



Transilvania
Investments

Transilvania Investments

Half-Year Report
for the semester
ended June 30, 2023



HALF-YEAR REPORT as at June 30, 2023

Half-year report prepared in accordance with Law no. 24/2017 on issuers of financial instruments and market operations, F.S.A. Regulation no. 5/2018 regarding issuers of financial instruments and market operations, Law no. 243/2019 on alternative investment funds, F.S.A. Regulation no. 7/2020 on the authorization and operation of alternative investment funds, B.S.E. (Bucharest Stock Exchange) Rulebook – regulated market operator 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.

Report release date: 11.08.2023

Company name	Transilvania Investments Alliance S.A. (<i>Transilvania Investments</i> or the <i>Company</i> hereinafter)
Registered office	Braşov, Nicolae Iorga Street 2, Postal Code 500057
Branch office	Bucureşti, Ana Tower, Poligrafiei Boulevard 1A, Floor 1, Zone B, Sector 1
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Website	www.transilvaniainvestments.ro
Sole Registration Code	3047687
Tax Registration Code	RO3047687
Trade Registration Number	J08/3306/1992
Registered with the Securities Registration Office within F.S.A.	Registration Certificate no. 401/05.02.2020
Registered with F.S.A. Register – Section 8 – Alternative Investment Fund Managers	Subsection Alternative Investment Fund Managers authorized by F.S.A. (A.I.F.M.A.A.) – under no. PJR07 ¹ AFIAA/080005
Registered with F.S.A. Register – Section 9 – Alternative Investment Funds	Subsection Alternative Investment Funds dedicated to retail investors and established in Romania (F.I.A.I.R.) – under no. PJR09FIAIR/080006
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: TRANSI)
Depository	BRD–Groupe Société Générale
Auditors	Mazars Romania S.R.L. – financial auditor KPMG Audit S.R.L. – internal auditor

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SUMMARY OF THE 2023 first half results

- ▶ **Transilvania Investments** recorded at 30.06.2023 a **net profit** worth RON 52.38 million, 23.84% lower than the net profit achieved in the first half of 2022, the latter having been influenced by the receipt by the Company of special dividends distributed by BRD–Groupe Société Générale.
- ▶ The **gross profit**, worth RON 52.49 million, is 21.66% lower than the profit recorded in H1 2022; the gross profit is 89.96% higher than that provided for in the Revenue and Expenditure Budget for the first half of 2023 and represents 74.19% of the profit estimated for the entire year 2023.
- ▶ The **net operating income** at the end of H1 2023 amounts to RON 66.48 million, down by 17.86% than its value as at 30.06.2022 and higher by 34.66% than the estimates provided by the Revenue and expenditure budget for H1 2023.
- ▶ The **operating expenses** at the reporting date, worth RON 13.99 million, are 0.39% higher than those reported for H1 2022 and 35.64% lower compared to the budget estimates provided for the first half of 2023.
- ▶ **Transilvania Investments' total assets** at 30.06.2023 are worth RON 1,492.09 million, by RON 58.94 million, respectively 4.11% higher than their value at the end of the corresponding period in the previous year.
- ▶ **Total liabilities** at the end of the first half of 2023 amount to RON 79.19 million, being higher by RON 1.89 million, respectively by 2.45% compared to those recorded in the same period of the previous year.
- ▶ The **net asset value** recorded at 30.06.2023 is RON 1,412.90 million (RON 0.6584/share), 4.21% higher than the net asset value as at 30.06.2022 (RON 1,355.85 million, RON 0.6300/share) and 4.03% higher than the value recorded at 31.12.2022 (RON 1,358.16 million, RON 0.6310/share).
- ▶ The **closing price of the TRANSI share** at the Bucharest Stock Exchange on 30.06.2023 is RON 0.2830, 17.92% higher than the price as at 30.06.2022 and 2.54% higher than the closing price recorded on 30.12.2022.
- ▶ The **trading discount of TRANSI shares** as at June 30, 2023 is 57%, falling by 5 pp compared to the value recorded at 30.06.2022.
- ▶ The **financial instruments portfolio** as at 30.06.2023 is worth RON 1,396.02 million, higher by 2.11% compared to the portfolio value at 30.06.2022 (RON 1,367.14 million), respectively higher by 3.60% than the value recorded as at 31.12.2022 (RON 1,347.50 million).



CHAPTER 1

Introduction

Given the specifics of the activity carried out, **Transilvania Investments** relates both to the Romanian economic and legislative context and to the regional/global macroeconomic environment, a series of events recorded during the first six months of 2023 directly or indirectly influencing the Company's results and performance.

General macroeconomic context

Inflation continued its downward trajectory, falling from 16.4%, at the end of the previous year, to 10.25%, at the end of June 2023. The current estimates point to an inflation rate of 7.1% at the end of Q4 2023, with an uncertainty range of +/-1.4%. The decline in the inflation rate is favourably influenced mainly by the base effect, the impact of administrative measures to protect consumers through cap-and-trade and compensation schemes implemented on the energy market, and the easing of the commodity market.

At the end of March, Fitch upgraded the country rating outlook for Romania from 'negative' to 'stable', maintaining the sovereign rating at BBB-.

The economic activity, both locally and at the European level, has shown increased resilience, including relative to expectations. However, the overall situation remains fragile and marked by numerous uncertainties. Thus, financial conditions have tightened, including as a result of the continued normalisation of monetary policies, and these developments have recently also led to some turbulence on the international financial and banking markets.

The latest data and analysis point to a more subdued growth of the economy in the second quarter compared to the previous forecast, implying further slowing of its annual dynamics, under the influence of a base effect.

The war in Ukraine and the associated sanctions continue to generate significant uncertainties and risks to the outlook for economic activity, including medium-term inflation trends, and the absorption of European funds, in particular those related to the Next Generation EU programme, is conditional on meeting strict targets and milestones in the implementation of projects. However, this is essential to achieve the necessary structural reforms, including the energy transition, but also to counterbalance, at least partially, the contractionary impact of supply-side shocks, which has also been amplified by the tightening of international economic and financial conditions.

Uncertainties and increased risks are associated with the conduct of fiscal and revenue policy, given the characteristics of the budgetary execution within the first months of the year, as well as recent or potential wage increases in the public sector, but also fiscal-budgetary measures that could be implemented in order to continue budgetary consolidation in line with the commitments made under the excessive deficit procedure.

The monetary policy decisions of the Fed and ECB, as well as the stance of central banks in the region, are closely monitored and continue to be relevant in terms of their impact on the economy.

In June, the long-awaited rotation of the Prime Minister has successfully taken place, with the leader of the Social Democratic Party (PSD), Marcel Ciolacu, taking over the position from Nicolae Ciucă, President of the National Liberal Party (PNL). The new government has a very full agenda on the reforms necessary to unlock the €3 billion tranche of the NRRP (National Recovery and Resilience Plan). The most hotly debated topic is pension reform, with the European Commission insisting that Romania solve the problem of special pensions paid to former military, police and secret service personnel, magistrates and members of the Parliament. Instead of linking these pensions according to the contributory principle, the Romanian Parliament intends to apply an additional 15% tax on the difference between the pension amount and the average net national salary. In addition, the Government shall have to amend the public sector wage law, and appoint professional directors to state-owned companies. Similar reforms were also implemented during Romania's agreement with the IMF in 2010, only to be reversed later. In July, 20% of the shares in the state-owned hydropower producer Hidroelectrica (worth about €2bn) were listed on the Bucharest Stock Exchange as a step towards improving governance.

Impact of macroeconomic developments on the portfolio managed by the Company

After the National Bank of Romania raised the monetary policy interest rate from 6.75% to 7% in the January 2023 meeting, the National Bank of Romania decided to keep it at 7% in subsequent meetings.

The National Bank of Romania's decisions are aimed at bringing the annual inflation rate back in line with the stationary target of 2.5 percent ± 1 percentage point on a sustainable basis, including by anchoring medium-term inflation expectations in a way that contributes to sustainable economic growth. In the current context, a balanced macroeconomic policy mix and the implementation of structural reforms, including through the use of European funds to boost long-term growth potential, are essential to maintain macroeconomic stability and to strengthen the capacity of the Romanian economy to cope with adverse developments.

The number of employees in the economy was on an upward trajectory until April 2023. The labour market is still under pressure from wage increases, testing the companies' ability to remain profitable, with recent data showing relative stability in the unemployment rate.

Although in 2022 the government securities yield saw significant increases in all regions, at the local level, this trend reversed as of October 2022. Yields of the government securities continued to gradually decline, as the relative attractiveness of investments in Lei (RON) increased, in particular as a result of the acceleration of the decline in the annual inflation rate and the reconfirmation of its expected downward path. These developments provide important opportunities for active investors.

High public deficits, materialised from 2020 onwards, have been largely financed through Eurobond issues, leading to an increase in external public debt. Around 50% of Romania's gross public debt is financed by non-resident investors, and most of the external debt is in foreign currency.

Economic growth in Romania from 2023–2025 could be the fastest in Central and South-Eastern Europe. The economic growth in the coming years should be boosted by large inflows of funds from the European Union, highlighting a positive impact on investment.

Romania's budget deficit shall remain high in 2023–2024. The government shall have to find a solution for the growing tax revenue deficit. The budget for 2023 includes similar revenues as in 2022 from energy companies, although energy prices are much lower. In Q1 2023, the difference between actual and planned receipts was RON 20 billion (1.2% of GDP), with the budget deficit increasing to 2.3% of GDP at the end of May, compared to 1.5% of GDP within the first 5 months of 2022.

Main risks and vulnerabilities of the financial system

According to the latest Financial Stability Report published by the National Bank of Romania: Risks assessed at a severe level regarding external developments, as well as deterioration of domestic macroeconomic balances, including as a result of regional and international geopolitical developments, are expected to remain at the same level in the coming period. The two other major systemic risks remained similar in both intensity and trend: (1) the delay in reforms and absorption

of EU funds, in particular through the National Recovery and Resilience Plan (NRRP) and (2) the risk of non-government sector default.

Regarding the dynamics of banks' opinions on systemic risks to the financial system for the period March 2023 – March 2024, we note the following severe systemic risks: (1) The risk of an increase in the cost of funding due to higher interest rates and/or exchange rate depreciation with negative effects on the payment capacity of borrowers, especially households and SMEs; (2) Deterioration of domestic macroeconomic balances; (3) Uncertain and unpredictable legislative framework in the financial-banking sector with implications for the solvency of the banking sector; (4) Risk associated with challenges to cyber security and financial innovation; (5) Risk of default on loans taken out by the non-government sector.

In the European financial system: Financial markets remain vulnerable to less favourable economic growth and inflation developments. Tighter financing conditions are testing the resilience of non-financial companies, households and governments in the Euro area.

The main destabilising factors for global financial stability are: (1) High volatility in financial markets amid inflation rates well above target; (2) Deteriorating sovereign debt sustainability indices globally, particularly in emerging countries; (3) Rising household indebtedness; (4) Rising pressures in commercial real estate markets amid rising funding costs; (5) Payment difficulties for non-financial companies amid falling revenues and rising funding costs.



Economic growth prospects

Real GDP continued to grow in Q1 2023, but its advance slowed noticeably compared to previous quarters. The Romanian economy has outperformed other economies within the region in recent quarters, with the growth trend remaining intact despite the major adverse shocks it has faced.

Romania benefits from substantial allocations of funds from the EU budget and the “EU’s Future Generation” Economic Recovery Fund for the period 2021–2027. However, increasing absorption capacity is absolutely essential to make the most of the EU funds allocations.

In its latest report issued in April, the International Monetary Fund (IMF) lowered the economic growth outlook for Romania to 2.4% in 2023 from 3.1% (previous estimates).

The national currency has slightly appreciated against Euro over the reporting period, returning, at the end of the quarter, to its level from the beginning of the year. We maintain our view that, at least in the short term, the EUR/RON exchange rate shall remain marginally below 5.

Source: IMF; National Bank of Romania; Raiffeisen; Unicredit; ING; ERSTE; Bloomberg

Romanian Capital Market Context

The Romanian capital market broke a new milestone and reached an all-time high in June, when BET-TR index, which also includes dividends, crossed the 25,000 points threshold for the first time since its launch.

During the first 6 months of 2023, BET-TR index recorded a 10% increase, while the BET-NG index – the index of energy and utilities companies – recorded the highest increase of 12.5%.

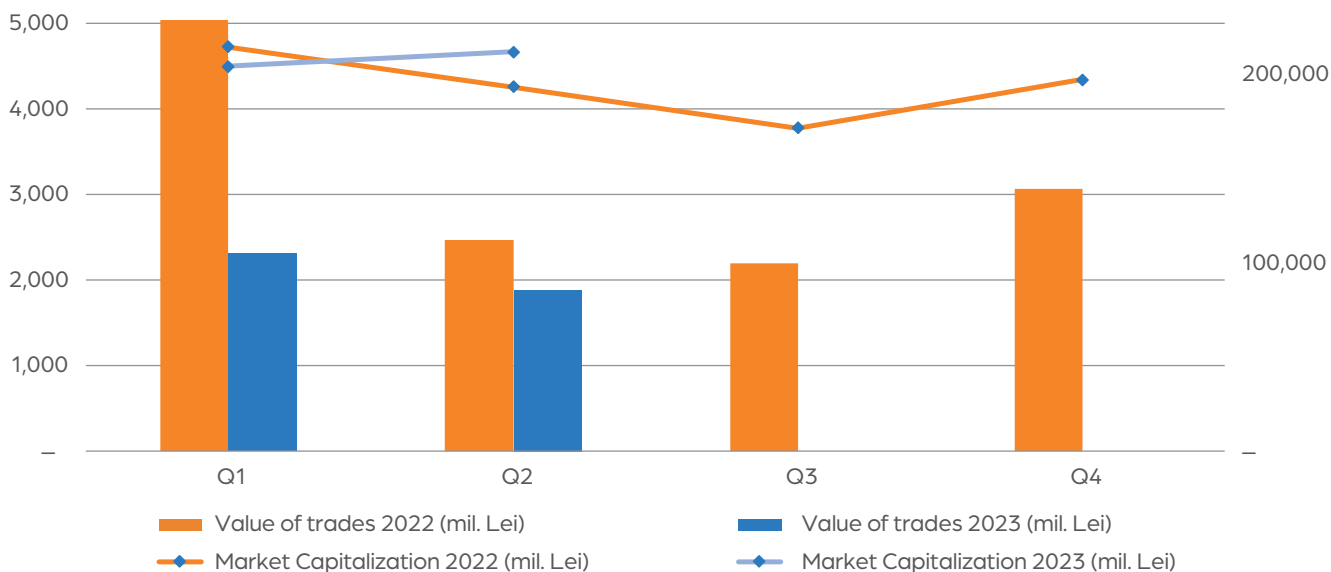
The companies included in BET-TR index have provided investors with increases of more than 100% over the past 5 years, above the increases provided by the US S&P500 index, and more than double that of the European STOXX600 index.

The market liquidity remained low as investors recalibrated their portfolios in anticipation of the Hidroelectrica’s IPO.

