Balance at 31 March 2020	310,192,635	2,049,773	26,898,118	339,140,526

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31. FINANCIAL ASSETS AND LIABILITIES FAIR VALUES (CONTINUED)

31.2. Financial assets and liabilities not measured at fair value

The following table summarizes the fair values of those financial assets and liabilities that are not recognized at fair value in the statement of financial position of the Company. Purchase prices are used to estimate the fair values of assets and sales prices are applied for liabilities.

Assets and liabilities for which fair value is presented as at 31 March 2021:

	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents (i)	6,567	79,330,221	-	79,336,788
Financial assets at amortised cost	-	-	1,464,380	1,464,380
Total financial assets	6,567	79,330,221	1,464,380	80,801,168
Financial liabilities				
Financial liabilities at amortised cost			42,870,445	42,870,445
Loans from banks	-	-	39,767,480	39,767,480
Total financial liabilities	-	-	82,837,925	82,837,925

Assets and liabilities for which fair value is presented as at 31 March 2020:

	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents (i)	12,012	25,946,288	-	24,968,300
Financial assets at amortised cost	-	-	320,491	320,491
Total financial assets	12,012	24,956,288	321,491	25,288,791
Financial liabilities				
Financial liabilities at amortised cost	-	-	28,250,914	28,250,914
Total financial liabilities	-	-	28,250,914	28,250,914

(i) *Cash and cash equivalents*

Cash and cash equivalents include petty cash and current bank account or bank deposits with original maturity less than 3 months. The fair value of the short-term deposits is equal to their accounting value.

32. FINANCIAL RISK MANAGEMENT

The risk management policy can be found in the Company's organizational structure and it encompasses both general and specific risks, as set forth in Law no. 297/2004, Law no. 74/2015 and NSC Regulation no. 15/2004, as amended and supplemented, and Law no. 243/2019 regulating alternative investment funds and amending and supplementing acts of legislation.

In the process of identifying and evaluating financial risks, as well as the ratios used in risk management, EU Directive 2011/61 regarding the managers of alternative investment funds (DAFIA), EU Regulation no. 231/2013, Directive no. 2013/36 / EU on capital adequacy and EU Regulation no. 575/2013 regarding prudential requirements for credit

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32. FINANCIAL RISK MANAGEMENT (CONTINUED)

institutions and investment companies were considered. In choosing the approach regarding the management of financial and operational risks, the application of the provisions of EU Directive 2011/61 regarding the managers of alternative investment funds, the references in DAFIA to Directive 2013/36 / EU, the requirements regarding the risk management provided in EU Regulation no. 231/2013 in the case of S.I.F. Transilvania were considered.

The most important types of financial risks to which the Company is exposed are credit risk, liquidity risk and market risk. Market risk includes currency risk, interest rate risk and equity price risk. This note provides information regarding the Company's exposure to every risk mentioned above, the objectives and policies of the Company and evaluation and risk management processes.

32.1 Credit risk

Credit risk is the risk of financial loss of the Company if a customer or counterparty of a financial instrument fails to meet its contractual obligations. Issuer risk represents the risk of losing the value of a financial instrument in a portfolio, as a result of the deterioration of its economic-financial situation, which can be determined by the business conditions or the general situation of the economy.

The main concentration to which the Company is exposed arises from the Company's investments in corporate bonds. The Company is also exposed to counterparty credit risk on cash and cash equivalents and other financial assets.

The credit risk related to investment activities is managed in compliance with the market risk management procedures. This risk is controlled both through the manner of selecting the partners, by monitoring their activities and through monitoring the exposure limits.

Given that through its activity, the Company has long-term exposure in relation to its holdings in financial and non-financial entities, the Company's management is permanently reviewing the risk the Company is exposed to by maintaining it at a prudent and manageable level. Thus, the Company's management uses, from case to case, depending on the debtor/entity characteristics, appropriate instruments to reduce the credit risk and, at the same time, permanently monitors the debtor's financial evolution. As of today, the Company has not used derivative financial instruments in order to reduce the credit risk related to exposure to any debtor.

The maximum exposure to credit risk for current accounts and deposits with banks is the following:

	Rating 31 March 2021 Short/ long-term	31 March 2021	Rating 31 December 2020 Short/ long-term	31 December 2020
Cash and cash equivalents:				
BRD	F2/BBB+	20,059,448	F2/BBB+	36,590,695
ING Bank	A-1/A+	6,432,999	A1/A+	7,495,399
Banca Transilvania	B/BB+	42,265,279	B/BB+	11,172,965
Banca Comercială Română	F2/BBB+	5,418,281	F2/BBB+	141,485
OTP Bank	A-2/BBB	5,153,486	A2/BBB	15,104,651
UniCredit Bank	B/BB+	728	B/BB+	902
Total		79,330,221		70,506,097

The above assets are not impaired or overdue, being included in Stage 1.

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32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.1 Credit risk (continued)

Credit risk is also diversified by placing cash with several banks. At the same time, the current accounts and deposits are held at Romanian banks, these institutions having a satisfactory rating. Under these conditions, the current accounts and bank deposits of the Company have a low credit risk because they are held at renowned banking institutions.

	31 March 2021	31 March 2020
Corporate bonds	-	2,049,773
Financial assets at amortised cost	1,464,380	320,491
Total	1,464,380	2,370,264

32.2 Market risk and position risk

Market risk is the present or future risk of recording losses related balance sheet and off-balance sheet items due to adverse movements in market caused by changes in share prices, fluctuation of interest rates, exchange rates or price of goods. The Company's management sets the limits of the risk value that may be accepted, which are monitored on a regular basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Position risk is associated with the portfolio of financial instruments measured at fair value and which uses Level 1 input, held by the Company with intention to benefit from favourable evolution of prices of the financial assets or from potential dividends/coupons granted by entities. The Company is exposed to general position risk as well as specific, due to short term investments made in bonds, quoted shares and fund units.

The Company's Management permanently seeks to minimize the potential adverse effects associated to this financial risk, through an active policy of diversifying the investment portfolio and by using one or more technics of diminishing the risk, depending on the dynamics of the trading venues or on the evolution of the market prices of the financial instruments held by the Company.

In the context of the asset valuation policy and procedure for the purpose of financial reporting established by S.I.F. Transilvania, the Company's management appreciates that the fair values related to these holdings are the result of estimates based on appropriate assumptions and methodologies.

32.3 Concentration risk

Concentration risk relates to all financial assets held by the Company, regardless the holding period and, through diminishing this risk, the Company seeks to avoid large exposure against the same debtor/entity at Company level.

The Company's policy on diversifying exposures is applied to the portfolio structure, the business model as well as to the structure of financial risks exposure.

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.3 Concentration risk (continued)

Thus, this diversifying policy implies: diversifying the portfolio by avoiding excessive exposures against the same debtor/issue or geographical area; diversifying the business plan structure implies avoiding at Company's level excessive exposure against a specific type of business or sector; diversifying the structure of financial risks intends to avoid excessive exposure against a specific type of financial risk.

In order to meet these objectives, the Company has initiated a restructuring process of the portfolio and re-modelling business policies. As at 31 March 2021, the Company's portfolio recorded concentrations on the financial sector, as the main income-generating sector and on the tourism sector, due to the historical holdings of S.I.F. Transilvania.

These sectors are included in portfolio restructuring programmes, consisting in sales on the market and reduction of their weight in total portfolio by increasing the weight of other sectors in the overall portfolio.

32.4 Currency risk

The Company is slightly exposed to exchange rate fluctuations, primarily in the case of shares acquired from foreign markets, foreign currency current accounts, receivables and liabilities in other currencies, as well as receivables and liabilities in RON, but which according to contracts are consolidated in relation to other currencies, usually EURO and/or USD.

The Company did not use and does not use at this time derivative financial instruments to protect itself from exchange rate fluctuations against other currencies.

By computing and monitoring the foreign currency net position and the foreign currency rate volatility, the Company aims to maintain a balance between foreign currency assets and liabilities against total assets and liabilities of the Company.