During the first six months of 2023, the performance of the shares listed on the regulated market, as compared to the one recorded in the previous financial year, revealed the following key aspects:

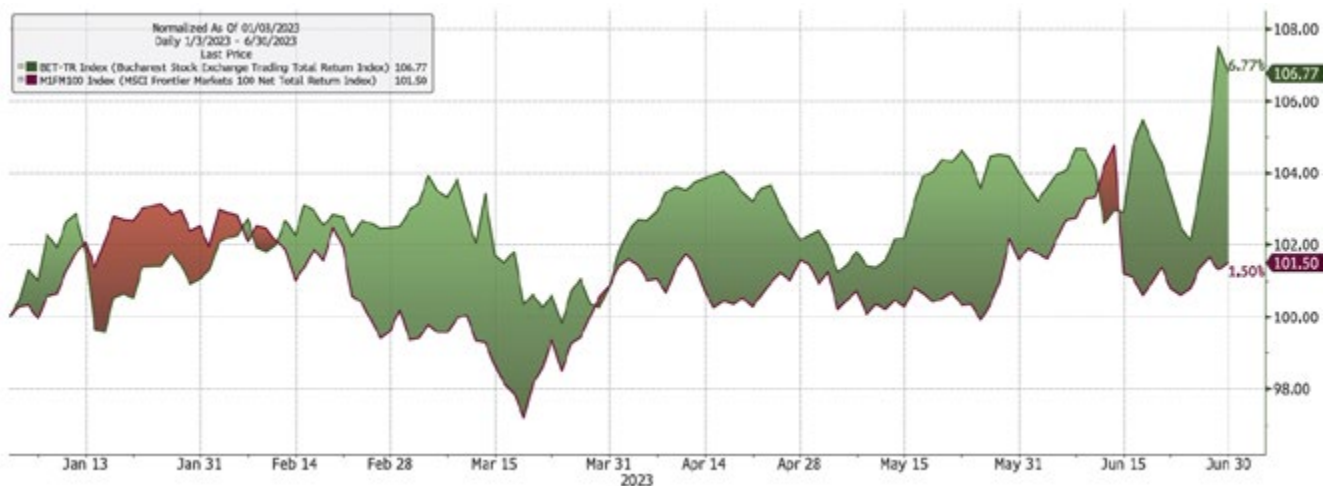
- as compared to the similar period of the previous year, the value of the trades carried out during the first six months of 2023 on the B.S.E.’s regulated segment recorded a lower aggregate level;
- at the end of the reviewed period, the regulated market’s capitalization was 9.6% higher than the one recorded in the similar period of the previous year (YoY change).

Evolution of the main segment B.S.E (2022–2023)

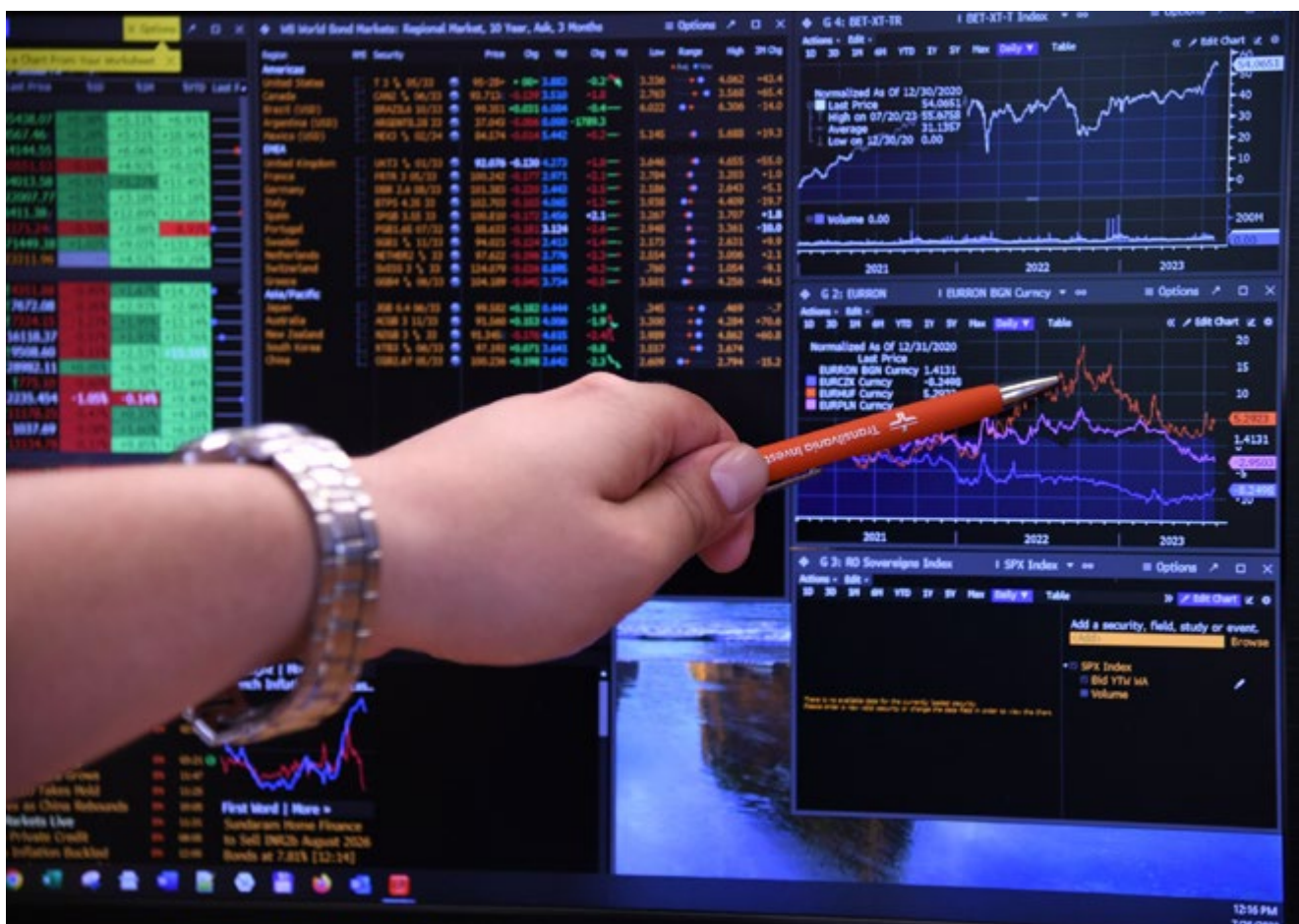


Source: Processing according to the data published by the Bucharest Stock Exchange

During the first six months of 2023, the main regulated market index – BET Total Return (calculated in national currency, including dividends) had a positive performance, recording a 6.77% increase. Although at the end of Q1 2023 the gap between the performance of the two indices was almost zero, at the end of the reporting period the gap between the local index performance and the performance of MSCI Frontier Markets index increased, resulting in an over-performance of the local market.



Source: Bloomberg



CHAPTER 2

Performance of TRANSI shares during the first six months of 2023

During the first six months of 2023, the **TRANSI** shares had an evolution characterized by the following trading benchmarks:

minimum closing price	RON 0.2583 /share
average price	RON 0.2775 /share
maximum closing price	RON 0.3012 /share
trading volume	30.1 million shares
number of trading sessions	139 sessions
daily average trading volume	0.22 million shares/session

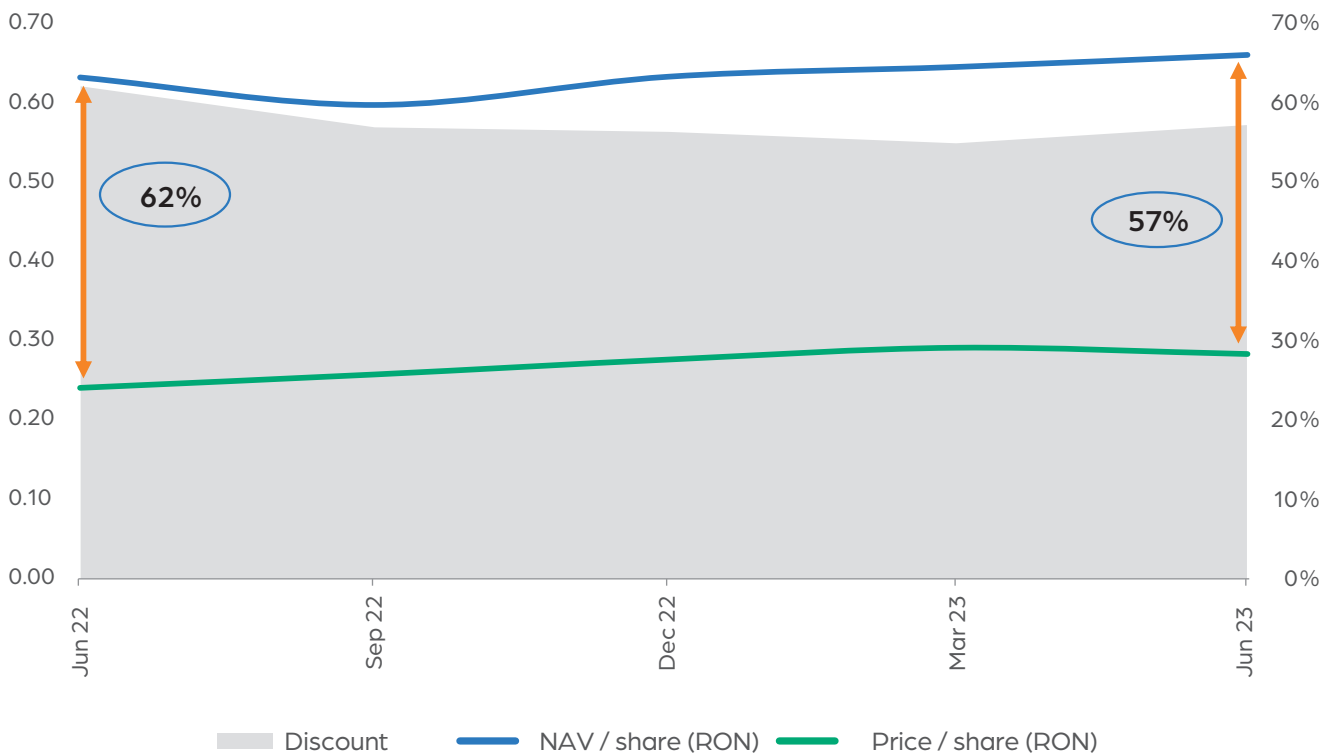
Note: No DEAL transactions were performed during the analysed period.



Source: Bloomberg

In the first semester of 2023, the **TRANSI** shares recorded a positive trend, materialized at the end of the period in a closing price (30.06.2023, RON 0.2830/share) higher by 2.2% than the closing price at the beginning of the year (03.01.2023, RON 0.2770/share).

Performance of TRANSI shares' trading discount during the last 12 months

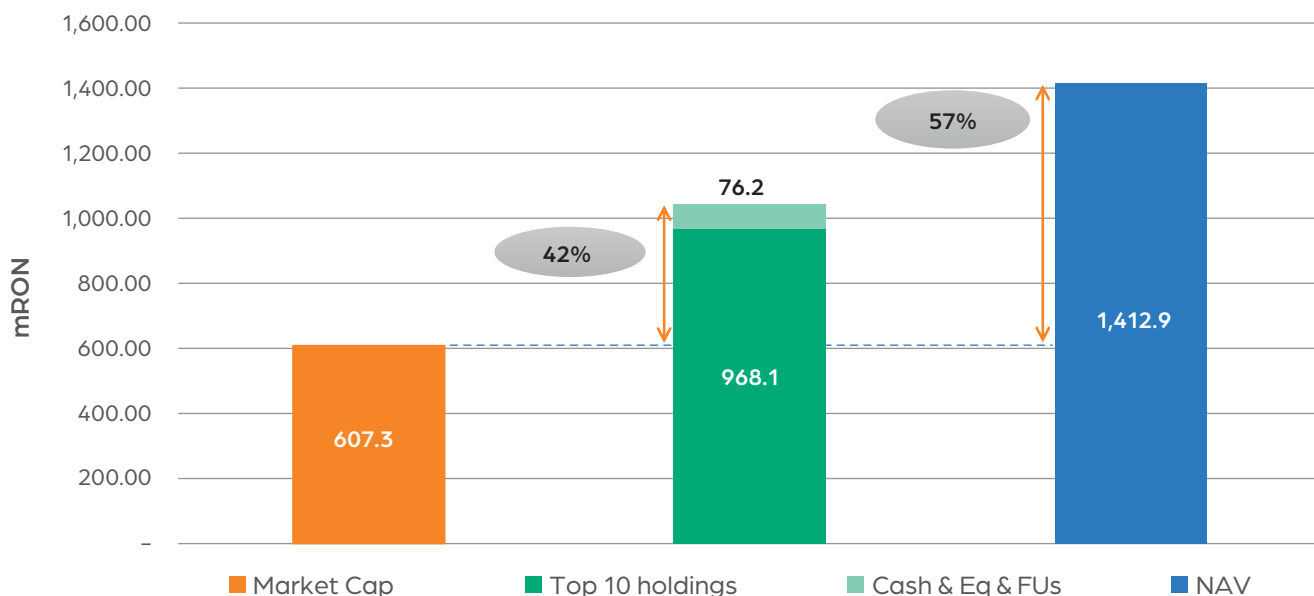


Source: Transilvania Investments Alliance

During the last 12 months, we note both an increase in the net asset value per share (from RON 0.6300/share in June 2022, to RON 0.6584/share at the end of June 2023), and an increase in the share price (from RON 0.2400 /share in June 2022, to RON 0.2830/share at the end of June 2023).

The previously presented favourable performances led to the decrease in the trading discount of **TRANSI** shares by 5 pp, respectively from 62% in June 2022, to 57% at the end of June 2023.

Analysis of TRANSI shares' trading discount as at 30.06.2023



Source: Transilvania Investments Alliance

By reference to the Net Asset Value, communicated for the reference date of 30.06.2023, the market price of **TRANSI** share recorded a significant discount of 57%. The share price also records a significant discount by reference to Top 10 holdings (including cash and equivalents), namely 42%.



CHAPTER 3

Analysis of the company's activity

General framework

Transilvania Investments is an Alternative Investment Fund Manager (A.I.F.M.), authorized by the F.S.A. (Authorization no. 40/15.02.2018), which operates according to the provisions of Law no. 74/2015 on alternative investment fund managers. At the same time, the Company is authorized as a closed-end Retail Investor Alternative Investment Fund (R.I.A.I.F.), diversified, established as an investment company, self-managed, according to the provisions of Law no. 243/2019 on the regulation of alternative investment funds (F.S.A. Authorization no. 150/09.07.2021).

Transilvania Investments 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, within the Premium category, under **TRANSI** symbol, the trading of the shares issued by the Company being subject to the rules applicable to regulated market and closed-end alternative investment funds.

The Company manages an investment portfolio which has a predominant exposure on the Romanian capital market, mainly on shares of listed companies from *Banks, Tourism and leisure, Real-estate* and *Energy* sectors. The managed portfolio may include, without limitation thereof, any of the following main classes of financial instruments/assets: shares, fixed-income instruments,

fund units/ETFs, equity holdings in investment funds/collective investment undertakings, equity interests, alternative investment instruments (including derivatives).

The structure of the aggregate portfolio managed by the Company complies with the investment limitations undertaken through the risk profile and the status of Retail Investor Alternative Investment Fund, and it therefore remains focused on shares listed on the Romanian capital market.

The investment objective of **Transilvania Investments** consists in maximization of the aggregate returns obtained by its current and potential investors, through the investments carried out by the Company in accordance with the law and own regulations in force. At the same time, **Transilvania Investments** aims to the increase of the net asset value through a performant management carried out by specialists and oriented towards added value generation, and through an active and prudent management of the assets from the business lines (trading, travel and leisure, real estate, industry and venture capital/private equity).

Investment entity

Transilvania Investments applies the IFRS 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.*

IFRS 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". As a result of the analyses carried out, Transilvania Investments' management found that the Company met the requirements of the definition of an "investment entity" in compliance with IFRS 10, respectively the Company:

- 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, and
- iii. measures and evaluates the performance of substantially all of its investments on a fair value basis.

Under these circumstances, **Transilvania Investments** prepares a single set of financial statements, respectively separate financial statements in accordance with IFRS.

The Company's financial investments are measured at fair value. Considering IFRS 9, **Transilvania Investments** classified its investments in subsidiaries and associated entities, the bonds and the fund units as financial instruments measured 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.

Transilvania Investments directly provides investment management services for its investors, having as its main and exclusive business scope activities specific to closed-end investment

companies. **Transilvania Investments** does not provide investment related consultancy and administrative services, directly or indirectly through a subsidiary, to third parties and/or its investors.

The Company applies an exit strategy based on the permanent monitoring of its investments, analysis of the current market developments, achievement of higher yields and fulfilment of the objectives set under the annual revenue and expenditure budgets.

Transilvania Investments presents its strategy to the current and potential investors based on specific documents approved by the General Meeting of Shareholders, namely the Company's Strategy and Investment Policy Statement.