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32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.4 Currency risk (continued)

The financial assets and liabilities, held in RON and in foreign currencies as at 31 March 2021, can be analysed as follows:

	RON	EUR	GBP	USD	Total
Financial assets					
Cash and cash equivalents	71,963,978	3,560,617	558	3,811,635	79,336,788
Financial assets at fair value through other comprehensive income	640,013,904	-	-	-	640,013,904
Financial assets at fair value through profit or loss	643,584,101	156,281	-	1,099,484	644,839,865
Bonds measured at fair value through profit or loss	-	-	-	-	-
Financial assets at amortised cost	1,453,175	11,205	-	-	1,464,380
Total financial assets	1,357,015,158	3,728,103	558	4,911,119	1,365,654,937
Financial liabilities					
Financial liabilities (at amortised cost)					
Loans from banks	42,870,445	-	-	-	42,870,445
Lease liabilities	39,967,480	-	-	-	39,967,480
	-	687,669	-	-	687,669
Total financial liabilities					
Net foreign currency position	82,837,925	687,669	-	-	83,525,594

The financial assets and liabilities, held in RON and in foreign currencies as at 31 March 2020, can be analysed as follows:

	RON	EUR	GBP	USD	Total
Financial assets					
Cash and cash equivalents	19,768,168	272,382	523	4,927,227	24,968,300
Financial assets at fair value through other comprehensive income	481,771,608	-	-	-	481,771,608
Financial assets at fair value through profit or loss	544,542,126	6,605,628	-	796,752	551,944,506
Bonds measured at fair value through profit or loss	-	2,049,773	-	-	2,049,773
Financial assets at amortised cost	304,079	16,412	-	-	320,491
Total financial assets	1,046,385,981	8,944,195	523	5,723,979	1,061,054,678
Financial liabilities					
Financial liabilities (at amortised cost)	28,250,914	-	-	-	28,250,914
Total financial liabilities	28,250,914	-	-	-	28,250,914
Net foreign currency position	1,018,135,067	8,944,195	523	5,723,979	1,032,803,764

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32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.5 Interest rate risk

Interest rate risk is the current or future risk that profits and equity are negatively affected by adverse changes in interest rates. The Company's operational cash flows are affected by interest rates fluctuations, especially in case of cash placed in bank deposits and corporate bonds. In October 2020, the Company contracted a short-term loan for the payment of dividends due to its shareholders (value as at 31 March 2021: RON 39,967,480).

Based on interest rate management strategy, the Company aims to optimize the gap between the assets and liabilities that are sensitive to interest rate fluctuation, overall and on time horizon, so as the impact of interest rate fluctuation on the net interest income is minimum, thus ensuring the risk impact is maintained within limits. The Company did not use nor is using at this date derivative financial instruments to protect against interest rate fluctuation.

The Company adopted risk management policies, as well as a risk management procedure, with a main focus on the prudential portfolio diversification, in the context of both the capital market regulator's requirements and the current dynamics of financial markets.

The following table shows the annual interest rates obtained or offered by the Company for its interest-bearing assets and liabilities during Q1 2021:

Financial assets	RON		EUR	
	Interval		Interval	
	Min	Max	Min	Max
Cash and cash equivalents	0.50	1.45	-	-
Bonds measured at fair value through profit or loss	-	-	-	-

The following table shows the annual interest rates obtained or offered by the Company for its interest-bearing assets and liabilities during Q1 2020:

Financial assets	RON		EUR	
	Interval		Interval	
	Min	Max	Min	Max
Cash and cash equivalents	1.00	2.40	-	-
Financial assets at fair value through profit or loss	-	-	-	-
Bonds measured at fair value through profit or loss	-	-	5.91	5.93

The following table summarizes the Company's exposure to interest rate risk. The table presents the Company's assets and liabilities at carrying amount, classified according to the most recent date between the date of the change in interest rate and the maturity date.

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32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.5 Interest rate risk (continued)

31 March 2021	< 1 month	1 month - 3 months	3 months - 1 year	1 year – 5 years	No interest	Total
Financial assets						
Cash and cash equivalents	79,330,221	-	-	-	6,567	79,336,788
Financial assets at fair value through other comprehensive income	-	-	-	-	640,013,904	640,013,904
Financial assets at fair value through profit or loss	-	-	-	-	644,839,865	644,839,865
Bonds at fair value through profit or loss	-	-	-	-	-	-
Financial assets at amortised cost	-	-	-	-	1,464,380	1,464,380
Total financial assets	79,330,221	-	-	-	1,286,324,716	1,365,654,937
Financial liabilities						
Financial liabilities (at amortised cost)	-	-	-	-	42,870,445	42,870,445
Loans from banks	-	-	39,967,480	-	-	39,967,480
Lease liabilities	13,280	26,559	87,089	560,741	-	687,669
Total financial liabilities	-	-	40,055,569	-	42,870,445	83,525,594
Net position	79,316,941	(26,559)	(40,055,569)	(560,741)	1,243,454,271	1,282,129,343

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32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.5 Interest rate risk (continued)

The following table summarizes the Company's exposure to interest rate risk. The table presents the Company's assets and liabilities at carrying amount, classified according to the most recent date between the date of the change in interest rate and the maturity date.

31 March 2020	< 1 month	1 month - 3 months	3 months - 1 year	1 year – 5 years	No interest	Total
Financial assets						
Cash and cash equivalents	24,956,288	-	-	-	12,012	24,968,300
Financial assets at fair value through other comprehensive income	-	-	-	-	481,771,608	481,771,608
Financial assets at fair value through profit or loss	-	-	-	-	551,944,506	551,944,506
Bonds at fair value through profit or loss	-	2,049,773	-	-	-	2,049,773
Financial assets at amortised cost	-	-	-	-	320,491	320,491
Total financial assets	24,956,288	2,049,773	-	-	1,034,048,617	1,061,054,678
Financial liabilities						
Financial liabilities (at amortised cost)	-	-	-	-	28,250,914	28,250,914
Total financial liabilities	-	-	-	-	28,250,914	28,250,914
Net position	24,956,288	2,049,773	-	-	1,005,797,703	1,032,803,764

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32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.6 Liquidity risk

Liquidity risk is the current or future risk that profits and equity are negatively affected by the Company's inability to meet its obligations at maturity.

Given that S.I.F. Transilvania is a closed-end investment fund, the related liquidity risk is lower than in the case of an open-end investment fund, due to the fact that shareholders do not have the option to buy back their holdings individually; liquidity requirements are relatively low, reducing the impact of the potentially low liquidity of the portfolio and / or the occurrence of a very high liquidity requirement.

The main focus was placed on Company's ability to invest in liquid assets in a reasonable time frame, enabling the Company to face easier challenges on the financial markets such as high volatility, discrepancies between markets, reduced level of transactions on Bucharest Stock Exchange, inability of liquidity suppliers / market makers to perform their roles, etc.

The Company's strategy on liquidity risk management is focused on portfolio restructuring, so that the most important weight in portfolio, both in terms of quantity and value, is represented by assets with high liquidity.

S.I.F. Transilvania's shares portfolio includes:

- shares in listed companies on a regulated market, which are constantly analysed from the perspective of liquidity risk. As at 31.03.2021, the weight of the high liquidity assets in total assets, namely those participations that meet the criteria established at the level of the Company to be considered liquid, was 47.30% (as at 31.03.2020: 50,45%)
- other shares (unlisted and listed on an alternative trading system) that do not meet the criteria specific to assets considered liquid
- the Company includes among the illiquid assets also the majority ownerships in companies listed on a regulated market.

Both in the context generated by the triggering of the COVID-19 pandemic, and in normal market conditions, the Company monitors the liquidity conditions specific to the managed portfolio, where its holding is below the 20% threshold, according to specific regulations regarding the risk management.

At 31 March 2021, the level of available liquidity (immediate and buffer) is sufficient to cover the payment obligations related to the repayment of the contracted loan.