The Company is authorized by the Financial Supervisory Authority as a Retail Investor Alternative Investment Fund (R.I.A.I.F.). The Company's operation in the capacity of a R.I.A.I.F., of closed-end type, diversified, set-up as an investment company, self-managed, is based on a series of rules regarding the risk profile, investment exposure limits, measurement of the portfolio financial assets and their presentation in the Company's net asset value, transparency and reporting requirements.

Transilvania Investments monitors the structure and performance of its investment portfolio and:

- i. publishes on a monthly basis the statement of assets and liabilities, namely reports regarding the net asset value and net asset value per share, calculated by the company and certified by the depository (Annex no. 10 to the F.S.A. Regulation no. 7/2020), together with the statement of assets for which valuation methods compliant with the international standards and fair value principle were considered (Annex prepared according to Article 38, paragraph (4) of Law no. 243/2019);
- ii. calculates on a monthly basis and publishes on a quarterly, half-yearly and yearly basis the detailed statement of investments (Annex no. 11 to the F.S.A. Regulation no. 7/2020), at the deadlines provided by the applicable legislation for the publishing of the quarterly, half-yearly and yearly reports.

Financial assets at fair value

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 quoted prices (unadjusted) in active markets for identical assets and liabilities that the entity can access on the measurement date;
- ▶ Level 2 input data are input data, other than quoted 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 used in the process of fair value measurement in its entirety requires the use of professional judgment, considering the specific factors, as a result of the complexity implied by the measurement of these investments and the presentation of the fair value changes in the financial statements. The fair value measurement of the financial instruments held by **Transilvania Investments** is carried out in compliance with the fund's policy and rules regarding the asset valuation, the internal procedure and the related methodology.

In accordance with the general concept and the fund rules established in the context of the Company's authorizing as a R.I.A.I.F., the holdings in issuers listed on an alternative/multilateral system in Romania are assimilated to securities with a liquidity considered irrelevant for using the mark-to-market method, therefore the shares issued by the respective companies are valued based on a valuation report, in accordance with the valuation standards in force. For companies listed on the main segment of the Bucharest Stock Exchange, the trading of the respective shares is usually considered relevant for using the mark-to-market method. In specific situations, which do not fall within the mentioned general coordinates, a prudential judgment of the quantitative and/or qualitative aspects regarding the market and trading of the respective securities is considered.

As at 30.06.2023, **Transilvania Investments** holds in portfolio financial assets measured at fair value, classified on the three fair value levels, as follows:

- RON -	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income	625,794,850	-	61,753,221	687,548,071
Shares, equity interests	625,794,850	-	18,337,130	644,131,980
Equity holdings	-	-	43,416,091	43,416,091
Financial assets measured at fair value through profit or loss	325,947,137	40,273,477	342,253,329	708,473,943
Shares	325,947,137	-	324,837,741	650,784,878
Bonds, government securities	-	40,273,477	0	40,273,477
Fund units	-	-	17,415,588	17,415,588
Total financial assets measured at fair value	951,741,987	40,273,477	404,006,550	1,396,022,014

At 30.06.2023, the value of shares accounts for 92.7% of the total portfolio value. The financial assets whose fair value is determined based on Level 1 input data account for 68.2% of the total value of **Transilvania Investments** portfolio as at 30.06.2023.

Key considerations on the performance of the financial instrument portfolio during the first six months of 2023

- in the first half of 2023, the total assets value increased by 4.63% (unannualized rate) and by 2.8% compared to the first quarter of 2023;

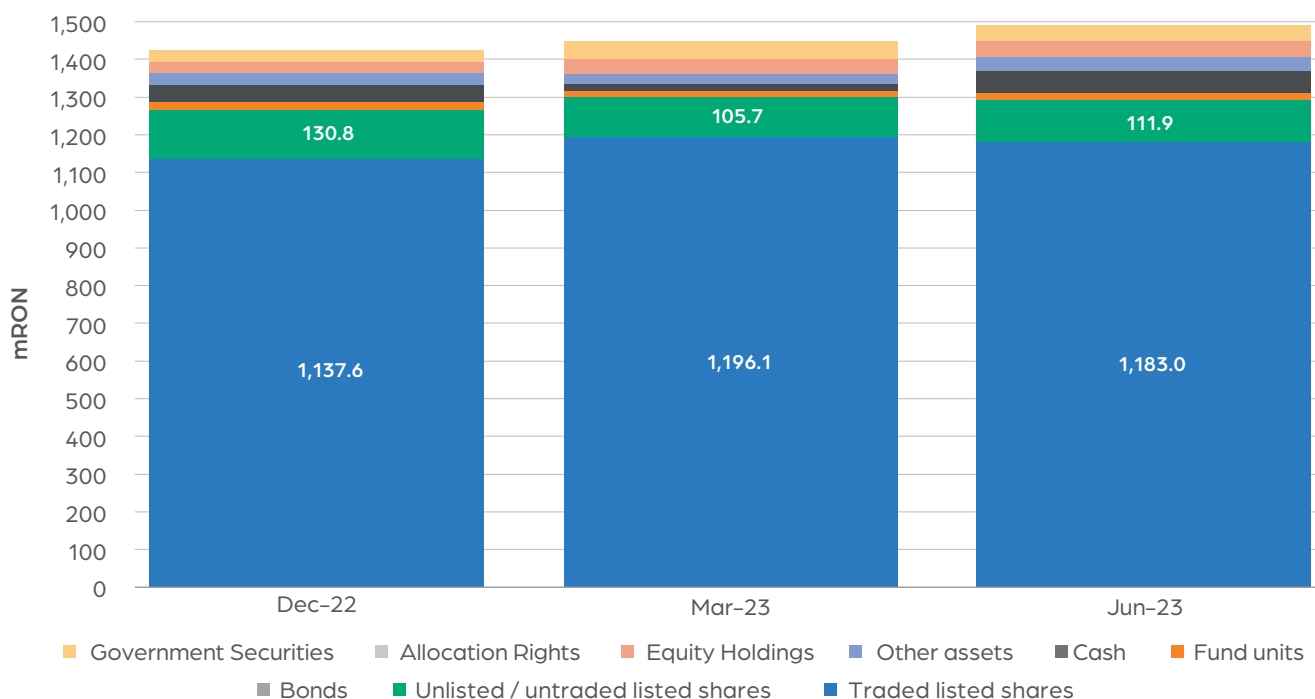
Performance and components of Transilvania Investments' portfolio

- mil. RON -	dec.-22	quarterly evolution	mar.-23	quarterly evolution	iun.-23	year-to-date evolution
Total assets value	1,426.1	▲	1,451.5	▲	1,492.1	▲
Net assets value	1,358.2	▲	1,382.5	▲	1,412.9	▲
Total companies in portfolio *	86	▼	78	▼	77	▼
Financial instruments portfolio (incl. cash)	1,394.7	▲	1,425.4	▲	1,454.8	▲
Financial instruments portfolio	1,347.5	▲	1,408.2	▼	1,396.0	▲
Cash & equivalent **	47.2	▼	17.2	▲	58.8	▲

* including securities being transferred ** used credit line excluded

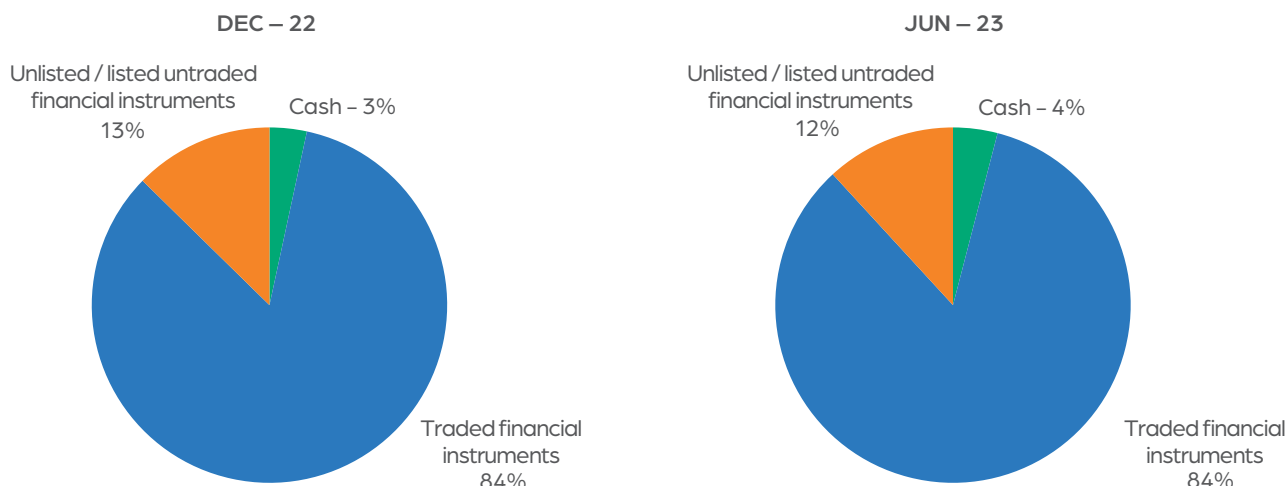
Source: Transilvania Investments, I.F.R.S. fair values, Annex no. 10 to the F.S.A. Regulation no. 7 / 2020, F.S.A. Regulation no. 9/2014

Performance of Transilvania Investments' portfolio structure



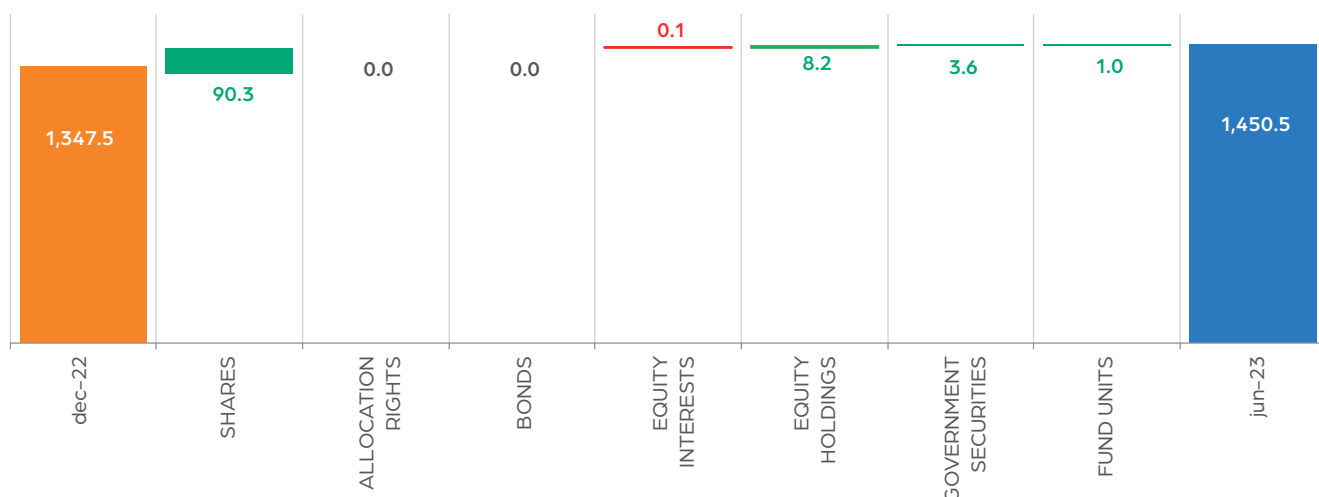
Source: Transilvania Investments, I.F.R.S. fair values, Annex no. 10 to the F.S.A. Regulation no. 7 / 2020, F.S.A. Regulation no. 9/2014

- in terms of structure, the weight of the cash in total financial instrument portfolio increased, while the weight of untraded operational portfolio decreased as compared to the reference period of time (December 2022);



Source: Transilvania Investments, I.F.R.S. fair values, Annex no. 10 to the F.S.A. Regulation no. 7 / 2020, F.S.A. Regulation no. 9/2014

- ▮ analysis of the financial instrument portfolio variation (fair value + generated cash + attached receivables deducted from fair value) – breakdown by financial instruments
 - the sub-portfolio of shares generated at the assets value level a positive net cash impact totalling RON 90 million;
 - the sub-portfolio of equity holdings generated at the assets value level a positive net cash impact totalling RON 8.2 million;
 - the sub-portfolio of government securities generated at the assets value level a positive net cash impact totalling RON 3.6 million;
 - the impact is determined based on the fair values registered 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 related to sale/acquisition operations), the attached receivables (dividends to be collected, deducted from the fair value of the financial instruments);



Source: Transilvania Investments

Obs.: The initial value (Dec.-22) of the financial instrument portfolio is calculated according to IFRS fair values. The final value (June-23) of the financial instrument portfolio is calculated by adding to the IFRS fair values the contribution of each financial instrument [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.

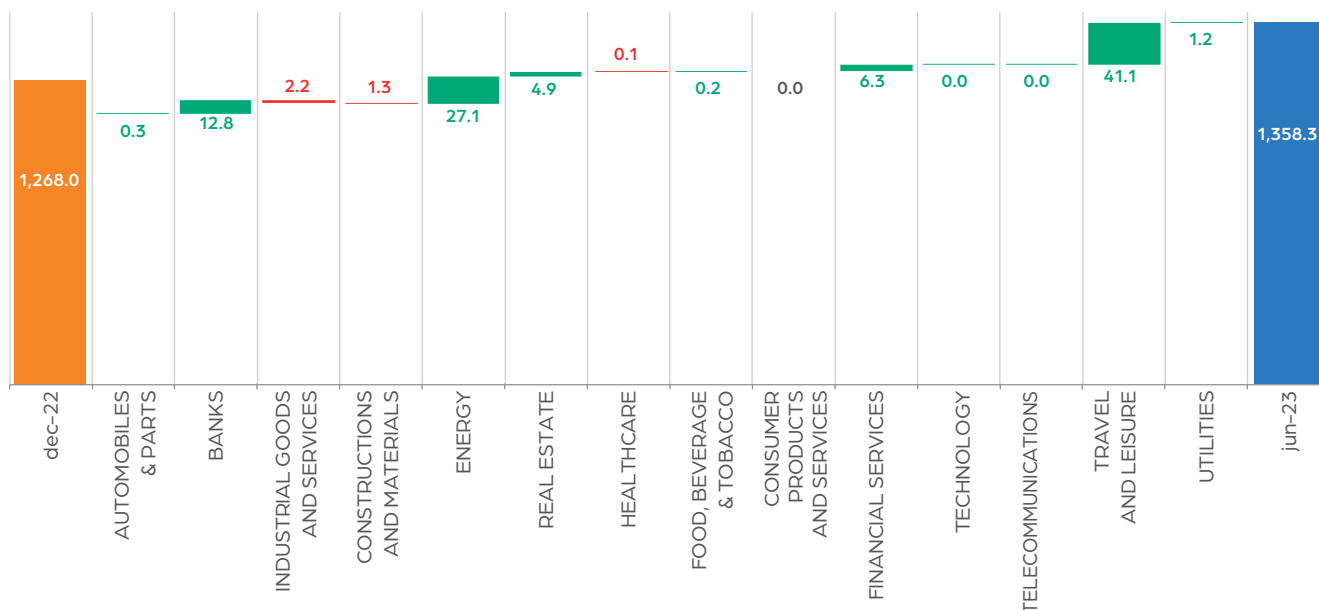
- ▶ analysis of the financial instrument portfolio variation (fair value + generated cash + attached receivables deducted from fair value) – breakdown by sectors
 - the main sectors which recorded positive adjustments are the following: *Travel and Leisure* (+ RON 41.1 million), *Energy* (+ RON 27.1 million), *Financial Services* (+ RON 15.5 million), *Banks* (+ RON 12.8 million);



Source: Transilvania Investments

Obs.: The initial value (Dec.-22) of the financial instrument portfolio is calculated according to IFRS fair values. The final value (June-23) of the financial instrument portfolio is calculated by adding to the IFRS fair values the contribution of each sector [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.