The table below presents the financial liabilities as at 31 March 2021, according to their remaining contractual maturities. The amounts included in the table are undiscounted future cash flows. Undiscounted future cash flows are different to the amounts from the statement of financial position because the amount from the later represents discounted cash flows.

The table below presents an analysis of non-derivative financial assets at undiscounted value and according to their contractual maturities. These financial assets are included in the maturity analysis according to their future expected sale day.

When the amount to be paid is not fix, the presented amount is determined based on the existing conditions at the end of the reporting period. The payments in foreign currency are translated using the exchange rate at the end of the reporting period.

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32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.6 Liquidity risk (continued)

31 March 2021	< 1 month	1 month - 3 months	3 months – 1 year	1 year – 5 years	No fixed maturity	Total
Financial assets						
Cash and cash equivalents	79,336,788	-	-	-	-	79,336,788
Financial assets at fair value through other comprehensive income	-	-	-	-	640,013,904	640,013,904
Financial assets at fair value through profit or loss	-	-	-	-	644,839,865	644,839,865
Bonds at fair value through profit or loss	-	-	-	-	-	-
Financial assets (at amortised cost)	-	-	1,464,380	-	-	1,464,380
Total financial assets	79,336,788	-	1,464,380	-	1,284,853,769	1,365,654,937
Financial liabilities						
Financial liabilities (at amortised cost)	1,154,854	41,715,591	-	-	-	42,870,445
Loans from banks	-	-	39,967,480	-	-	39,967,480
Lease liabilities	13,280	26,559	87,089	560,741	-	687,669
Total financial liabilities	1,168,134	41,742,150	40,056,569	560,741	-	83,525,594
Net liquidity impact	78,168,654	(41,742,150)	(38,590,189)	(560,741)	1,284,853,769	1,282,129,343

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
AS AT 31 MARCH 2021
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32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.6 Liquidity risk (continued)

31 March 2020	< 1 month	1 month - 3 months	3 months – 1 year	1 year – 5 years	No fixed maturity	Total
Financial assets						
Cash and cash equivalents	24.968.300	-	-	-	-	57.716.709
Financial assets at fair value through other comprehensive income	-	-	-	-	640.339.351	640.339.351
Financial assets at fair value through profit or loss	-	-	-	-	622.780.726	622.780.726
Bonds at fair value through profit or loss	-	2.049.773	-	-	-	2.090.066
Financial assets (at amortised cost)	-	-	320.491	-	-	364.961
Total financial assets	24.968.300	2.049.773	320.491	-	1.263.120.077	1.323.291.813
Financial liabilities						
Financial liabilities (at amortised cost)	141.745	28.109.169	-	-	-	28.853.107
Total financial liabilities	141.745	28.109.169	-	-	-	28.853.107
Net liquidity impact	24.826.555	(26.059.395)	320.491	-	1.263.120.077	1.294.438.706

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.7 Business environment

The Company's investment activity has been adapted to the domestic and international context, characterized by an excessive volatility and a high degree of unpredictability. By reference to the sectors of interest for the portfolio managed by the Company, the implications of COVID-19 pandemic on the tourism sector stand out as important.

The Company's management cannot reliably estimate the impact on the financial statements of some relevant factors such as the future declines in the financial market liquidity and in the financial assets market prices induced by the increased volatility of the capital and foreign exchange markets. However, the S.I.F. Transilvania's management does not estimate difficulties in fulfilling its commitments to shareholders and obligations to third parties, the current and estimated cash flows for the future being sufficient to cover the Company's debts to third parties, respectively the commitments resulting from the implementation of the shareholders' remuneration policy.

32.8 Operational risk

Operational risk is defined as the risk of loss caused either by the use of inadequate or inaccurate processes, systems and human resources that have not performed their function properly, or by external events and actions and includes also the legal risk. S.I.F. Transilvania implemented a risk management system which relies on three lines of defence:

- the first line is provided by the Company's departments, which have the first responsibility and importance for the effective management and control of the risks in the daily activities performed;
- the second line is represented by the Risk Management Office, which identifies, analyses and monitors the risks at the level of the entire company. The second line of defence also include the compliance function which ensures the compliance of the Company's activity with the legal regulations in force and verifies the accomplishment of the controls from the first line and the third line of defence;
- the third line of defence is represented by the Internal Audit, which periodically examines the fulfilment of the risk management function and controls the activities and all the systems that generated the respective operational risks.

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32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.8 Operational risk (continued)

In the context of the epidemiological situation in Romania determined by the spread of COVID-19 and subsequently the signing of the decree on establishing the state of emergency and subsequently state of alert on the Romanian territory, the Company implemented relevant measures recommended by the authorities to reduce the risk of employees infection with the new virus: disinfection of the premises, providing employees with appropriate hygienic materials, as well as hand sanitization solutions, protective masks. Measures to manage a possible infection of one or more employees or the hospitalisation / quarantine / isolation of one or more employees consist of providing substitutes according to the job description, ensuring the possibility of working remotely, implementing hardware and software solutions that allow IT administration remotely, purchase of mobile IT equipment.

The operational risks at the level of the organizational structures are assessed quarterly, in order to monitor, manage and maintain a high level of awareness. During Q1 2021, there were no events of actual occurrence of operational risk at the level of the functional departments of the Company or situations that would prevent the Company from continuing its activity.

32.9 Capital adequacy

As regards the financial risks to which it is exposed, S.I.F. Transilvania applied in Q1 2021 also a capital-based approach, according to EU Regulation no. 575/2013 on prudential requirements for credit institutions and investment firms. The impact of financial risks takes into account the size of the financial resources that are affected by the respective financial risks (resulting from dividing the level of the capital adequacy ratio by the minimum level required by law, i.e. 8%). S.I.F. Transilvania seeks that the solvency ratio, determined as a ratio between capital requirements afferent to financial risks and own funds (financial resources) is at least three times the required minimum level (resulting in a minimum capital adequacy rate of 24%). At 31 March 2021, S.I.F. Transilvania recorded a high level of capital adequacy ratio of 46.35%.

S.I.F. Transilvania's own funds as at 31 March 2021, calculated in accordance with the methodology laid down in EU Regulation no. 575/2013, amount to RON 652,664,469. The Company's own funds are Level 1 own funds, namely share capital, reserves, retained earnings, other comprehensive income, less the deductions provided for by the same regulation.

33. CAPITAL MANAGEMENT

The Company's objectives related to capital management are to maintain the Company's ability to continue as a going concern in order to generate added value for shareholders and benefits for other users of information regarding the Company's activity and to maintain an optimal capital structure so as to reduce the cost of capital to the optimal level. In order to maintain or adjust the capital structure, the Company may opt to adjust the amount of dividends to be paid to shareholders, to change the added value created for shareholders, to issue new shares or to sell assets in order to reduce debt. The equity managed by the Company as at 31 March 2021 amounted to RON 1,243,917.209 (31 March 2020: RON 1,170,221,247).

Consistent with others in the industry, the Company monitors capital on the basis of net asset value per share. This value is calculated as a ratio between total net assets and the number of shares issued by the Company.

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA
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34. COMMITMENTS AND CONTINGENCIES

34.1. Legal actions

From the end of 2020, the Company continued to be involved in a number of legal actions specific to the activity performed. The Company's management believes that these litigations will not have a material adverse effect on the economic and financial position of the Company, as they are reflected in these financial statements. At 31 March 2021, the Company established a provision for the litigation with a former employee (RON 86,955).

In 2020, the number of disputes in which the Company and its management structures were involved was significantly higher compared to the previous year. They were represented by legal actions filed by some of the Supervisory Board members (Szabo Ștefan, Carapiti Dumitru, Luțac Gheorghe) and former members of the Executive Board (Fercală Mihai, Stan Iulian, Szitas Ștefan) against a series of resolutions adopted by the Supervisory Board. Other existing disputes have as object the defence of the Company's corporate rights and also disputes in which other rights of the Company are defended.

34.2 Contingent liabilities

At 31 March 2021 and 31 March 2020, the Company did not record contingent liabilities.