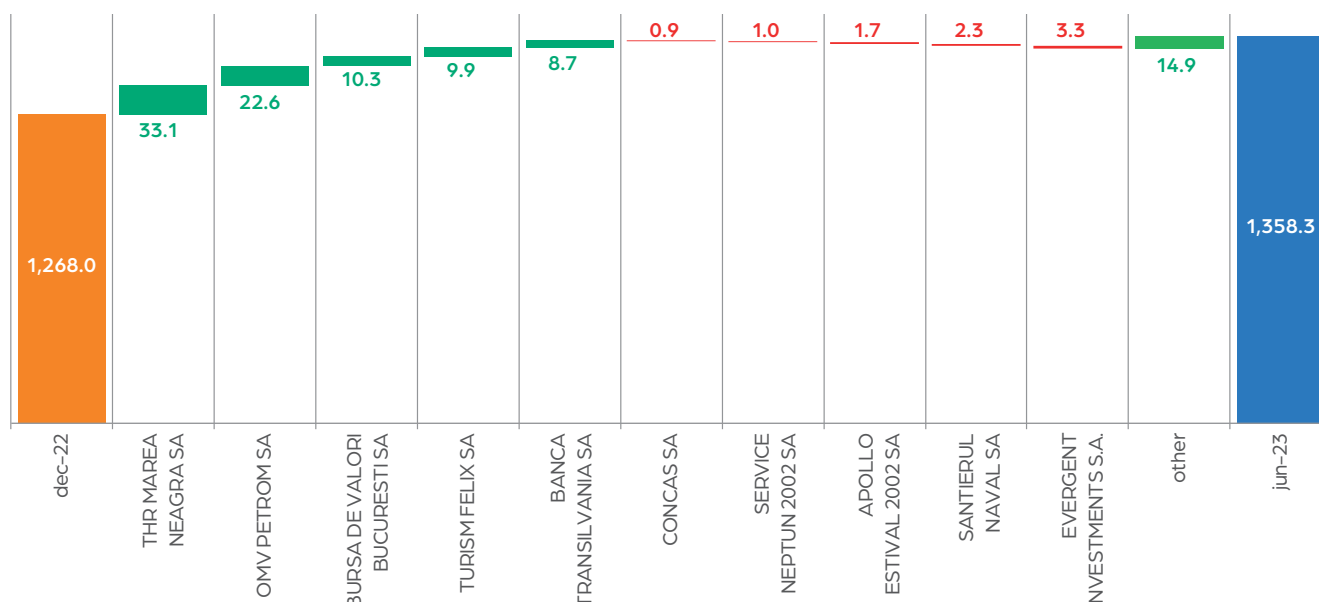
- ▶ analysis of the share sub-portfolio variation (fair value + generated cash + attached receivables deducted from fair value) – breakdown by sectors



Source: Transilvania Investments

Obs.: The initial value (Dec.-21) of the share sub-portfolio is calculated according to IFRS fair values. The final value (June-23) of the share sub-portfolio is calculated by adding to the IFRS fair values the contribution of each sector [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.

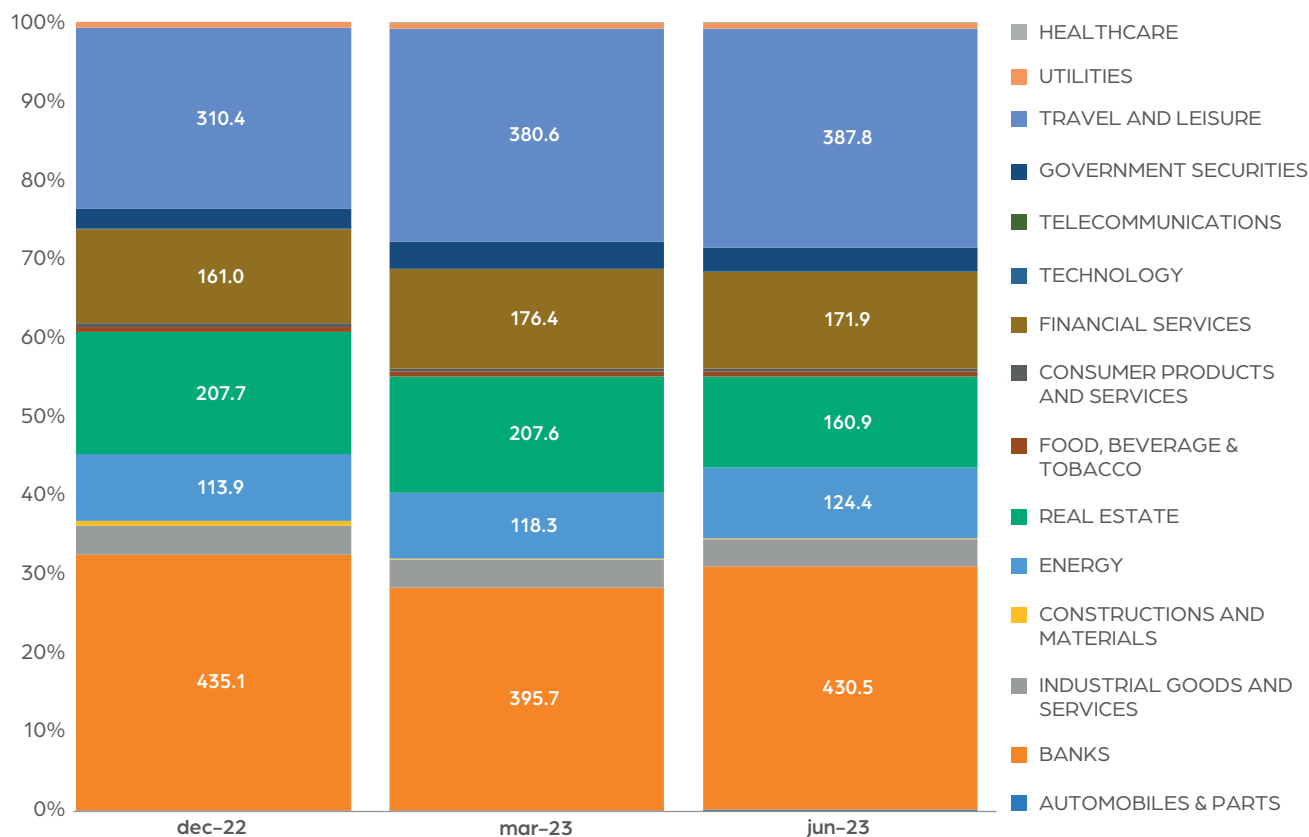
- ▶ analysis of the share sub-portfolio variation (fair value + generated cash + attached receivables deducted from fair value) – top 5 positive/negative performances
 - top 5 negative performances mainly include issuers whose negative net adjustment is directly influenced by the evolution of the macroeconomic context (*Constructions, Industrial goods and services*);



Source: Transilvania Investments

Obs.: The initial value (Dec.-22) of the share sub-portfolio is calculated according to IFRS fair values. The final value (June -23) of the share sub-portfolio is calculated by adding to the IFRS fair values the contribution of each issuer [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.

- at the operational portfolio level, the investment structure is characterized by concentration on the sectors deemed strategic in the Company’s 2020 – 2024 Investment Policy Statement and 2020 – 2024 Strategy.



Source: Transilvania Investments

Obs.: IFRS fair values reported for Dec.-22, Mar.-23, June-2023 (expressed in RON million)

Investment strategy. Investment activity during the first half of 2023

The Company’s investment strategy for the period 2020–2024, as revised by the General Meeting of Shareholders of 28 April 2022, aims to increase the value of the managed assets through maximization of the aggregate yields adjusted to risk and it seeks: ensurance of the portfolio quality through carrying-on the accelerated restructuring thereof, structural balancing of the portfolio, improvement of the portfolio aggregate liquidity and promotion of efficient and attractive shareholder remuneration instruments and proper management of the financial resources needed to implement such instruments.

Transilvania Investments seeks to maximize the potential offered by the main **business lines**: travel and leisure, real estate, industry, active trading and venture capital/private equity, the main action lines being the following:

- Travel and leisure** – changing the management and business models for the sub-portfolio of companies operating in this sector;

- ▶ **Real-estate** – an efficient and centralized operating of the real-estate portfolios, including the assets held by companies operating in industry sector where the risk-adjusted profitability of the industrial activity is lower than the estimated efficiency of operation as a real-estate vehicle.
- ▶ **Industry** – changing the management and business models for the sub-portfolio of companies operating in this sector, including through partnerships, and analysing the opportunities for the assets in this sector to be operated under the real estate business line.
- ▶ **Active trading** – includes the strategy afferent to issuers actively traded on financial markets, with high liquidity, regardless of the trading environment (local or international), in order to maintain an adequate liquidity level profile of the managed portfolio and targets both short investment horizons and longer investment horizons. The Company will also invest in other instruments traded on the OTC financial markets, such as fixed income instruments or derivatives.
- ▶ **Venture capital/private equity** – development and efficient capitalization of the potential offered by the niche of such investments, both in new sectors and through a private equity type approach for the assets in the existing portfolio.

The main investment objective of **Transilvania Investments** is the maximization of the aggregate returns achieved by the current and potential investors through the investments made by the Company, in compliance with the law and its own regulations in force.

At the same time, **Transilvania Investments** seeks the increase of the net asset value through a performant management carried out by specialists, oriented towards value-added generation, in conditions of an active and prudent management of the assets from the business lines (trading, travel and leisure, real estate, industry and venture capital / private equity).

The Company's key performance indicator (KPI), set forth in the 2020 – 2024 Strategy and the 2020–2024 Investment Policy Statement, approved by the shareholders, is the increase of the net asset value by at least 30%, increase calculated before any distribution of dividends and/or other forms of shareholder remuneration, where the reference level is represented by the net asset value afferent to the financial statements as at 30.06.2020 and covers the period until 30.06.2024.

Investment activity during the first half of 2023

Transilvania Investments Alliance's investment activity is consistent with the Company's Strategy for 2020–2024, approved by the shareholders, respectively it is focused on issuers actively traded on the financial markets, with high liquidity, regardless of the trading environment (local or international), with the purpose of maintaining an adequate liquidity level profile of the managed portfolio and targets both short and longer investment horizons.

During the first six months of 2023, the Company invested mainly in financial instruments listed on the local regulated market, characterized by high liquidity.

Thus, the investments made during April–June 2023, totalling **RON 94.6 million**, consisted mainly in acquisitions at the level of the FVTPL short-term portfolio, namely shares issued by BRD Groupe Société Générale, Fondul Proprietatea, Medlife and Turism–Felix S.A, as well as 10-year maturity government securities denominated in both RON and EUR.

At the level of the same FVTPL short-term portfolio, the Company carried out **sale transactions**, totalling **RON 101 million**, the largest amount being generated by the sale of the entire stake of 56.72% held in COMCM SA Constanța (sale within the Public Tender); in addition, the Company sold the stake held in CONCAS SA Buzău. Moreover, **Transilvania Investments** subscribed in the Public Tender initiated by Fondul Proprietatea and diminished its stake held in this issuer. The Company also diminished its exposure on Government securities denominated in RON with 4, 6, 9 and 10-year maturities.

In addition to the acquisitions made on the Romanian capital market, the Company acquired, at the FVTOCI portfolio level, equity holdings in CEECAT Fund II, **worth EUR 2.3 million**, a private equity fund focused on small and medium companies in emerging Europe, with focus on companies acting in satellite manufacturing and IT services.

The sale operations carried out during the same period, at the FVTOCI portfolio level, **amounted to RON 25.2 million** and were mainly focused on marking the profit on the issuers BRD Groupe Société Générale, AROBS Transilvania Software and Evergent Investments.

At the FVTPL portfolio level, the Company partially sold fund units issued by FII BET FI Index, worth RON 1 million.

The total value of sales performed at the level of FVTPL and FVTOCI portfolios amounted to **RON 126.3 million**.

In addition to the transactions made within the two portfolios, FVTPL and FVTOCI, in the context of the start in January 2023 of the second stage of the share buyback program (which takes place between 09.01.2023 and 16.11.2023 and aims at the purchase of 10 million shares, at a minimum price equal to the market price of the company's shares and a maximum price of RON 0.49 /share), until 30.06.2023, **Transilvania Investments** bought-back 6,425,009 own shares, at the average price of RON 0.2933, worth RON 1,884,669.

We recall that the maximum volume of own shares that can be purchased during a trading session is 25% of the average number of shares traded on the Bucharest Stock Exchange, calculated based on the average daily volume over the last 20 days in which the company was traded on the market, according to art. 3 para. (3) indent b) of the Delegated Regulation (EU) 2016/1052.

At the local market level, we forecast an improvement in liquidity amid the increased interest in the Bucharest Stock Exchange, following the public offer carried out by Fondul Proprietatea for the shares held in the issuer Hidroelectrica. Within the offer price range, the total capitalization of Hidroelectrica will be between RON 42 billion and RON 50 billion, thus becoming the issuer with the largest capitalization listed on the Bucharest Stock Exchange. Such company will generate additional interest in the local market, both from existing investors and from those who were not present on this market until now.

Also, considering inflation forecasts, we expect a flattening of the RON interest rate curve, with increased investor interest in the long maturity area.

In the second half of 2023, inflation seems to finally ease globally, too. However, analysts and economists are concerned that the Federal Reserve's fight against inflation is far from over, and that a US recession could still materialize.

In June, the Federal Reserve opted to pause interest rate hikes, maintaining its range of interest rate hikes to 5% and 5.25%. June's rate hike pause comes after 10 consecutive hikes, dating back to March 2022. While investors applauded the FED's June pause, the bond market sees more than 80% probability that the FED shall resume its tightening and raise rates again by 0.25% at its next meeting in July.

In Europe, economic growth could be negatively influenced by Russia's war against Ukraine, and a rise in geopolitical tensions could fragment global trade and, thus, hurt the Eurozone economy. The European Central Bank raised its benchmark interest rate by 0.25% to 3.5% in June, in a discordant note from the Federal Reserve's decision to halt interest rate hikes.

Portfolio management during the first half of 2023

During H1 2023, **Transilvania Investments** continued the implementation of the actions outlined in the 2020–2024 Strategy, approved by the General Meeting of Shareholders, regarding portfolio management, i.e.:

- ▶ monitoring and analysis of the portfolio companies' activity, based on the financial results reported for the financial year 2022 and the first quarter of 2023;
- ▶ substantiation of the voting options within the general meetings of shareholders held for the closure of the 2022 financial year regarding the distribution of the net profit and other items on the agenda, based on the documents provided by the portfolio companies and by reference to Transilvania Investments' interests;
- ▶ making proposals for amending the Revenue and Expenditure Budgets for the year 2023, in line with the perspectives of the sectors in which the portfolio companies operate and in the context of positive macroeconomic developments;
- ▶ approval in the general meetings of shareholders of the performance criteria and objectives for 2023 for each company, depending on the specificity of the activity, the Revenue and Expenditure Budget and Investment Programs for 2023, aligned with the provisions of the companies' Remuneration Policies;
- ▶ implementation of the "*Policies for ensuring an efficient management of the company*" in the companies in which **Transilvania Investments** is a majority shareholder, which are meant to:
 - strengthen the implementation of corporate governance principles oriented towards transparency, equality of participants, proportionality, assumption of responsibility and efficiency;
 - 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 their activity;
 - ensure an efficient use of the company's financial resources and the creation of value for shareholders;
 - implement specific policies and rules for avoiding and managing conflicts of interest;
- ▶ appointment in management and supervisory positions of individuals with professional expertise and qualification, based on clearly predefined criteria and in accordance with the internal selection procedure, including independent managers;
- ▶ identification and steering of synergies existing at the level of the companies which operate in the same sector in order to improve the operational efficiency;
- ▶ carrying on the restructuring and increase in efficiency of the portfolio managed by Transilvania Investments.