34.3 Transfer pricing

The Romanian tax legislation has been providing rules on transfer pricing between affiliates ever since 2000. The current legislative framework defines the "market value" principle in relation to transactions between affiliates, as well as the methods of determining transfer prices. Thus, it is probable that the tax authorities should conduct verifications of the transfer pricing to verify that the tax result and/or customs value of imported goods is not distorted by the effect of the prices practiced in the relations with affiliates. The Company cannot measure the result of such verifications.

35. SUBSEQUENT EVENTS

In accordance with the Resolution of the General Meeting of Shareholders of 28 April 2021, the Company allocated the net profit achieved in the financial year 2020 as follows:

Nr. crt.	Destination	Amount (RON)
1.	Other reserves – own financing sources from profit	34,541,912
	TOTAL profit - achieved and allocated	34,541,912

The Company registered no other subsequent events requiring adjustments or presentation in the financial statements.

This version of the Financial Statements as at 31.03.2021 is a translation from the original, which was prepared in Romanian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.



SOCIETATEA DE INVESTITII FINANCIARE TRANSILVANIA S.A.

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Societate administrată în sistem dualist



According to the F.S.A. Regulation no. 9/2014

Certified by BRD - Groupe Société Générale S.A. Bucharest

STATEMENT OF ASSETS AND LIABILITIES OF S.I.F. TRANSILVANIA			
as of March 31, 2021			
		RON	% of total assets
1	NON-CURRENT ASSETS, of which:	168,323,622	12.18
1.1	Intangible Assets	97,920	0.01
1.2	Tangible Assets	15,376,296	1.11
1.3	Financial Non-Current Assets, of which:	152,849,406	11.06
1.3.1	Listed Shares	49,352,548	3.57
1.3.2	Unlisted Shares	68,346,124	4.95
1.3.3	Government Securities	0	0.00
1.3.4	Certificates of Deposit	0	0.00
1.3.5	Bank Deposits (Guarantees)	0	0.00
1.3.6	Municipal Bonds	0	0.00
1.3.7	Corporate Bonds (including Accrued Interest)	0	0.00
1.3.8	Newly Issued Securities	0	0.00
1.3.9	UCITS and/or non-UCITS Equity Securities	35,118,447	2.54
1.3.10	Other Non-Current Financial Assets - Total, of which:	32,287	0.00
1.3.10.1	Shares and Bonds from subscription to public offerings, share capital increases and bond issues (subscribed amount)	0	0.00
1.3.10.2	Shares from dividend capitalization (valued amount)	0	0.00
1.3.10.3	Shares Receivable (valued amount)	0	0.00
1.3.10.4	Other Non-Current Financial Assets	32,287	0.00

2	CURRENT ASSETS, of which:	1,213,188,997	87.79
2.1	Inventory	2,806	0.00
2.2	Receivables- Total, of which:	1,812,752	0.13
2.2.1.	Bills of Exchange Receivable	0	0.00
2.2.2.	Dividends or Other Receivable Rights	0	0.00
2.2.3.	Amounts Receivable from the sale of shares with settlement date in the next month	817,690	0.06
2.2.4.	Other Receivables	995,062	0.07
2.3	Cash and Cash Equivalents	9,756,743	0.71
2.4	Short-term Financial Investments, of which:	1,123,100,444	81.27
2.4.1	Listed Shares	1,060,622,264	76.75
2.4.2	Unlisted Shares	0	0.00
2.4.3	Municipal Bonds	0	0.00
2.4.4	Corporate Bonds	0	0.00
2.4.5	UCITS and/or non-UCITS Equity Securities	62,478,180	4.52
2.4.6	Preference Rights	0	0.00
2.5	Newly Issued Securities	0	0.00
2.6	Government Securities	0	0.00
2.7	Bank Deposits	69,580,720	5.04
2.8	Certificates of Deposit	0	0.00
2.9	Other Current Assets	8,935,532	0.65
3	Derivatives	0	0.00
4	Prepaid Expenses	388,103	0.03
5	TOTAL ASSETS	1,381,900,722	100.00
6	TOTAL LIABILITIES, of which:	137,896,559	
6.1	Debenture Loans	0	
6.2	Amounts Owed to Credit and Leasing Institutions	40,005,390	
6.3	Advance Payments from Customers	20	

6.4	Trade Liabilities	815,955	
6.5	Bills of Exchange Payable	0	
6.6	Amounts Owed to Group Companies	524	
6.7	Amounts Owed related to Participation Interests	0	
6.8	Other Liabilities-Total, of which:	97,074,670	
6.8.1	Dividends Payable	41,715,591	
6.8.2	Amounts Subscribed and not paid-in to share capital increases and bond issues	0	
6.8.3	Amounts Payable for Acquisition of Shares with settlement date in the next month	0	
6.8.4	Other Liabilities	55,359,079	
7	PROVISIONS FOR EXPENSES AND TAXES	86,955	
8	DEFERRED INCOME, of which:	0	
8.1	Investment Subsidies	0	
8.2	Deferred income	0	
9	SHAREHOLDERS' EQUITY, of which:	1,243,917,208	
9.1	Subscribed and Paid-in Share Capital	216,244,380	
9.2	Changes in the Fair Value of non-monetary financial assets measured at fair value through other comprehensive income	261,026,314	
9.3	Premium related to Capital	0	
9.4	Revaluation Differences	11,951,825	
9.5	Reserves	656,772,596	
9.6	Retained Earnings	77,515,528	
9.6.1	Retained Earnings (including from the application of IFRS 9)	42,536,759	
9.6.2	Retained Earnings- Profit Carried Forward	34,978,769	
9.7	Profit (loss) for the Period	20,406,565	
9.8	Profit Appropriation (to be deducted)	0	
9.9	Own shares	0	
10	Total Liabilities and Shareholders' Equity	1,381,900,722	

11	NET ASSET VALUE	1,244,004,163	
12	NUMBER OF ISSUED SHARES	2,162,443,797	
13	NET ASSET VALUE PER SHARE (RON/share)	0.5753	
14	Number of Companies in Portfolio- total, of which:	93	
14.1	Companies Admitted to trading on a Regulated Market	25	
14.2	Companies Admitted to trading on an Alternative Trading System	28	
14.3	Companies not Admitted to Trading	40	
15	Number of Companies for which Financial Statements have not been available*	0	
16	Number of Investment Funds in which the Company holds Fund Units- total, of which:	5	
16.1	Number of Open-End Investment Funds in which the Company holds Fund Units	1	
16.2	Number of Closed-End Investment Funds in which the Company holds Fund Units	4	

* These companies are included in NAV at zero (0) value.

Note: The methodology for the calculation of the net asset value is available on the Company's website: www.siftransilvania.ro – “Rules and methods regarding the valuation of S.I.F. Transilvania’s financial assets”.

Executive Vice President/Deputy CEO

Radu-Claudiu Roşca

**Member of the Executive Board/
Director**

Tony-Cristian Răduţă-Gib

**Certified by the Depository
Company**

**BRD-Groupe Société
Générale S.A. Bucharest
SECURITIES DIVISION
Director Claudia IONESCU**

Head of Financial Department

Diana VEREŞ

**Head of Portfolio Management
Department**

Sorin Ion Rădulescu

This is a translation of the "Statement of assets and liabilities of SIF Transilvania as at 31.03.2021" which was prepared in Romanian. In case of discrepancies between the Romanian version and English version, the Romanian version shall prevail.