Portfolio structure evolution by sectors

Sectors	31.12.2022		30.06.2023	
	No. of issuers	% of total portfolio	No. of issuers	% of total portfolio
Automobiles and Parts	3	0.20	3	0.20
Banks	3	32.98	3	30.84
Industrial Goods and Services	10	4.00	9	3.44
Constructions and Materials	8	0.67	7	0.11
Energy	5	8.63	5	8.91
Real-estate	18	15.75	15	11.53
Food, Beverages and Tobacco	7	0.69	5	0.61
Healthcare	0	0	1	0.10
Consumer Products and Services	2	0.43	2	0.41
Financial services*	15	12.20	14	12.32
Technology	3	0.14	2	0.11
Telecommunications	1	0.03	1	0.03
Travel and Leisure	16	23.53	15	27.78
Utilities	2	0.75	2	0.74
Subtotal	93	97.78	84	97.12
Government securities		2.34		2.88
Total	93	100.00	84	100.00
Shares and equity interests	86	94.14	77	92.76
Fund units	6	1.29	6	1.25
Equity holdings	1	2.22	1	3.11
Government securities		2.34		2.88

Source: Transilvania Investments Obs.: According to IFRS fair values

*including fund units and equity holdings

The portfolio value as at 30.06.2023 is RON 1,396,022 thousand, compared to the value of RON 1,347,502 thousand recorded at 31.12.2022.

Due to the changes which took place in the shares and equity interests sub-portfolio, the number of holdings decreased from 86 (31.12.2022), to 77 (30.06.2023).

In accordance with the strategy for portfolio diversification and orientation towards sectors with growth potential, the measures taken during the first half of 2023 to restructure the portfolio and increase the efficiency thereof were the following:

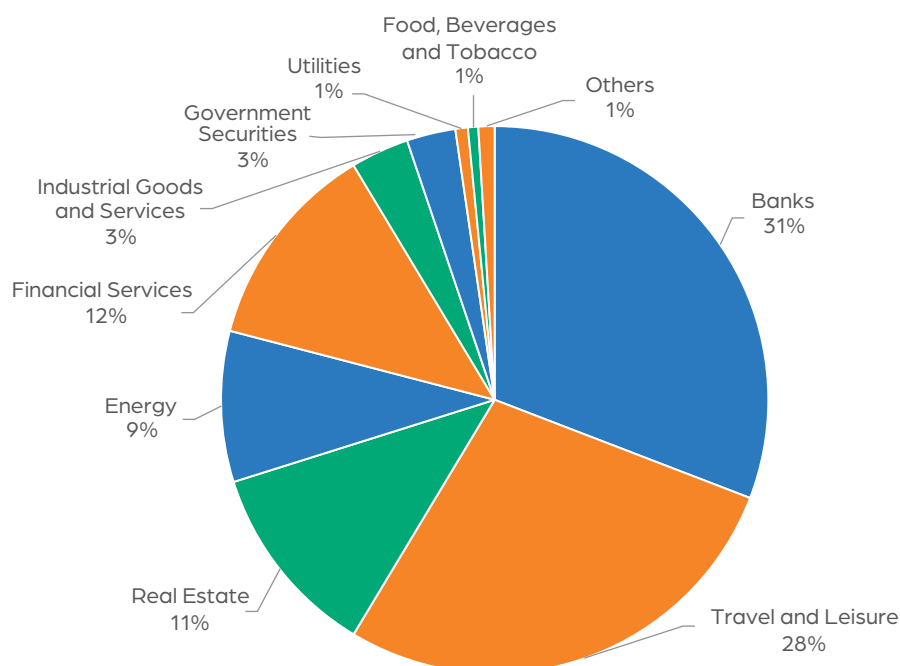
- capitalizing market opportunities by selling the entire stake held in the following portfolio companies: Aquila Part Prod Com (company admitted to trading on the regulated market) and Concas S.A. Buzău and Arobs Transilvania Software (companies admitted to trading on the AeRO multilateral trading system);
- increasing the exposure on long-term strategic investments through acquisitions made on the specific market of each company, such as Turism Felix SA Baile Felix;
- acquisitions on the stock exchange of shares issued by Medlife and Fondul Proprietatea;
- repositioning (exposure diminishing) within some issuers listed on the BSE's regulated market, such as Banca Transilvania, OMV Petrom, Sphera Franchise Group, BRD Groupe Société Générale, Evergent Investments;

- ▶ partial sale of government securities denominated in RON;
- ▶ sale of the entire stake held in the following unlisted companies: Legume–Fructe SA Buzău and Irucom SA Miercurea Ciuc;
- ▶ acquisition of shares issued by Grup Bianca Trans SA Braşov (unlisted company);
- ▶ sale of the entire stake held in COMCM SA Constanta (listed on the regulated market) within the Tender Offer;
- ▶ delisting from the portfolio of the issuers The Foundations Feeder, Romagribuz SA Râmnicu Sărat and Comsig SA Sighişoara, following the closure of bankruptcy proceedings and companies' deregistration from the Trade Register Office, as well as of Transilvania Estival 2002, following the collection of the withdrawal price, in accordance of Law 151/2014;
- ▶ acquisition of government securities denominated in RON and EUR, issued by the Ministry of Finance and sale of BET–FI Index fund units.

In the same context, we mention that the development efforts made by the companies in which **Transilvania Investments** is the majority shareholder have also materialized in large-scale development projects that they carry out, of which we mention:

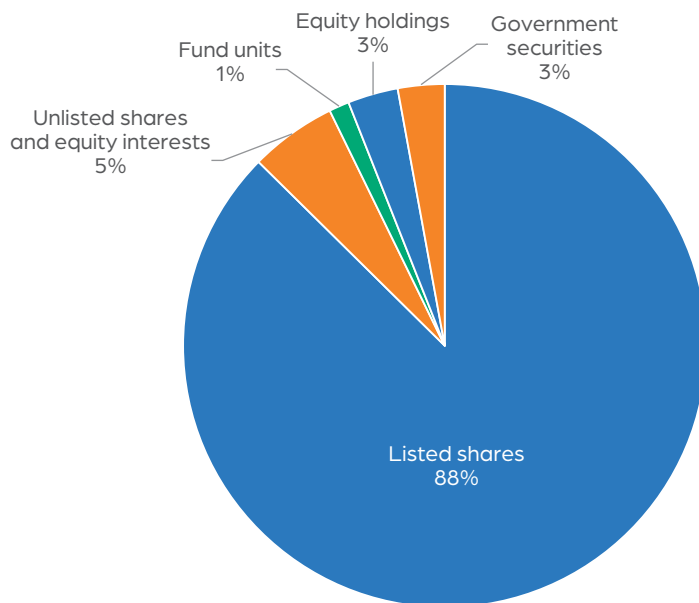
- ▶ Signing of the franchise agreement between Accor Group and Aro Palace, aimed at the consolidation and complete makeover of the Capitol Hotel in Braşov, which will be reopened in late 2025 as Mercure Braşov Center;
- ▶ Carrying on the rehabilitation works for the new Venus complex, a cutting-edge aqua park in the 1 Mai resort (Bihor county), managed by Turism Felix S.A., which are close to completion. With a capacity of 2,000 visitors at a time, with 7 pools for adults, 2 pools for children, restaurants and sports fields, the Venus complex will open in the second half of 2023.

Portfolio structure by sectors as at 30.06.2023



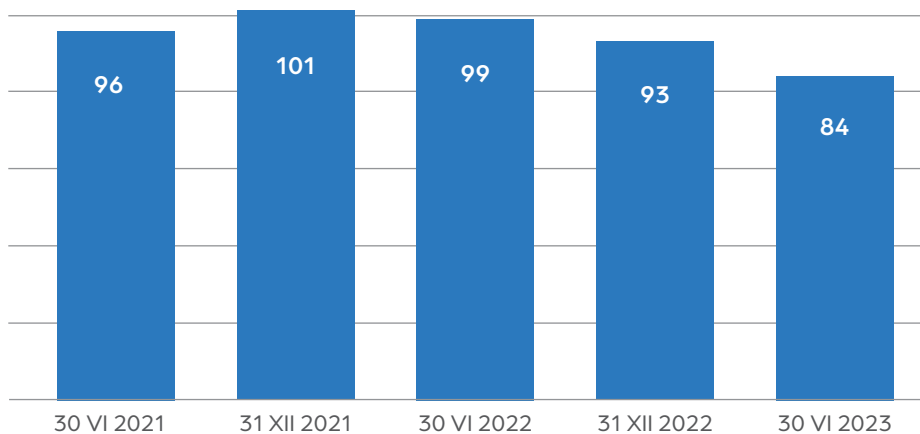
Source: Transilvania Investments Obs.: According to IFRS fair values

Portfolio structure by financial instruments as at 30.06.2023



Source: Transilvania Investments Obs.: According to IFRS fair values

**Evolution of the number of issuers in portfolio
(shares, equity interests, fund units, equity holdings)**



Source: Transilvania Investments

During January–June 2023, the number of issuers in the portfolio decreased, being recorded decrease in number of shareholdings in listed and unlisted companies.

The evolution of dividend income during 2018–2023 is presented in the table below:

Dividend income collected in FY	-RON thousand-	Variation from previous year
2018	64,777	+52.66%
2019	71,053	+9.69%
2020	39,998	-43.71%
2021	32,916	-17.71%
2022	107,806	+227.52%
2023 (estimated)	56,300	- 47.77%

The dividend income estimated to be recorded in 2023 is about RON 56.3 million. The dividends collected up to 30.06.2023 amount to RON 26.68 million. We mention that the dividend income achieved by **Transilvania Investments** in 2022 was influenced by the special dividends received from BRD–Groupe Société Générale.

Thus, a significant decrease in dividend income is recorded, after banks received from the NBR the recommendation of the National Committee for Macroprudential Oversight (NCMO) regarding the prudent distribution of dividends in 2023.

Top 10 holdings as at 30.06.2023

No.	Company name	Stake held (%)	% of Total Assets
1	BANCA TRANSILVANIA S.A.	1.49%	14.69%
2	BRD – GROUPE SOCIÉTÉ GÉNÉRALE S.A.	2.04%	12.62%
3	TURISM FELIX S.A.	93.03%	9.07%
4	TURISM, HOTELURI, RESTAURANTE MAREA NEAGRĂ S.A.	78.80%	8.40%
5	OMV PETROM S.A. BUCUREȘTI	0.31%	6.37%
6	FEPER S.A.	85.80%	3.47%
7	EVERGENT INVESTMENTS S.A.	4.36%	3.38%
8	CASA ALBA INDEPENDENȚA S.A. SIBIU	53.35%	2.76%
9	BURSA DE VALORI BUCUREȘTI	7.69%	2.07%
10	TURISM COVASNA S.A.	92.94%	2.05%
Top 10 holdings			64.88%
Total financial instrument portfolio			93.56%

Source: Transilvania Investments *According to IFRS fair values reported for June 2023

As at 30.06.2023, the financial instrument portfolio value was RON 1,396,022,014 and the total assets under management amounted to RON 1,492,089,269.

Transactions between related parties

Transilvania Investments' transactions with related parties have been carried out during the normal performance of the Company's activity, and no significant transaction took place in the first half of 2023. Detailed information on **Transilvania Investments'** transactions with related parties are provided in Note 27 to the Financial Statements prepared as at 30.06.2023, attached to this report.

Corporate governance

Transilvania Investments Alliance is managed under a two-tier system by an Executive Board which carries out its activity under the supervision of the Supervisory Board.

In accordance with the Company's Articles of Incorporation, the Supervisory Board is composed of five members, natural persons, elected by the ordinary general meeting of shareholders. As at 30.06.2023, the Supervisory Board of **Transilvania Investments** consisted of Mr. Patrițiu Abrudan – Chairman, Mr. Marius–Petre Nicoară –Deputy Chairman, Mr. Paul–George Prodan–member, Mr. Radu Momanu– member and Mr. Constantin Frățilă – member.

The Supervisory Board members were elected by the Ordinary General Meeting of Shareholders of 04.12.2020 for a 4-year mandate, starting on the date the membership of the Board was authorized by the Financial Supervisory Authority. The members of the Supervisory Board were authorized by the F.S.A. under Authorizations nos. 69/19.04.2021 and 80/27.04.2021.

According to the Articles of Incorporation, the Executive Board of the Company consists of three members, appointed by the Supervisory Board. As at 30.06.2023, the Executive Board was composed of Mr. Radu Claudiu Roșca – Executive President, Mr. Theo–Dorian Buftea – Executive Vice–President and Mrs. Stela Corpacian – Executive Vice–President. The mandate of the Executive Board members expires on 20.04.2024.

Detailed information on the management and supervisory structures of the Company is available on the website www.transilvaniainvestments.ro, Section *About us*.

Relevant events during the first semester of 2023

- On 09.01.2023, **Transilvania Investments** launched the second stage of the own share buy-back programme, approved through the E.G.M.S. Resolution no. 1/28.04.2022. Under this stage, which runs between 09.01.2023 and 16.11.2023, the Company intends to buy-back a maximum number of 10,000,000 own shares. Until 30.06.2023, the Company acquired 6,425,009 own shares, at the average price of RON 0.2933/share, totalling RON 1,885 thousand.

We recall that under the first stage of the buy-back programme, which was carried out between 18.08.2022 and 06.12.2022, the Company acquired 10,000,000 own shares, representing 0.4624% of the share capital. Further information regarding the buy-back programme is available on the Company's website, under *Investor Relations/Buy-back notifications 2022/2023* section.

- On 18.01.2023, **Transilvania Investments** published the Key Information Document (KID), updated following the entering into force on January 1st, 2023 of the Delegated Regulation (UE) 2021/2268. The information presented was based on the 2021 audited financial results. Following the approval by the Ordinary General Meeting of Shareholders dated 24.04.2023 of the audited financial statements for the year 2022, the Company published the Key Information Document, updated based on this information. The document is available on the website www.transilvaniainvestments.ro, *Corporate Governance* section.
- In the meeting of 28.02.2023, the Company's Supervisory Board appointed Mr. Patrițiu Abrudan as Chairman of the Supervisory Board and Mr. Marius–Petre Nicoară as Deputy Chairman of the

Supervisory Board, starting on 28.02.2023 (*Current report no. 1393/28.02.2023*). The above-mentioned resolution was adopted as a result of Mr. Paul-George Prodan's waiver of the position of Chairman of the Supervisory Board and Mr. Radu Momanu, of the position of Deputy Chairman of the Supervisory Board.

- ▶ On 24.04.2023, the Extraordinary and Ordinary General Meetings of Shareholders took place at Aro Palace Hotel in Braşov.

The Extraordinary General Meeting of Shareholders approved the run of two buy-back programmes, for maximum 20,000,000 shares, representing 0.9248% of the share capital, at the maximum price of RON 0.49/share, with the following destinations:

- maximum 12,000,000 shares, in order to reduce the share capital, by cancelling the bought-back shares;
- maximum 8,000,000 shares, in order to be freely distributed to the Supervisory Board members, Executive Board members and the identified staff, within a Stock Option Plan program, in compliance with the Company's remuneration policy.

The duration of each programme will be maximum 18 months from the publishing date of the EGMS Resolution in the Official Gazette of Romania, Part IV.

During the same general meeting, the shareholders have been informed on the changes to the Articles of Incorporation of **Transilvania Investments Alliance S.A.**, made in accordance with the provisions of the F.S.A. Authorization. no. 106/08.07.2022.

The Ordinary General Meeting of Shareholders approved the annual financial statements for the financial year 2022, the remuneration report for the year 2022, the distribution of the net profit recorded in the financial year 2022 and the gross dividend per share, the variable remuneration of the Supervisory Board members for 2022/2023 within the limits approved by the general meeting of shareholders through the Remuneration policy and the Stock Option Plan programs, the liability discharge of the Supervisory Board members and the Executive Board members for the activity performed in the financial year 2022, the revenue and expenditure budget for the financial year 2023.

The full resolutions of the general meetings of shareholders of 24.04.2023 are available on the Company's website www.transilvaniainvestments.ro, under the *E.G.M.S. April 2023* and *O.G.M.S. April 2023* Sections.

- ▶ The Company published on 24.04.2023 the Annual Report for the financial year 2022 and on 15.05.2023 – the Quarterly Report for the quarter ended 31.03.2023. The reports are available on www.transilvaniainvestments.ro, section *Investor Relations/Reports*.
- ▶ **Transilvania Investments** increased its stake held in Turism Felix S.A. through the acquisition of 143,752,429 shares issued by said company, representing 29.2663% of the share capital. Following this acquisition, **Transilvania Investments** increased its stake in Turism Felix from 63.7654% of the share capital to 93.0317%. The acquisition of the additional package of shares is part of the fund's strategy to consolidate its position in the key portfolio assets.
- ▶ The Company published the Information document regarding the free allotment of 12,000,000 own shares to the identified personnel, namely employees and members of the management bodies of the Company, representing the initial component of 60% of the variable remuneration afferent to the year 2022, in accordance with the Remuneration policy in force.