SIF Transilvania portfolio assets valued based on valuation methods in accordance with the International Valuation Standards, as at 31.03.2021

Pos.	Unique Registration Code	Company name	Symbol	Number of shares held	Value		Valuation Report Number and date	Valuation Report	Remarks	Weight in issuer's share capital (%)	Weight in SIF's total assets (%)
					RON / share	total					
Listed on AeRO (SMT/SOT)											
1	1102041	ARO-PALACE SA	ARO	345,704,600	0.0923	31,908,534.58	1616 / 25.02.2021	YES*		85.74	2.31
2	1153932	CONCAS SA	CONK	336,756	41.5146	13,980,290.64	1622 / 25.02.2021	YES*		47.21	1.01
3	1113237	MECON SA	MECP	58,966	15.9299	939,322.48	8079 / 30.12.2020	YES**		12.28	0.07
4	790619	SEMBRAZ SA	SEBZ	719,900	1.1103	799,304.97	8082 / 30.12.2020	YES**		90.97	0.06
Not listed (Not admitted to trading)											
5	361560	BANCA DE EXPORT IMPORT A ROMANIEI SA EXIMBANK		414,740	5.3553	2,221,057.12	8071 / 30.12.2020	YES**		0.31	0.16
6	1559737	CONTINENTAL HOTELS SA BUCURESTI		2,729,171	5.0393	13,753,111.43	1623 / 25.02.2021	YES*		9.30	1.00
7	7800027	CRISTIANA SA		153,410	129.0817	19,802,423.59	1624 / 25.02.2021	YES*		99.80	1.43
8	9638020	DEPOZITARUL CENTRAL SA BUCURESTI		10,128,748	0.0647	655,329.99	8072 / 30.12.2020	YES**		4.00	0.05
9	1170151	FERMIT SA		151,468	10.2193	1,547,896.93	8073 / 30.12.2020	YES**		16.37	0.11
10	3682077	FONDUL ROMAN DE GARANTARE A CREDITELOR PT.INTREPRI		3,697,948	0.6514	2,408,843.33	8074 / 30.12.2020	YES**		23.02	0.17
11	18846755	GRUP BIANCA TRANS SA		8,414,200	0.3288	2,766,588.96	8075 / 30.12.2020	YES**		77.47	0.20
12	8012400	INTERNATIONAL TRADE&LOGISTIC CENTER SA		81,708,428	0.0508	4,150,788.15	8077 / 30.12.2020	YES**		87.30	0.30
13	1154806	LEGUME FRUCTE BUZAU S.A.		207,822	11.1732	2,322,036.77	8078 / 30.12.2020	YES**		25.23	0.17
14	32947925	S.I.F. TRANSILVANIA PROJECT MANAGEMENT COMPANY SA		44,999	6.7482	303,662.25	8080 / 30.12.2020	YES**		100.00	0.02

15	26261034	TURISM LOTUS FELIX SA		484,853,142	0.0300	14,545,59426	1635 / 25.02.2021	YES*		38.27	1.05
TOTAL						112,104,785.45					8.11

**Executive Vice-President
Deputy CEO**

Radu Claudiu ROSCA

**Member of the Executive
Board/Director**

Tony-Cristian RADUTA-GIB

**Portfolio Management
Department**

Head of Department: Sorin
RADULESCU

**Certified by BRD-Groupe Societe
Generale
Securities Division**

Director: Claudia IONESCU

Caption

YES* = PricewaterhouseCoopers Management Consultants S.R.L. Bucuresti

YES** = SIF TRANSILVANIA

Remark = Valuation report + correction according to corporate event

Note : This statement is prepared only for companies whose price/share used for the calculation of the Net Asset Value was determined based on a Valuation Report



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Societate administrată în sistem dualist



According to Annex no. 17
to the N.S.C. Regulation 15/2004

RAPORT AS AT 31 MARCH 2021

Statement of Assets

RON 1,300,277,705 Total Assets (Annex 16) = RON 1,381,900,722

RON 1,170,308,202 Net Assets (Annex 16) = RON 1,244,004,163

Item		Beginning of the reporting period				End of the reporting period				Differences
		% of net assets	% of total assets	Currency - (equivalent in RON)	RON	% of net assets	% of total assets	Currency - (equivalent in RON)	RON	RON
1	2	3	4	5	6	7	8	9	10	11
I.	Total assets	111.11	100.00	8,325,444	1,291,952,261	111.08	100.00	8,639,775	1,373,260,948	81,623,019
1.	Securities and money market instruments, of which:	90.08	81.08	837,322	1,053,418,317	89.23	80.32	1,099,483	1,108,875,329	55,719,173
1.1.	Securities and money market instruments admitted or traded on a regulated market in Romania, of which:	90.01	81.01	-	1,053,418,317	89.14	80.24	-	1,108,875,329	55,457,012
1.1.1.	- shares	90.01	81.01	-	1,053,418,317	89.14	80.24	-	1,108,875,329	55,457,012
1.1.2.	- bonds	-	-	-	-	-	-	-	-	-



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1.2.	Securities and money market instruments admitted or traded on a regulated market in a member state, of which:	-	-	-	-	-	-	-	-	-
1.2.1.	- shares	-	-	-	-	-	-	-	-	-
1.2.2.	- bonds	-	-	-	-	-	-	-	-	-
1.3.	Securities and money market instruments admitted to a stock exchange in a non-member state or negotiated on another regulated market in a non-member state	0.07	0.06	837,322	-	0.09	0.08	1,099,483	-	262,161
1.3.1.	- shares	0.07	0.06	837,322	-	0.09	0.08	1,099,483	-	262,161
1.3.2.	- bonds	-	-	-	-	-	-	-	-	-
2.	Newly issued securities	-	-	-	-	-	-	-	-	-
3.	Other securities and money market instruments referred to in art. 187 indent a), of which:	5.84	5.26	154,516	68,189,847	5.49	4.95	156,277	68,189,847	1,761
3.1.	- securities: unlisted shares	5.84	5.26	154,516	68,189,847	5.49	4.95	156,277	68,189,847	1,761
3.2.	- unlisted bonds	-	-	-	-	-	-	-	-	-
4.	Bank deposits, of which:	5.16	4.64	-	60,367,057	5.59	5.04	-	69,580,720	9,213,663
4.1.	bank deposits held at credit institutions in Romania, total, of which:	5.16	4.64	-	60,367,057	5.59	5.04	-	69,580,720	9,213,663
4.1.1.	- bank deposits in RON	5.16	4.64	-	60,367,057	5.59	5.04	-	69,580,720	9,213,663
5.	Derivatives traded on a regulated market	-	-	-	-	-	-	-	-	-
6.	Current bank accounts and cash, total, of which:	0.87	0.78	7,322,528	2,819,645	0.78	0.71	7,372,810	2,383,932	-385,430
6.1.	in RON	0.24	0.22	-	2,819,645	0.19	0.17	-	2,383,932	-435,713



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6.2.	in USD, equivalent in RON	0.40	0.36	4,702,780	-	0.31	0.28	3,811,635	-	-891,145
6.3.	in EUR, equivalent in RON	0.22	0.20	2,619,225	-	0.29	0.26	3,560,617	-	941,392
6.4.	in GBP, equivalent in RON	0.00	0.00	523	-	0.00	0.00	558	-	35
7.	Money market instruments, other than those traded on a regulated market, in accordance with article 101 paragraph (1) indent g) of Law no. 297/2004 - Government securities	0.00	0.00	-	0	0.00	0.00	-	0	0
8.	Equity securities held with NON-UCITS/ UCITS, total, of which:	5.20	4.68	-	60,840,501	7.85	7.06	-	97,596,627	36,756,126
8.1.	Shares listed on BSE	2.65	2.39	-	31,064,988	4.87	4.38	-	60,557,431	29,492,443
8.2.	Fund units – Investment Funds	2.54	2.29	-	29,775,513	2.98	2.68	-	37,039,196	7,263,683
9.	Other assets (amounts in transit, amounts at distributors, amounts at financial investment service firms, tangible and intangible assets, receivables, etc.)	3.96	3.56	11,078	46,316,894	2.14	1.93	11,205	26,634,493	-19,682,274

Net Asset Value per Share

Item	31.03.2021	31.03.2020	Differences
Net Asset Value	1,244,004,163	1,017,378,863	226,625,300
Number of issued shares	2,162,443,797	2,162,443,797	0
Net Asset Value per share (RON/share)	0.5753	0.4705	0.1048



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Societate administrată în sistem dualist



Detailed Statement of Investments

Securities admitted or traded on a regulated market in Romania										
No.	Issuer	Symbol	Date of last trading session	No. of shares held	Nominal value RON/share	Share value RON/share	Total value - RON -	Weight in issuer's share capital %	Weight in SIF's total assets %	Weight in SIF's net assets %
Securities and money market instruments admitted or traded on a regulated market in Romania										
1	ANTIBIOTICE	ATB	31/03/2021	21,907,119	0.1000	0.5000	10,953,559.50	3.263	0.79	0.88
2	ARMAX GAZ SA	ARAX	31/03/2021	88,135	10.0000	1.8500	163,049.75	1.435	0.01	0.01
3	ARO-PALACE SA	ARO	12/02/2021	345,704,600	0.1000	0.0923	31,908,534.58	85.740	2.31	2.56
4	BANCA BRD - GROUPE SOCIETE GENERALE SA BUCURESTI	BRD	31/03/2021	20,865,166	1.0000	15.8600	330,921,532.76	2.994	23.95	26.60
5	BANCA TRANSILVANIA SA	TLV	31/03/2021	20,139,413	1.0000	2.4000	48,334,591.20	0.351	3.50	3.89
6	BIROUL DE TURISM PENTRU TINERET (BTT) SA	BIBU	11/12/2020	576,540	2.5000	0.0000	0.00	10.644	0.00	0.00
7	BURSA DE VALORI BUCURESTI SA	BVB	31/03/2021	681,769	10.0000	24.6000	16,771,517.40	8.470	1.21	1.35
8	CASA ALBA INDEPENDENTA SIBIU	CAIN	23/03/2021	782,468	2.5000	47.0000	36,775,996.00	53.348	2.66	2.96
9	CASA DE BUCOVINA-CLUB DE MUNTE SA	BCM	31/03/2021	3,235,261	0.1000	0.0870	281,467.71	1.993	0.02	0.02
10	COCOR SA	COCR	29/03/2021	30,911	40.0000	73.5000	2,271,958.50	10.246	0.16	0.18
11	COMCM SA CONSTANTA	CMCM	26/03/2021	134,049,930	0.1000	0.2120	28,418,585.16	56.725	2.06	2.28
12	COMPA SA SIBIU	CMP	31/03/2021	3,353,936	0.1000	0.6640	2,227,013.50	1.533	0.16	0.18
13	CONCAS SA	CONK	17/10/2013	336,756	2.5000	41.5146	13,980,290.64	47.207	1.01	1.12
14	CONDMAG BRASOV	COMI	31/03/2021	19,000,000	0.1000	0.0085	161,500.00	4.982	0.01	0.01
15	DIGI Communications N.V.	DIGI	31/03/2021	50,000	0.0100	36.9000	1,845,000.00	0.141	0.13	0.15
16	DORNA TURISM SA	DOIS	31/03/2021	455,793	2.5000	2.9800	1,358,263.14	32.014	0.10	0.11
17	DUPLEX SA	DUPX	30/03/2021	32,772	2.5000	16.6000	544,015.20	26.867	0.04	0.04



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18	ELECTROMAGNETICA S.A.	ELMA	31/03/2021	5,426,452	0.1000	0.1280	694,585.86	0.803	0.05	0.06
19	EMAILUL SA	EMAI	31/03/2021	729,551	2.5000	15.8000	11,526,905.80	28.926	0.83	0.93
20	FEPER SA	FEP	17/03/2021	312,123,729	0.1000	0.1950	60,864,127.16	85.800	4.40	4.89
21	GASTRONOM SA	GAOY	24/03/2021	215,453	2.5000	78.5000	16,913,060.50	70.288	1.22	1.36
22	INDEPENDENTA SA	INTA	16/03/2021	1,530,636	2.5000	6.4500	9,872,602.20	53.301	0.71	0.79
23	MECANICA CODLEA SA	MEOY	24/03/2021	60,156,150	0.1000	0.0720	4,331,242.80	81.072	0.31	0.35
24	MECON SA	MECP	07/01/2021	58,966	11.6000	15.9299	939,322.48	12.284	0.07	0.08
25	NEPTUN-OLIMP SA	NEOL	31/03/2021	30,194,757	0.1000	0.2080	6,280,509.46	41.185	0.45	0.50
26	OIL TERMINAL	OIL	31/03/2021	4,338,220	0.1000	0.1870	811,247.14	0.745	0.06	0.07
27	OMV PETROM SA BUCURESTI	SNP	31/03/2021	218,320,492	0.1000	0.4300	93,877,811.56	0.385	6.79	7.55
28	ORGANE DE ASAMBLARE SA	ORAS	15/06/2020	129,845,110	0.1000	0.0000	0.00	95.697	0.00	0.00
29	PRAHOVA ESTIVAL 2002 SA	PRAH	23/08/2019	1,288,584	0.1000	0.2295	295,730.03	39.624	0.02	0.02
30	PROSPECTIUNI SA BUCURESTI	PRSN	31/03/2021	41,129,011	0.1000	0.0645	2,652,821.21	5.728	0.19	0.21
31	PURCARI WINERIES PUBLIC COMPANY Ltd	WINE	31/03/2021	190,000	0.0100	25.5000	4,845,000.00	0.950	0.35	0.39
32	ROMRADIATOARE SA BRASOV	RRD	17/03/2021	11,477,141	1.6300	0.6100	7,001,056.01	76.514	0.51	0.56
33	S.N. NUCLEARELECTRICA	SNN	31/03/2021	800,000	10.0000	25.4000	20,320,000.00	0.265	1.47	1.63
34	S.N.G.N. ROMGAZ S.A.	SNG	31/03/2021	1,573,667	1.0000	33.2000	52,245,744.40	0.408	3.78	4.20
35	SANTIERUL NAVAL CONSTANTA SA	SNC	24/03/2021	456,755	2.5000	2.5000	1,141,887.50	0.703	0.08	0.09
36	SANTIERUL NAVAL SA	SNO	31/03/2021	5,711,432	2.5000	7.0000	39,980,024.00	50.000	2.89	3.21
37	SEMBRAZ SA	SEBZ	23/04/2020	719,900	2.0000	1.1103	799,304.97	90.968	0.06	0.06
38	SERVICE NEPTUN 2002 SA	SECE	17/11/2020	3,610,420	0.1000	0.3959	1,429,365.28	39.624	0.10	0.11
39	SOCIETATEA ENERGETICA ELECTRICA SA	EL	31/03/2021	407,506	10.0000	13.7500	5,603,207.50	0.118	0.41	0.45
40	SPHERA FRANCHISE GROUP	SFG	31/03/2021	65,000	15.0000	15.5500	1,010,750.00	0.168	0.07	0.08
41	TRANSGAZ SA	TGN	31/03/2021	5,446	10.0000	291.0000	1,584,786.00	0.046	0.11	0.13
42	TRANSILVANIA LEASING SI CREDIT IFN SA BRASOV	TSLA	31/03/2021	353,282,752	0.1000	0.0295	10,421,841.18	68.635	0.75	0.84



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43	TRATAMENT BALNEAR BUZIAS SA	BALN	31/03/2021	145,615,772	0.1000	0.0800	11,649,261.76	91.871	0.84	0.94
44	TURISM COVASNA SA	TUAA	31/03/2021	439,760,355	0.1000	0.0950	41,777,233.73	93.326	3.02	3.36
45	TURISM FELIX SA	TUFE	31/03/2021	313,208,036	0.1000	0.3260	102,105,819.74	63.128	7.39	8.21
46	TURISM, HOTELURI, RESTAURANTE MAREA NEAGRA SA	EFO	31/03/2021	449,920,140	0.1000	0.1155	51,965,776.17	78.110	3.76	4.18
47	TUSNAD SA	TSND	29/03/2021	230,601,476	0.1000	0.0365	8,416,953.87	76.408	0.61	0.68
48	UTILAJ GREU SA	UTGR	19/03/2021	476,226	2.5000	6.5000	3,095,469.00	70.387	0.22	0.25
49	VIOLA-INDEPENDENTA SIBIU	VIRO	29/03/2021	74,307	2.5000	101.0000	7,505,007.00	53.616	0.54	0.60
TOTAL Securities and money market instruments admitted or traded on a regulated market in Romania							1,108,875,329		80.24	89.14
UCITS/NON-UCITS equity securities										
1	EVERGENT INVESTMENTS S.A.	EVER	31/03/2021	17,892,245	0.1000	1.4250	25,496,449.13	1.808	1.85	2.05
2	FONDUL PROPRIETATEA SA	FP	31/03/2021	18,000,000	0.5200	1.7450	31,410,000.00	0.250	2.27	2.52
3	SOCIETATEA DE INVESTITII FINANCIARE OLTENIA S.A.	SIF5	31/03/2021	1,957,631	0.1000	1.8650	3,650,981.82	0.375	0.26	0.29
TOTAL UCITS/NON-UCITS equity securities							60,557,431		4.38	4.87
TOTAL SHARES							1,169,432,760		84.62	94.01

includes both the shares presented in Chapter I row 1.1. and the shares presented in Chapter I row 8.1.