Relationship with shareholders and investors

During the first semester of 2023, the Company fulfilled its transparency, informing and reporting obligations, as set forth under the legal regulations and the B.S.E.'s Corporate Governance Code, both in its capacity as an issuer traded on the Bucharest Stock Exchange, as well as an Alternative Investment Fund Manager (A.I.F.M.) and Retail Investor Alternative Investment Fund (R.I.A.I.F.).

During the period under review, the Company prepared current reports, press releases and periodical reports which were brought to the shareholders and investors' attention by publishing them on the B.S.E., F.S.A. and the Company's websites. The reports and press releases were disseminated simultaneously in Romanian and English language.

Transilvania Investments makes all the efforts to ensure that the shareholders' rights, as they are granted by the applicable laws, are observed, and it offers an equal and non-discriminatory treatment to all its shareholders.

As concerns the shareholders' rights regarding the general meetings, during the period under review, the Company has made available to the shareholders on its website, in sections dedicated to such corporate events, both in Romanian and English language, all the documents necessary for the shareholders to be informed and able to exercise their right to vote in the General Meetings of Shareholders dated 24.04.2023, namely: notice to attend in the general meetings, draft resolutions of the general meetings, materials pertaining to the agenda, voting procedures, special power of attorney forms, correspondence ballot forms, situation of the voting rights, resolutions of the General Meeting of Shareholders, including the detailed result of the vote. The shareholders had been able to exercise their right to participate and vote in the general meetings in person, by representative, by correspondence and by electronic means.

Please note that during the reporting period, no change has occurred with regard to the rights of Transilvania Investments' shareholders.

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

During the analysed period, the Company organized, on 02.05.2023 and 18.05.2023, two conference calls for investors and analysts, during which the financial results recorded in 2022, respectively in the 1st quarter of 2023 were presented. The materials presented to investors are available on the Company's website www.transilvaniainvestments.ro, section *Investor Presentations*.

Transilvania Investments achieved a 9.5 VEKTOR score within the assessment for 2022 carried out by the Romanian Investor Relations Association (ARIR), published in January 2023, this being the indicator of communication with investors for companies listed on the stock exchange, a result that confirms the Transilvania Investments' sustained efforts to implement high standards of transparency and communication with the investors.

Shareholding structure as at 30.06.2023

According to the data provided by Depozitarul Central S.A, the shareholding structure of **Transilvania Investments** as at 30.06.2023 was the following:

Shareholders	Number of shareholders	Number of shares held	% of share capital
Resident individuals	6,955,888	1,086,693,812	50.25
Resident legal entities	214	1,026,002,878	47.45
Total resident shareholders	6,956,102	2,112,696,690	97.70
Non-resident individuals	2,456	12,245,659	0.57
Non-resident legal entities	23	37,501,448	1.73
Total non-resident shareholders	6,955,888	1,086,693,812	50.25
TOTAL	6,958,581	2,162,443,797	100.00

Source: Depozitarul Central

Shareholder remuneration in 2023

The Company's strategy on the remuneration of its shareholders is focused on the implementation of a balanced remuneration policy, aimed at both direct remuneration (dividend gain) and indirect remuneration (capital gain from the reduction of the trading discount).

In this respect, for the period 2020 – 2024, in close correlation with the level of available liquidity, the status of the portfolio restructuring process and the resources needed for the carrying out of the investment programs, the Company proposed to its shareholders a mix of complementary remuneration instruments for the capital invested in **TRANSI** shares, as follows:

- ▶ distribution of cash dividends carrying an attractive return by reference to the average trading price recorded in the financial year for which the dividend is calculated;
- ▶ carrying out of share buy-back programmes, followed by cancellation of shares and reduction of the Company's share capital, subject to approval by the Company's shareholders.

The remuneration of shareholders in 2023 considers the implementation of both components of the above-mentioned mix of instruments, namely the distribution of dividends and the running of a share buy-back programme in order to reduce the share capital.

In terms of dividend distribution, the Ordinary General Meeting of Shareholders of 24.04.2023 approved the distribution of the net profit achieved by the Company in the financial year 2022 as follows:

No.	Destination	Amount (RON)
1.	Dividends	30,274,213.16 / (RON 0.014/share)
2.	Other reserves – own financing sources set-up from profit	33,447,525.00
TOTAL net profit recorded and distributed		63,721,738.16

The gross dividend, amounting to RON 0.014/share, provides:

- ▶ a 4.9% yield by reference to the average trading price of **TRANSI** shares on the BVB-REGS market in 2022 (yield situated in the maximum area provided by the shareholder remuneration policy);
- ▶ a 47.5% dividend payout ratio of the net profit (ratio higher than that provided by the shareholder remuneration policy).

The date approved by the general meeting of shareholders for the payment of dividends distributed from the 2022 profit is 23.06.2023. The shareholders entitled to collect these dividends are those registered in the shareholders' register on 31.05.2023, set as the registration date. The Company informed the shareholders on the dividend payment methods through the *Communique regarding the payment of dividends for the financial year 2022*, available on the Company's website www.transilvaniainvestments.ro, in sections *News* and *Investor Relations*. This information is also available on the Depozitarul Central's website www.rocLEAR.ro.

On 30.06.2023, the dividends related to the financial years 2019 and 2022 were available for payment through Depozitarul Central and the payment agent – Banca Transilvania. According to the legal provisions and the Company's Articles of Incorporation, the time limit after which the entitlement to the dividends afferent to 2019 lapses is 26.10.2023, respectively 22.06.2026 for the dividends afferent to the financial year 2022.

Regarding the implementation of share buy-back programmes, the Extraordinary General Meeting of Shareholders of 24.04.2023 approved the carrying out of two programmes, for a maximum number of 20 million shares, of which one programme aims to buy-back 12 million shares in order to reduce the share capital, by cancelling the bought-back shares. The implementation of this programme represents an indirect way of shareholder remuneration, by increasing the return on investment in the Company's shares, reducing the discount between the share price and the unit value of the net asset etc. As at 30.06.2023, the above-mentioned buy-back programme was not started.

Internal auditor

Transilvania Investments' 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 contract concluded with an auditor – individual or legal entity. Starting on 01.01.2022, the internal audit function is performed by KPMG Audit S.R.L.

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. The internal auditor activity is carried out based on the Annual Internal Audit Plan, endorsed by the Audit Committee and approved by the Supervisory Board. During the first half of 2023, the activity carried out by the internal auditor consisted in the closing of the internal audit missions for the year 2022 and the opening of the internal audit missions for the year 2023 related to the activity of analysis and valuation of the assets owned by the company and IT audit.

Compliance

The Compliance Department is subordinated to the Supervisory Board and is functionally and hierarchically independent from other organizational structures of the Company, and from corporate governance point of view, it is part of the Company's control system.

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

Based on the decision of Transilvania Investments' management, the compliance officer also has responsibilities concerning the fulfilment of the Company's obligations with respect to the application of the specific law on the prevention and combating of money laundering and financing of terrorist acts through the capital market, and for enforcing the international sanctions.

The objective of the Compliance Department's activity is the compliance risk management through supervision and control of the observance by the Company and its employees of the legal provisions in force and the Company's internal procedures, in order to prevent the legal and internal non-compliance situations.

During 01.01.2023–30.06.2023, the Compliance Officer key-function was performed by Mrs. Mihaela-Corina Stoica who fulfils the function's duties based on the F.S.A. Authorization no. 238/25.11.2021.

The activity of the Compliance Department in the first half of 2023 consisted mainly in managing the compliance risk with regard to the observance of the legal provisions, the Policies and procedures regarding the Company's operation as an A.I.F.M./R.I.A.I.F./Issuer, and in fulfilling the objectives set forth in the Investigation Plan, approved by the Supervisory Board, which is mainly focused on: compliance with the national and UE legislation and the Company's internal regulations, endorsement of all reports prepared by the Company and monitoring the compliance with the deadlines for their submission to the F.S.A./B.S.E./investors, managing of the authorization/notification processes in relation with the F.S.A., monitoring the organization and conduct of the general meetings of shareholders and the observance of the legislation and internal procedures regarding anti-money laundering and countering the terrorism financing activities and management of the international sanctions on the capital market. The compliance officer also ensured compliance with legal requirements regarding the activities and projects carried out by the Company in the first half of 2023 and provided expert advice for their implementation.

In order to increase the efficiency of the compliance function, the activity of the compliance officer was carried out mainly through a permanent and proactive control, performed through continuous supervision and monitoring of the activities falling within the compliance scope.

The conformity risk for the first half of 2023 recorded a "low" level.

Risk management

The Risk Management Department is subordinated to the Supervisory Board and is functionally and hierarchically independent from other organizational structures of the Company.

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

During 01.01.2023 – 30.06.2023, the risk manager key-function was performed by Mr. Alexandru Gavrilă who fulfils the function's duties based on the F.S.A. Authorization no. 231/11.11.2021.

Transilvania Investments implemented a risk management system that includes policies, procedures and measures for identifying, measuring and managing risks. The risk management policies and procedures are integral part of the "Policies and Procedures on the Transilvania Investments' Operation 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 Department, Compliance Department, 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 at the end of Q2 2023 indicate the following risk profile of **Transilvania Investments**:

NO.	Type of risk/ Risk Indicator	Materiality threshold (own funds requirement/ own funds or internally established limits)	Risk appetite	30/06/2023	Limit compliance
Market risk- subcategories:					
1	Position risk	max. 25%	Medium	9.02%	yes
2	Foreign exchange risk	max. 4%	Medium	0.63%	yes
3	Long-term Interest risk	max. 7.5%	Medium	2.41%	yes
4	Commodity Risk	max. 3.75%	Medium	0.00%	yes
5	VaR (historical simulation, 20 days, 99%)	max. 25%	Medium	8.12%	yes
6	NAV per share volatility	max. 25%	Medium	10.32%	yes
Credit risk:					
1	Credit risk	max. 150%	Medium	51.15%	yes
Liquidity risk- subcategories:					
1	LCR (net)	min. 1.3	Medium	30.45	yes
2	LCR (brut)	min. 1.2	Medium	4.93	yes
3	Financing from temporary resources	max. 50%	Low	2.70%	yes
4	Portfolio liquidity (percentage of liquid portfolio in total assets)	min. 35%	Medium	43.87%	yes
Risk de contrapartidă					
Counterparty risk:					
1	Exposure to high-insolvency risk companies	max. 10%	Low	0.00%	yes
2	Exposure to non-listed companies	max. 40%	According to law	7.93%	yes
3	Entity concentration risk	10% / 40%	According to law	14.69%	yes
Operational risk					
1	Operational risk- standardised approach	max. 7.5%	Medium	1.55%	yes
Leverage					
1	Leverage - Gross Method	max. 2.0	Low	1.01	yes
2	Leverage - Commitment Method	max. 2.0	Low	1.06	yes

The structure of the financial instruments' portfolio complies with the requirements and limits provided for by the legislation in force applicable to Alternative Investment Funds. As concerns the internally established limits, all indicators fall within the undertaken maximum levels. The capital markets continue to be characterized by a high degree of unpredictability and remain vulnerable from the perspective of high volatility periods (a fact that could determine an increase of *VaR* or *NAVPS Volatility* indicators as compared to their current level).

The leverage ratio indicator, determined according to the provisions of the Regulation (EU) No. 231/2013 *supplementing Directive 2011/61/EU with regard to general operating conditions, depositaries, leverage, transparency and supervision*, recorded at 30.06.2023 a low level according to the materiality threshold, calculated by both methods. Given that **Transilvania Investments** does not hold positions on derivative financial instruments, the value of the leverage ratio indicator, calculated according to the commitment method, does not differ from the value calculated according to the gross method (there is no compensation between long and short positions; leverage ratio according to the gross method = 1.01, leverage ratio according to the commitment method = 1.06).

Gross Method= (Total Assets Exposure – Cash and Cash equivalents – Reinvested Loans Adjustments) / (Net Asset Value)

30.06.2023

Total Assets	Net Assets	Cash and Cash Equivalents
1,492,089,268.67	1,412,898,913.79	58,123,070.15
Leverage Ratio according to the Gross Method		1.01

Commitment Method = Total Assets Exposure / Net Asset Value

30.06.2023

Total Assets	Net Assets
1,492,089,268.67	1,412,898,913.79
Leverage Ratio according to the Commitment Method	
1.06	

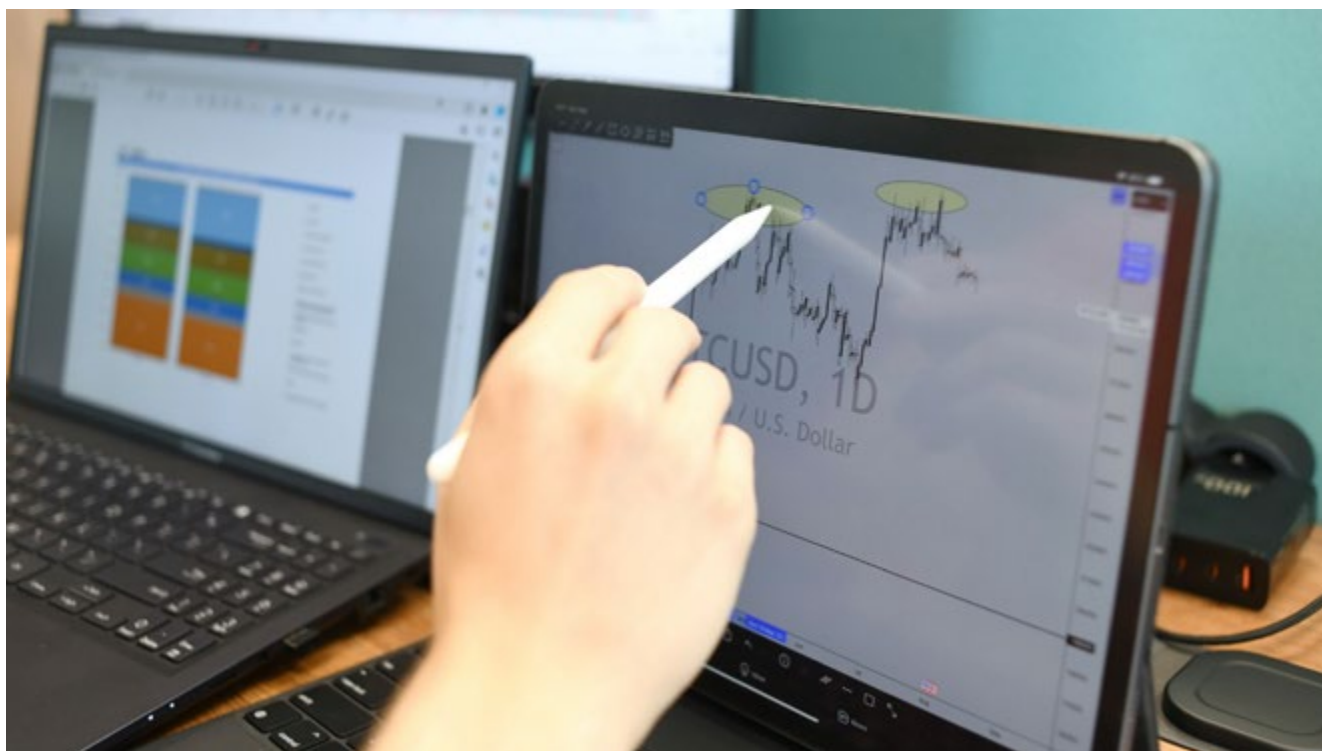
Situation of litigations at 30.06.2023

At the end of the first half of 2023, the number of litigations in which the Company was involved decreased as compared to the corresponding period in the previous year. The Company's management considers that these litigations shall not have a significant adverse effect on the economic results and financial position of the company, as they are reflected in the half-year financial statements prepared for the the first half of 2023.

In H1 2023, the number of litigations in which the Company and its former members of management structures were involved was significantly reduced compared to the number of litigations registered in the previous year and consisted in some legal actions not definitively settled, promoted since 2020 by former members of the Supervisory Board (Ștefan Szabo, Dumitru Carapiti and Gheorghe Luțac) and by former members of the Executive Board (Mihai Fercală, Iulian Stan and Ștefan Szitas) against some decisions of the Supervisory Board. During the first half of 2023, no litigation was initiated between the Company and its management structures.

The statements of litigations in which **Transilvania Investments** Alliance was involved in the first half of 2023 having as subject matters claims, annulment of the Supervisory Board resolutions or the supervisory authority decisions is set out in the annex to this Report.

Other existing litigations concerned the defence of the interests and other patrimonial rights of the Company.



CHAPTER 4

Financial position and performance at 30.06.2023

The interim condensed financial statements as at 30.06.2023 have been prepared in accordance with the F.S.A. Rule no. 39/2015 on the approval of the accounting regulations compliant with I.F.R.S., applicable to entities authorized, regulated and supervised by F.S.A. from the Financial Instruments and Investments Sector, as subsequently amended and supplemented, and they have not been audited.

At the end of H1 2023 the economic and financial statement of the Company is summarized as follows:

Statement of financial position

–RON–

Description	30 June 2023	31 December 2022	30 June 2022
Cash and cash equivalents	58,784,574	47,173,996	33,237,595
Financial assets measured at fair value through profit or loss	668,200,466	646,510,745	691,812,733
Government securities measured at fair value through profit or loss	40,273,477	31,653,276	–
Financial assets measured at fair value through other comprehensive income	687,548,071	669,338,157	675,325,309
Financial assets at amortised cost	12,039,155	6,719,070	7,626,786

Description	30 June 2023	31 December 2022	30 June 2022
Other assets	949,640	951,713	6,165,940
Intangible assets	58,689	82,473	134,565
Property, plant and equipment	18,977,439	18,029,683	12,848,181
Investment property	2,119,862	2,119,862	2,066,451
Rights of use assets under leases	3,137,896	3,514,086	3,931,885
Total assets	1,492,089,269	1,426,093,062	1,433,149,444
Financial liabilities	38,121,162	26,908,594	35,001,009
Loans from banks	-	-	3,021,716
Lease liabilities	3,635,700	3,988,871	4,502,838
Deferred income tax liabilities	34,234,475	30,129,459	32,495,036
Current income tax liabilities	330,208	3,650,349	884,485
Other liabilities	1,936,539	1,443,750	1,390,455
Provisions for risks and charges	932,271	1,809,107	-
Total liabilities	79,190,355	67,930,130	77,295,539
Share capital	216,244,380	216,244,380	216,244,380
Retained earnings	206,009,818	206,004,942	195,521,845
Revaluation reserves on financial assets at fair value through other comprehensive income	155,670,303	133,897,466	141,640,400
Revaluation reserve for property, plant and equipment	15,602,907	15,602,907	11,979,484
Other reserves	818,035,322	784,291,364	787,926,003
Equity-based payments to employees and management	2,648,433	4,908,273	7,063,958
Own shares	(1,312,249)	(2,786,400)	(4,522,164)
Total equity	1,412,898,914	1,358,162,932	1,355,853,905
Total liabilities and equity	1,492,089,269	1,426,093,062	1,433,149,444

As at 30.06.2023, the **total assets** of the Company increased by RON 58.94 million compared to the corresponding period of 2022 and by RON 65.99 million compared to the end of the previous year.

The Company's **liabilities** at the end of H1 2023 totalize RON 79.19 million, being RON 1.89 million higher than those recorded in the same period of the previous year.

The liabilities with maturities longer than 1 year are represented by deferred tax calculated for the gain from fair value differences for the financial assets measured at fair value through other comprehensive income. Their value at 30.06.2023 is RON 34.23 million, being 5.35% higher compared to 30.06.2022.

As compared to the same period of the previous year, the Company's **equity** as at 30.06.2023 recorded an increase by RON 57.04 million.

Performance of the net asset value

The Company's Statement of assets and liabilities, respectively the report on N.A.V. and N.A.V.P.S., is prepared monthly, for the end of the last day of the month, in the format requested by the F.S.A. (according to Annex 10 to the F.S.A. Regulation no. 7/2020). The net asset value is calculated monthly by the Company, certified by the depositary company BRD – Groupe Société Générale S.A. Bucharest and sent to the F.S.A. and B.S.E. by the 15th of the following month, at the latest, and published on the Company's website.

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

The net asset value as at 30.06.2023, compared to the same period of the previous year, has performed as follows:

-RON-

Indicators	Results as at:		Performance (%) Results 2023 /Results 2022	
	30 June 2023	30 June 2022		
Total assets – calculated amount	1,492,089,269	1,433,149,444	104.11	
Total liabilities – calculated amount	79,190,355	77,295,539	102.45	
Net asset value ^{*)}	RON	1,412,898,914	1,355,853,905	104.21
	RON/share	0.6584	0.6300	104.51

Source: Transilvania Investments

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

Statement of profit or loss and other comprehensive income

-RON-

Description	30 June 2023	30 June 2022
Dividend income	26,838,066	89,420,280
Bank interest income	1,276,786	200,267
Income from bonds and government securities measured at fair value through profit or loss	1,210,632	
Net gain/ (loss) on financial assets measured at fair value through profit or loss	36,899,159	(8,915,891)
Operating income	255,734	233,803
Total net income	66,480,377	80,938,459
Total personnel benefit expense	(9,604,903)	(6,164,165)
Commissions and fees expense	(1,198,446)	(1,121,301)
Impairment of financial assets	36,454	-
Operating expenses	(4,373,073)	(5,899,846)
Financing costs	(25,524)	(750,225)
Provision losses	1,175,919	-
Total expenses	(13,989,573)	(13,935,537)
Profit before tax	52,490,804	67,002,924
Income tax (benefit/expense)	(110,537)	1,772,395

Description	30 June 2023	30 June 2022
Net profit for the period	52,380,267	68,775,319
Other comprehensive income – Items that will not be reclassified to profit or loss:		
Gain/(loss) from revaluation of financial assets measured at fair value through other comprehensive income, net of deferred tax	33,119,185	(95,898,023)
Increase / (Decrease) in the revaluation reserve of property, plant and equipment, net of deferred tax	-	-
Other comprehensive income – total	33,119,185	(95,898,023)
Total comprehensive income for the period	85,499,452	(27,122,704)
Earnings per share	0.0244	0.0318
Diluted earnings per share	0.0244	0.0318

Achievement of the 2023 Revenue and Expenditure Budget

-RON thousand-

Indicators	REB Year 2023	REB H1 2023	Results H1 2023
Dividend income	56,300	29,620	26,838
Bank interest /government securities interest income	3,500	1,750	2,487
Gain/Loss on financial assets measured at fair value through profit or loss (including the trading activity)	32,000	18,000	36,899
Other operating income	20,200	-	256
Total net income	112,000	49,370	66,480
Personnel expense	(16,750)	(8,387)	(8,209)
Stock option plan expense	(6,200)	(6,200)	(1,395)
Commissions and fees expense	(2,300)	(1,150)	(1,198)
Other operating expenses	(16,000)	(6,000)	(3,187)
Total expenses	(41,250)	(21,737)	(13,989)
Profit before tax	70,750	27,633	52,491

Source: Transilvania Investments

As presented above, the **net income** recorded in the first half of 2023 is RON 17.11 million higher than the value estimated in the Revenue and expenditure budget for H1 2023.

The operating expenses as at 30.06.2023 amount to RON 13.99 million, being RON 7.74 million lower than those provided for in the Revenue and expenditure budget for the first half of 2023.

The profit before tax recorded as at 30.06.2023, worth RON 52.49 million, exceeds by RON 24.85 million the amount provided for in the Revenue and expenditure budget for H1 2023 and represents 74.19% of the profit estimated for the entire year 2023.

Statement of cash flows

The statement of cash flows as at 30.06.2023, compared to 30.06.2022, is the following:

-RON-

Description	30 June 2023	30 June 2022
Cash flows from operating activities– total, out of which:	33,179,189	(11,152,359)
Receipts from clients	134,930	119,421
Payments to suppliers and employees	(19,891,105)	(10,480,514)
Proceeds from government securities sale/Maturity proceeds of government securities	653,983	-
Proceeds from sale of equity investments	128,590,424	69,335,299
Payments for purchase of equity investments	(94,479,732)	(138,647,476)
Income tax paid	(5,591,887)	(14,976,546)
Interest received	1,787,286	200,268
Dividends received (net of withholding tax)	26,707,342	87,379,291
Payments of contributions, fees, taxes owed to the state budget	(3,650,015)	(3,092,363)
Other payments related to Company's operation	(737,645)	(744,574)
Other payments afferent to investment activity (including trading sales commission)	(344,392)	(245,164)
Cash flows from investment activities– total, out of which:	(1,471,997)	(543,107)
Payments for purchase of tangible and intangible assets	(1,471,997)	(543,107)
Receipts from sale of tangible assets	-	-
Cash flows from financing activities– total, out of which:	(20,096,614)	(2,929,425)
Dividends paid to shareholders (including dividend tax)	(17,789,556)	(487,776)
Short-term loans	-	2,583,798
Interest paid	-	(259,726)
Payments related to lease contracts	(435,029)	(243,557)
Payments for own shares bought-back	(1,872,029)	(4,522,164)
Net increase/(decrease) of cash and cash equivalents	11,610,578	(14,624,892)
Cash and cash equivalents at the beginning of the year	47,173,996	47,862,487
Cash and cash equivalents at the end of the period	58,784,574	33,237,595

Economic and financial indicators as at June 30, 2023

Indicator	Calculation Method	Result
Current liquidity ratio ¹⁾ (coefficient)	$\frac{\text{Current assets}}{\text{Current liabilities}}$	1.30
Indebtedness indicator ²⁾ (%)	$\frac{\text{Loan capital}}{\text{Equity}} \times 100$	-
Clients' debt rotation speed ³⁾ (days)	$\frac{\text{Average clients balance (total receivables)}}{\text{Turnover}} \times 180$	-
Non-current assets rotation speed ⁴⁾ (coefficient)	$\frac{\text{Turnover}}{\text{Non-current assets}}$	-
Earnings per share (RON) ⁵⁾	$\frac{\text{Net profit / Net loss}}{\text{Number of shares}}$	0.0245
NAV per share, calculated according to F.S.A. Regulation no. 9/2014 (RON / share) ⁶⁾	$\frac{\text{Calculated asset value}}{\text{Number of shares}}$	0.6584

Source: Transilvania Investments

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 the credit risk management. As at 30.06.2023, the Company does not have bank loans.

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.

⁵⁾ Calculated by reference to the average weighted number of issued ordinary shares existing during the period, excluding the average number of bought-back shares held by Transilvania Investments at the reporting date.

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

Radu-Claudiu ROȘCA
Executive President

Theo-Dorian BUFTEA
Executive Vice-President

Stela Corpacian
Executive Vice-President

Statement of assets and liabilities as at 30.06.2023, according to Annex 10 of F.S.A. Regulation no. 7/2020

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

		RON	% of total assets
1	Intangible Assets	58,689.37	0.00
2	Tangible Assets	18,977,439.00	1.27
3	Real Estate Investments	2,119,862.00	0.14
4	Biological Assets	0.00	0.00
5	Right-Of-Use Assets Under Leases	3,137,896.31	0.21
6	Financial Assets, out of which:	1,377,855,872.58	92.34
6.1	Financial Assets at Amortized Cost, out of which:	415,162.40	0.03
6.1.1	Accounts Receivable from Share Sales to be settled during the next month	0.00	0.00
6.2	Financial Assets at Fair Value through Profit or Loss	689,892,639.02	46.24
6.2.1	Shares	646,827,124.52	43.35
6.2.1.1	Listed Shares	584,329,141.20	39.16
6.2.1.1.1	Shares Listed on Romanian Markets	584,329,141.20	39.16
6.2.1.1.2	Shares Listed on Markets in EU Member States	0.00	0.00
6.2.1.1.3	Shares Listed on Markets in Third Countries	0.00	0.00
6.2.1.3	Unlisted Shares	62,497,983.32	4.19
6.2.1.3.1	Domestic Unlisted Shares	62,497,983.32	4.19
6.2.1.3.2	Foreign Unlisted Shares	0.00	0.00
6.2.2	UCITS and/or AIF Equity Securities	21,373,341.50	1.43
6.2.2.1	Listed Shares	3,957,753.39	0.27
6.2.2.2	Listed Fund Units	638,867.10	0.04
6.2.2.2.1	Fund Units Listed on Romanian Markets	638,867.10	0.04
6.2.2.2.2	Fund Units Listed on Markets in EU Member States	0.00	0.00
6.2.2.2.3	Fund Units Listed on Markets in Third Countries	0.00	0.00
6.2.2.3	Unlisted Fund Units	16,776,721.01	1.12
6.2.3	Bonds	21,692,173.00	1.45
6.2.3.1	Municipal Bonds	0.00	0.00
6.2.3.2	Corporate Bonds	0.00	0.00
6.2.3.2.1	Listed Corporate Bonds	0.00	0.00
6.2.3.3	Government securities	21,692,173.00	1.45
6.3	Financial Assets at Fair Value Through Other Comprehensive Income	687,548,071.16	46.08
6.3.1	Shares	569,407,926.56	38.16
6.3.1.1	Listed Shares	557,343,496.12	37.35
6.3.1.1.1	Shares Listed on Romanian Markets	557,343,496.12	37.35
6.3.1.1.2	Shares Listed on Markets in EU Member States	0.00	0.00
6.3.1.1.3	Shares Listed on Markets in Third Countries	0.00	0.00
6.3.1.3	Unlisted Shares	12,064,430.44	0.81
6.3.2	UCITS and/or AIF Equity Securities	117,844,397.14	7.90
6.3.2.1	Listed Shares	74,428,306.42	4.99
6.3.2.2	Unlisted Shares	0.00	0.00

		RON	% of total assets
6.3.2.3	Equity Holdings	43,416,090.72	2.91
6.3.3	Equity interests	295,747.46	0.02
7	Cash and Cash Equivalents	3,100,789.88	0.21
7.1	Cash and cash equivalents – current accounts	3,100,789.88	0.21
7.2	Credit line used	0.00	0.00
8	Bank Deposits	55,683,784.16	3.73
9	Other Assets	30,358,531.60	2.04
9.1	Dividends or Other Accounts Receivable	130,724.15	0.01
9.2	Newly issued securities out of which:	18,581,304.11	1.25
9.2.1	Government securities	18,581,304.11	1.25
9.3	Other Assets	11,646,503.34	0.78
10	Prepaid Expenses	796,403.77	0.05
11	TOTAL ASSETS	1,492,089,268.67	100.00
12	TOTAL LIABILITIES, out of which:	78,258,083.88	
12.1	Financial Assets at Amortized Cost	41,756,862.06	
12.1.1	Dividends Payable	36,700,674.93	
12.1.2	Amounts Owed to Credit and Leasing Institutions	3,635,699.71	
12.1.3	Trade Payables	1,407,802.48	
12.1.4	Advance Payments from Customers	20.00	
12.1.5	Accounts Payable to Companies within the Group	0.00	
12.1.6	Accounts Payable Related to Participation Interests	0.00	
12.1.7	Accounts Payable for Share Acquisitions to be settled during next month	12,664.94	
12.2	Deferred Income Tax Liabilities	34,234,474.77	
12.3	Other Liabilities– total, out of which:	2,266,747.05	
12.3.1	Amounts Subscribed and Not Paid–In to Share Capital Increases and Bond Issues	0.00	
12.3.2	Other Liabilities	2,266,747.05	
13	Provisions for Risks and Taxes	932,271.00	
14	Deferred Income	0.00	
15	Shareholders' Equity, out of which:	1,412,898,913.97	
15.1	Subscribed and Paid-in Share Capital	216,244,379.70	
15.2	Equity– related Items	0.00	
15.3	Other Shareholders' Equity Items	158,318,736.41	
15.3.1	Changes in the Fair Value of Non-Monetary Financial Assets Measured at Fair Value through Other Comprehensive Income	155,670,303.41	
15.4	Capital-Related Premium	0.00	
15.5	Revaluation Reserves	15,602,906.95	
15.6	Reserves	818,035,321.65	
15.7	Own Shares	-1,312,249.01	
15.8	Retained Earnings	153,629,551.37	
15.9	Profit (Loss) For the Period	52,380,266.90	
15.10	Profit Appropriation	0.00	
16	NET ASSET VALUE	1,412,898,913.79	
17	NUMBER OF SHARES ISSUED AND OUTSTANDING*	2,146,018,788	

		RON	% of total assets
18	NET ASSET VALUE PER SHARE (RON/share)	0.6584	
19	Number of Companies in Portfolio – total, out of which:	77	
19.1	Companies Admitted to Trading on an EU Trading Venue	46	
19.2	Companies Admitted to Trading on a Stock Exchange in a Third Country	0	
19.3	Companies Not Admitted to Trading	31	
20	Number of Investment Funds in which the Company holds Fund Units – total, of which:	6	
20.1	Number of Open-End Investment Funds	3	
20.2	Number of Closed-End Investment Funds	3	
21	Newly issued securities (Number of Companies)	0	
22	Number of Investment Funds in which the Company holds Equity Holdings	1	

In accordance with art. 47 para. (4) of the F.S.A. Regulation no. 7/2020 regarding the NAVPS calculation, this position represents: "the number of shares issued and outstanding as at that date, excluding the own shares redeemed by the Company.