Securities admitted or traded on a regulated market in a member state

No.	Issuer	Symbol	Date of last trading session	No. of shares held	Nominal value	Share value	Total value	Weight in issuer's share capital %	Weight in SIF's total assets %	Weight in SIF's net assets %
	TOTAL SHARES								0.00	0.00



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Securities admitted or traded on a regulated market in a non-member state

No.	Issuer	Symbol	Date of last trading session	No. of shares held	Nominal value	Share value	Total value	Weight in issuer's share capital %	Weight in SIF's total assets %	Weight in SIF's net assets %
1	CHEVRON CORP	CVX	31/03/2021	2,500	0.7500	439.7932	1,099,483.00	0.000	0.08	0.09
	TOTAL SHARES						1,099,483.00		0.08	0.09

Money market instruments admitted or traded on a regulated market in Romania

No.	Issuer	Instrument symbol / series	Date of last trading session	Number	Instrument value	Total value	Weight in SIF's total assets %	Weight in SIF's net assets %

Money market instruments admitted or traded on a regulated market in a member state

No.	Issuer	Instrument symbol / series	Date of last trading session	Number	Instrument value	Total value	Weight in SIF's total assets %	Weight in SIF's net assets %

Money market instruments admitted or traded on a regulated market in a non-member state

No.	Issuer	Instrument symbol / series	Date of last trading session	Number	Instrument value	Total value	Weight in SIF's total assets %	Weight in SIF's net assets %



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Instruments referred to in art. 187, indent a)

No.	Issuer	No. of shares/bonds held	Acquisition date ^{*)}	Maturity date	Acquisition price RON/share ^{**) (RON/bond)}	Share (bond) value (RON or equivalent RON)	Total value RON ^{***)} or equivalent RON	Weight in issuer's share capital %	Weight in SIF's total assets %	Weight in SIF's net assets %
ACTIUNI TOTAL, din care:							68,346,124		4.95	5.49
1	APOLLO ESTIVAL 2002 SA CT	2,350,890	31.07.2002		0.4098	0.4098	963,394.72	39.62	0.07	0.08
2	ARCOM S.A. BUCURESTI BU	667	27.07.2007		0.0000	0.0000	0.00	0.19	0.00	0.00
3	BANCA DE EXPORT IMPORT A ROMANIEI SA EXIMBANK BU	414,740	01.11.1996		5.3553	5.3553	2,221,057.12	0.31	0.16	0.18
4	CCP.RO BUCHAREST S.A. BU	142,500	06.11.2019		10.0000	10.0000	1,425,000.00	1.79	0.10	0.11
5	CNM PETROMIN SA CONSTANTA CT	5,358,861	01.11.1996		0.0000	0.0000	0.00	23.83	0.00	0.00
6	COMSIG SA MS	29,304	01.11.1996		0.0000	0.0000	0.00	27.09	0.00	0.00
7	CONTINENTAL HOTELS SA BUCURESTI BU	2,729,171	31.12.1997		5.0393	5.0393	13,753,111.42	9.30	1.00	1.11
8	CRISTIANA SA BV	153,410	01.11.1996		129.0817	129.0817	19,802,423.60	99.80	1.43	1.59
9	DEPOZITARUL CENTRAL SA BUCURESTI BU	10,128,748	12.08.1999		0.0647	0.0647	655,330.00	4.00	0.05	0.05
10	DIVERSIS SA VN	11,149	01.11.1996		0.0000	0.0000	0.00	6.68	0.00	0.00
11	ENERGO SA BV	317,061	01.11.1996		0.0000	0.0000	0.00	15.00	0.00	0.00
12	FELAM SA SB	374,907	01.11.1996		0.0000	0.0000	0.00	36.22	0.00	0.00
13	FERMIT SA BZ	151,468	01.11.1996		10.2193	10.2193	1,547,896.93	16.37	0.11	0.12
14	FONDUL ROMAN DE GARANTARE A CREDITELOR PT INTREPRI BU	3,697,948	21.12.2006		0.6514	0.6514	2,408,843.33	23.02	0.17	0.19
15	GRUP BIANCA TRANS SA BV	8,414,200	31.07.2006		0.3288	0.3288	2,766,588.96	77.47	0.20	0.22
16	HARGHITA SA HR	45,633	01.11.1996		0.0000	0.0000	0.00	31.42	0.00	0.00
17	HIDROMECHANICA SA BV	1,170,304	01.11.1996		0.0000	0.0000	0.00	36.27	0.00	0.00
18	ICIM SA BV	29,748	01.11.1996		0.0000	0.0000	0.00	3.59	0.00	0.00
19	INTERNATIONAL TRADE&LOGISTIC CENTER	81,708,428	01.11.1996		0.0508	0.0508	4,150,788.14	87.30	0.30	0.33



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	SA BV									
20	IRUCOM SA HR	6,269	01.11.1996		1.8832	1.8832	11,805.78	17.41	0.00	0.00
21	LEGUME FRUCTE BUZAU S.A. BZ	207,822	01.11.1996		11.1732	11.1732	2,322,036.77	25.23	0.17	0.19
22	MECANICA SA SB	422,503	01.11.1996		0.0000	0.0000	0.00	10.89	0.00	0.00
23	REUTCOM UTB SA BV	2,134,920	23.02.2000		0.0317	0.0317	67,676.96	8.99	0.00	0.01
24	ROMAGRIBUZ RIMNICU SARAT S.A. BZ	83,146	01.11.1996		0.0000	0.0000	0.00	7.88	0.00	0.00
25	ROMAGRIBUZ VERGULEASA SA BZ	280,631	01.11.1996		0.0000	0.0000	0.00	37.30	0.00	0.00
26	S.I.F. TRANSILVANIA PROJECT MANAGEMENT COMPANY SA BV	44,999	26.03.2014		6.7482	6.7482	303,662.25	100.00	0.02	0.02
27	SIBAREX SA VN	1,215,711	01.11.1996		0.0000	0.0000	0.00	52.85	0.00	0.00
28	SIMARO-SIB SA SB	20,732	31.03.1998		0.0000	0.0000	0.00	10.02	0.00	0.00
29	SIMEC SA SB	197,044	01.11.1996		0.0000	0.0000	0.00	45.78	0.00	0.00
30	SIRETUL PASCANI IS	17,116,533	23.03.2004		0.0000	0.0000	0.00	10.78	0.00	0.00
31	SOCIETATEA DE INVESTITII CERTINVEST IMM S.A. B1	1,125	11.11.2014		82.9759	82.9759	93,347.89	15.63	0.01	0.01
32	SOFT APLICATIV SI SERVICII SA SB	47,728	01.11.1996		5.5937	5.5937	266,976.11	28.33	0.02	0.02
33	TERRACOTTA STAR SA CV	2,209,017	01.11.1996		0.0000	0.0000	0.00	97.48	0.00	0.00
34	TOMIS ESTIVAL 2002 SA CT	522,893	31.07.2002		0.7932	0.7932	414,758.73	39.62	0.03	0.03
35	TRANSILVANIA ESTIVAL 2002 SA CT	3,589,861	31.07.2002		0.1308	0.1308	469,553.82	11.14	0.03	0.04
36	TRANSILVANIA HOTELS & TRAVEL S.A. BU	1,123,180	01.11.1996		0.0000	0.0000	0.00	37.01	0.00	0.00
37	TURISM LOTUS FELIX SA BH	484,853,142	09.12.2009		0.0300	0.0300	14,545,594.26	38.27	1.05	1.17
38	The Foundations Feeder AA	124,000	23.02.2015		1.2603	1.2603	156,277.20	26.67	0.01	0.01
39	VERITAS PANCIU SA VN	656,693	01.11.1996		0.0000	0.0000	0.00	26.33	0.00	0.00
40	VITIVINICOLA BASARABI SA CT	342,580	01.11.1996		0.0000	0.0000	0.00	10.86	0.00	0.00
TOTAL Instruments referred to in art. 187, indent a) (total shares + total bonds)							68,346,124		4.95	5.49



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*) For all companies in the portfolio on the date of S.I.F. Transilvania's setting up (through reorganization of the former F.P.P. III Transilvania, according to Law no. 133/1996), the acquisition date is considered 1 November 1996; for all the other companies, the acquisition date is considered the date of first acquisition (irrespective of whether the stock existing on the reporting date was acquired through several acquisitions). In the case of bonds, the acquisition date is the payment date of the amount subscribed.

**) "Acquisition price" represents the average acquisition price for the securities in portfolio on the reporting date.

***) In the case of bonds, the total value includes the interest accrued up to the reporting date.

Bonds or other traded debt securities issued or guaranteed by the State or by central public administration authorities

No.	Series and number of the issue	No. of securities	Acquisition date	Maturity date	Initial value	Daily increase	Accrued interest	Discounted value	Weight in SIF's total assets %	Weight in SIF's net assets %	Intermediary bank

Bonds or other traded debt securities issued or guaranteed by local public administration authorities

No.	Issuer	No. of securities	Acquisition date	Maturity date	Initial value	Daily increase	Accrued interest	Discounted value	Weight in SIF's total assets %	Weight in SIF's net assets %



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Bank deposits

No.	Bank name	Currency	Set-up date	Maturity*	Initial value		Daily interest		Accrued interest		Discounted value		Weight in SIF's total assets %	Weight in SIF's net assets %
					Currency	RON	Currency	RON	Currency	RON	Currency	RON		
1	BANCA BRD - GROUPE SOCIETE GENERALE SA BUCURESTI	RON	25.03.2021	01.04.2021		3,466,477		96.29		674		3,467,151	0.25	0.28
2	BANCA BRD - GROUPE SOCIETE GENERALE SA BUCURESTI	RON	26.03.2021	02.04.2021		2,411,611		73.69		442		2,412,053	0.17	0.19
3	BANCA BRD - GROUPE SOCIETE GENERALE SA BUCURESTI	RON	29.03.2021	05.04.2021		2,648,489		73.57		221		2,648,710	0.19	0.21
4	BANCA BRD - GROUPE SOCIETE GENERALE SA BUCURESTI	RON	30.03.2021	06.04.2021		2,184,389		60.68		121		2,184,510	0.16	0.18
5	BANCA BRD - GROUPE SOCIETE GENERALE SA BUCURESTI	RON	31.03.2021	07.04.2021		2,008,314		50.21		50		2,008,364	0.15	0.16
	TOTAL BANCA BRD - GROUPE SOCIETE GENERALE SA BUCURESTI	RON				12,719,280				1,508		12,720,789	0.92	1.02
1	BANCA COMERCIALA ROMANA SA	RON	25.03.2021	01.04.2021		5,000,000		180.56		1,264		5,001,264	0.36	0.40
	TOTAL BANCA COMERCIALA ROMANA SA	RON				5,000,000				1,264		5,001,264	0.36	0.40
1	BANCA TRANSILVANIA SA	RON	26.03.2021	02.04.2021		40,296,600		1,343.22		8,059		40,304,659	2.92	3.24
	TOTAL BANCA TRANSILVANIA SA	RON				40,296,600				8,059		40,304,659	2.92	3.24
1	ING BANK	RON	26.03.2021	02.04.2021		3,000,000		79.17		475		3,000,475	0.22	0.24
2	ING BANK	RON	30.03.2021	06.04.2021		3,000,000		79.17		158		3,000,158	0.22	0.24
3	ING BANK	RON	31.03.2021	01.04.2021		400,500		10.01		10		400,510	0.03	0.03
	TOTAL ING BANK	RON				6,400,500				643		6,401,143	0.46	0.51
1	OTP BANK ROMANIA SA	RON	18.03.2021	19.04.2021		5,150,000		204.59		2,864		5,152,864	0.37	0.41
	TOTAL OTP BANK ROMANIA SA	RON				5,150,000				2,864		5,152,864	0.37	0.41
TOTAL DEPOSITS IN RON						69,566,380				14,339		69,580,720	5.04	5.59
GRAND TOTAL DEPOSITS						69,566,380				14,339		69,580,720	5.04	5.59



**SOCIETATEA DE INVESTITII FINANCIARE
TRANSILVANIA S.A.**

str. Nicolae Iorga 2, Braşov, 500057, România • tel.: +4 0268 415 529, +4 0268 416 171
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Societate administrată în sistem dualist



* Maturity date represents the last day of the deposit (the amount being available in the current account the next day).

Fund units held in investment funds

No.	Issuer	No. of fund units	Acquisition date	Acquisition price	Fund unit value - RON or equivalent RON-	Total value	Weight in issuer's share capital %	Weight in SIF's total assets %	Weight in SIF's net assets %
1	FDI NAPOCA	413,087	29.12.2020	0.6849	0.6849	282,923	1.73	0.02	0.02
	Subtotal open-end funds					282,923		0.02	0.02
1	FII FONDUL PRIVAT COMERCIAL	10,644	29.12.2020	499.9213	499.9213	5,321,047	3.15	0.39	0.43
2	FOND INCHIS DE INVESTITII BET-FI INDEX INVEST	2,054	01.09.2014	797.3837	797.3837	1,637,826	14.85	0.12	0.13
3	FONDUL INCHIS DE INVESTITII MULTICAPITAL INVEST	4,934	14.11.2012	2,941.2100	2,941.2100	14,511,930	29.48	1.05	1.17
4	FONDUL INCHIS DE INVESTITII STAR VALUE	13,713	07.08.2015	1,114.6700	1,114.6700	15,285,470	27.63	1.11	1.23
	Subtotal closed-end funds					36,756,273		2.66	2.95
TOTAL Fund Units						37,039,196		2.68	2.98

Securities pending the sale according to Law no. 151/2014

No.	Issuer	Symbol	Date of last trading session	No. of shares held	Nominal value	Share value	Total value	Weight in issuer's share capital %	Weight in SIF's total assets %	Weight in SIF's net assets %
	TOTAL SHARES									



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Money market instruments referred to in art. 187 indent a)

No.	Issuer	Acquisition date	Maturity	Initial value	Daily increase	Discounted value	Weight in SIF's total assets %	Weight in SIF's net assets %

Newly issued securities

No.	Issuer	Symbol	Date of last trading session	No. of shares held	Nominal value	Share value	Total value	Weight in issuer's share capital %	Weight in SIF's total assets %	Weight in SIF's net assets %
	TOTAL									

NAV and NAV/share in the last 3 years

	31.03.2019	31.03.2020	31.03.2021
Net Asset Value	1.036.824.934,00	1.017.378.863,00	1.244.004.163,00
Net Asset Value per share (RON/share)	0,4795	0,4705	0,5753

Executive Vice-President/Deputy CEO
Radu-Claudiu ROSCA

Member of the Executive Board/Director
Tony-Cristian RADUTA-GIB

Head of Financial Department
Diana Veres

Head of Portfolio Management Department
Sorin Ion Rădulescu