Note: The methodology for the calculation of the net asset value is available on the Company's website: www.transilvaniainvestments.ro – "Rules and methods regarding the valuation of Transilvania Investments Alliance's financial assets".

Executive Vice-President,
BUFTEA THEO-DORIAN

Executive Vice-President ,
CORPACIAN STELA

Financial Department
Head of Department,
VERES DIANA

Portfolio Management Department
Head of Department, ,
COSTESCU CONSTANTIN

Compliance Officer,
STOICA MIHAELA CORINA

Certified by the Depository Company
BRD-Groupe Societe Generale S.A.
București

Securities Division
Director Claudia IONESCU

Verified by : _____

Annex drafted in accordance with art. 38 para. (4) of Law no. 243/2019

Transilvania Investments Alliance's portfolio assets, valuated based on valuation methods in accordance with the International Valuation Standards, as at 30.06.2023

Pos.	Tax Code	Company name	Symbol	No. 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 value					
Listed on AeRO (SMT/SOT)											
1	1102041	ARO-PALACE SA	ARO	345,704,600	0.0822	28,416,918.12	1536 / 07.03.2023	YES *	Dividend distribution	85.740	1.905
2	23058338	CASA ALBA INDEPENDENTA SIBIU	CAIN	782,468	52.5496	41,118,380.41	1537 / 07.03.2023	YES *		53.350	2.756
3	327763	COCOR SA	COCR	30,911	134.2989	4,151,313.30	1538 / 07.03.2023	YES *		10.250	0.278
4	742395	DORNA TURISM SA	DOIS	455,793	7.6309	3,478,110.80	1543 / 07.03.2023	YES *		32.010	0.233
5	1118838	DUPLEX SA	DUPX	32,772	17.5261	574,365.35	4342 / 30.06.2023	YES **		26.870	0.038
6	803115	EMAILUL SA	EMAI	729,551	7.7740	5,671,529.47	1544 / 07.03.2023	YES *		28.930	0.380
7	752	FEPER SA	FEP	312,123,729	0.1658	51,750,114.27	1545 / 07.03.2023	YES *	Dividend distribution	85.800	3.468
8	2577677	INDEPENDENTA SA	INTA	1,530,636	8.6961	13,310,563.72	8863 / 29.12.2022	YES **		53.300	0.892
9	1122928	MECANICA CODLEA SA	MEOY	60,156,150	0.0863	5,191,475.75	1546 / 07.03.2023	YES *	Dividend distribution	81.070	0.348
10	1113237	MECON SA	MECP	58,966	17.0892	1,007,681.77	8866 / 29.12.2022	YES **		12.280	0.068
11	2423562	NEPTUN-OLIMP SA	NEOL	30,194,757	0.2759	8,330,733.46	1547 / 07.03.2023	YES *		41.180	0.558
12	1108834	ROMRADIATOARE SA BRASOV	RRD	11,477,141	0.9392	10,779,330.83	1548 / 07.03.2023	YES *		76.510	0.722
13	1879871	SANTIERUL NAVAL CONSTANTA SA	SNC	456,755	1.7908	817,956.85	8867 / 29.12.2022	YES **		0.700	0.055
14	790619	SEMBRAZ SA	SEBZ	719,900	5.0001	3,599,571.99	8868 / 29.12.2022	YES **		90.970	0.241
15	14686600	SERVICE NEPTUN 2002 SA	SECE	3,610,420	0.8847	3,194,138.57	4344 / 30.06.2023	YES **		39.620	0.214
16	9845734	TRANSILVANIA LEASING SI CREDIT IFN SA BRASOV	TSLA	481,234,149	0.0478	23,002,992.32	1550 / 07.03.2023	YES *	Dividend distribution	93.490	1.542

Pos.	Tax Code	Company name	Symbol	No. 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 value					
17	1849307	TRATAMENT BALNEAR BUZIAS SA	BALN	145,615,772	0.0407	5,926,561.92	1551 / 07.03.2023	YES *		91.870	0.397
18	559747	TURISM COVASNA SA	TUAA	439,760,355	0.0697	30,651,296.74	1552 / 07.03.2023	YES *		92.940	2.054
19	4241753	TUSNAD SA	TSND	230,601,476	0.0716	16,511,065.68	1554 / 07.03.2023	YES *		76.410	1.107
20	2410198	UTILAJ GREU SA	UTGR	476,226	9.7149	4,626,487.97	1555 / 07.03.2023	YES *	Dividend distribution	70.390	0.310
21	23058320	VIROLA-INDEPENDENTA SIBIU	VIRO	74,307	83.5200	6,206,120.64	1556 / 07.03.2023	YES *		53.620	0.416

Unlisted

22	14662474	APOLLO ESTIVAL 2002 SA		2,350,890	1.5603	3,668,093.67	4338 / 30.06.2023	YES **		39.620	0.246
23	405195	ARCOM S.A. BUCURESTI		667	14.2729	9,520.02	4339 / 30.06.2023	YES **		0.020	0.001
24	41850416	CCP.RO BUCHAREST S.A.		142,500	6.6250	944,062.50	4340 / 30.06.2023	YES **		1.640	0.063
25	1559737	CONTINENTAL HOTELS SA BUCURESTI		2,729,171	3.2992	9,004,080.96	1541 / 07.03.2023	YES *		9.300	0.603
26	7800027	CRISTIANA SA		153,410	112.9633	17,329,699.85	1542 / 07.03.2023	YES *	Dividend distribution	99.800	1.161
27	9638020	DEPOZITARUL CENTRAL SA BUCURESTI		10,128,748	0.0667	675,587.49	8860 / 29.12.2022	YES **	Dividend distribution	4.000	0.045
28	1170151	FERMIT SA		151,468	8.3042	1,257,820.57	8861 / 29.12.2022	YES **		16.370	0.084
29	18846755	GRUP BIANCA TRANS SA		8,983,920	0.2083	1,871,350.54	8862 / 29.12.2022	YES **		82.720	0.125
30	8012400	INTERNATIONAL TRADE&LOGISTIC CENTER SA		81,708,428	0.1158	9,461,835.96	8864 / 29.12.2022	YES **		87.300	0.634
31	42630141	KOGNITIVE MANUFACTURING TECH S.R.L.		238	1,242.6364	295,747.46	4343 / 30.06.2023	YES **		2.550	0.020
32	32947925	S.I.F. TRANSILVANIA PROJECT MANAGEMENT COMPANY SA		44,999	6.7437	303,459.76	8869 / 29.12.2022	YES **		100.000	0.020
33	33782418	SOCIETATEA DE INVESTITII CERTINVEST IMM S.A.		1,125	154.0968	173,358.90	4341 / 30.06.2023	YES **		15.630	0.012
34	2577839	SOFT APLICATIV SI SERVICII SA		47,728	26.6542	1,272,151.66	1549 / 07.03.2023	YES *	Dividend distribution	28.330	0.085

Pos.	Tax Code	Company name	Symbol	No. 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 value					
35	14630120	TOMIS ESTIVAL 2002 SA		522,893	2.1874	1,143,776.15	4345 / 30.06.2023	YES **		39.620	0.077
36	46047311	TRANSILVANIA INVESTMENTS ALLIANCE EQUITY S.A.		1,170,990	6.8361	8,005,004.74	1591 / 07.03.2023	YES **		100.000	0.536
37	26261034	TURISM LOTUS FELIX SA		484,853,142	0.0401	19,442,610.99	1553 / 07.03.2023	YES *		38.270	1.303
TOTAL						343,174,871.15					22.997

Explanatory note: For the holdings whose value is estimated based on a valuation report, the valuation approaches and methodology used are those defined by the valuation standards in force, these being included in the 'Asset valuation policy and procedure.'

Transilvania Investments Alliance's leverage and exposure, calculated in accordance with the Regulation (EU) no. 231/2013

Method	Leverage ratio	Exposure
Gross method	101.49%	1,433,966,199
Commitment method	105.60%	1,492,089,269

Caption:

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

YES** = TRANSILVANIA INVESTMENTS ALLIANCE

Remark = Valuation report + correction according to corporate event

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

Executive Vice-President,
BUFTEA THEO-DORIAN

Executive Vice-President,
CORPACIAN STELA

Head of Department,
COSTESCU CONSTANTIN

Certified by BRD-Groupe Societe Generale S.A.
Securities Division
Director: Claudia Ionescu

Detailed statement of investments as at 30.06.2023

According to Annex no. 11 of the F.S.A. Regulation no. 7/2020

Statement of assets and liabilities as at 30.06.2023

No.	Item	Beginning of the reporting period (31.12.2022)				End of the reporting period (30.06.2023)				Differences RON
		% of net assets	% of total assets	Currency	RON	% of net assets	% of total assets	Currency	RON	
1	I. Total assets	105.002	100.000	42,613,931	1,383,479,130	105.605	100.000	65,144,247	1,426,945,021	65,996,207
2	I.1. Securities and money market instruments, out of which:	81.718	77.826	5,525,155	1,104,339,537	81.786	77.446	9,562,092	1,145,993,901	45,691,301
3	I.1.1. Securities and money market instruments admitted to trading or traded on a regulated market in Romania, out of which:	81.311	77.438	0	1,104,339,537	81.109	76.805	0	1,145,993,901	41,654,364
4	I.1.1.1. Shares	81.095	77.232	0	1,101,404,235	80.804	76.515	0	1,141,672,637	40,268,402
5	I.1.1.2. Bonds	0.000	0.000	0	0	0.000	0.000	0	0	0
6	I.1.1.3. Government securities	0.216	0.206	0	2,935,302	0.306	0.290	0	4,321,264	1,385,962
7	I.1.2. Securities and money market instruments admitted to trading or traded on a regulated market in a Member State, out of which:	0.407	0.387	5,525,155	0	0.677	0.641	9,562,092	0	4,036,937
8	I.1.2.1. Shares	0.000	0.000	0	0	0.000	0.000	0	0	0
9	I.1.2.2. Bonds	0.000	0.000	0	0	0.000	0.000	0	0	0
10	I.1.2.3. Government securities	0.407	0.387	5,525,155	0	0.677	0.641	9,562,092	0	4,036,937
11	I.1.3. Securities and money market instruments admitted to official stock exchange listing in a Third Country or negotiated on another regulated market in a Third Country	0.000	0.000	0	0	0.000	0.000	0	0	0
12	I.1.3.1. Shares	0.000	0.000	0	0	0.000	0.000	0	0	0
13	I.1.3.2. Bonds	0.000	0.000	0	0	0.000	0.000	0	0	0
14	I.1.3.3. Government securities	0.000	0.000	0	0	0.000	0.000	0	0	0
15	I.2. Newly issued securities, out of which:	0.704	0.670	0	9,560,805	1.315	1.245	0	18,581,304	9,020,499
16	I.2.1. Government securities	0.704	0.670	0	9,560,805	1.315	1.245	0	18,581,304	9,020,499
17	I.3. Other securities and money market instruments referred to in art. 83 para. (1) indent a) of G.E.O no. 32/2012, out of which:	5.769	5.494	0	78,354,304	5.277	4.997	0	74,562,414	-3,791,890
18	I.3.1. Unlisted shares	5.769	5.494	0	78,354,304	5.277	4.997	0	74,562,414	-3,791,890
19	I.3.2. Unlisted bonds	0.000	0.000	0	0	0.000	0.000	0	0	0
20	I.4. Bank deposits, out of which:	3.265	3.110	0	44,345,742	3.941	3.732	0	55,683,784	11,338,042
21	I.4.1. Bank deposits set up with credit institutions in Romania	3.265	3.110	0	44,345,742	3.941	3.732	0	55,683,784	11,338,042
22	I.4.2. Bank deposits set up with credit institutions in a Member State	0.000	0.000	0	0	0.000	0.000	0	0	0

No.	Item	Beginning of the reporting period (31.12.2022)				End of the reporting period (30.06.2023)				Differences
		% of net assets	% of total assets	Currency	RON	% of net assets	% of total assets	Currency	RON	RON
23	I.4.3. Bank deposits set up with credit institutions in a Third Country	0.000	0.000	0	0	0.000	0.000	0	0	0
24	I.5. Derivatives traded on a regulated market	0.000	0.000	0	0	0.000	0.000	0	0	0
25	I.6. Current accounts and cash	0.208	0.198	1,961,354	866,899	0.219	0.208	661,504	2,439,286	272,537
26	I.6.1. Cash and cash equivalents – current accounts	0.208	0.198	1,961,354	866,899	0.219	0.208	661,504	2,439,286	272,537
27	I.6.2. Credit line used	0.000	0.000	0	0	0.000	0.000	0	0	0
28	I.7. Money market instruments, other than those traded on a regulated market, in accordance with art. 82 indent g) of G.E.O. no. 32/2012 Repo type contracts on securities	1.004	0.956	0	13,632,013	0.553	0.523	0	7,808,817	-5,823,196
29	I.7.1. Government securities	1.004	0.956	0	13,632,013	0.553	0.523	0	7,808,817	-5,823,196
30	I.8. AIF/UCITS equity securities	9.988	9.512	29,983,866	105,668,488	9.853	9.330	43,416,091	95,801,648	3,565,385
31	I.8.1. Shares listed on the stock exchange	6.494	6.185	0	88,198,740	5.548	5.253	0	78,386,060	-9,812,680
32	I.8.2. Fund units – Investment Funds	1.286	1.225	0	17,469,748	1.233	1.167	0	17,415,588	-54,160
33	I.8.3. Equity holdings	2.208	2.103	29,983,866	0	3.073	2.910	43,416,091	0	13,432,225
34	I.9. Structured products	0.000	0.000	0	0	0.000	0.000	0	0	0
35	I.10. Equity interests	0.032	0.031	0	438,010	0.021	0.020	0	295,747	-142,263
36	I.11. Dividends or other receivable rights	0.000	0.000	0	0	0.009	0.009	0	130,724	130,724
37	I.12. Preemptive/assignment rights	0.000	0.000	0	0	0.000	0.000	0	0	0
38	I.13. Other assets (amounts in transit, amounts at distributors, amounts at financial investment service firms, tangible and intangible assets, receivables etc.)	2.313	2.203	5,143,556	26,273,332	2.629	2.490	11,504,560	25,647,396	5,735,068
39	II. Total liabilities	5.002	4.763	0	67,930,131	5.605	5.307	0	79,190,355	11,260,224
40	II.1. Fees due to the A.I.F.M.	0.000	0.000	0	0	0.000	0.000	0	0	0
41	II.2. Fees due to the Depository	0.002	0.002	0	22,727	0.002	0.002	0	25,039	2,312
42	II.3. Fees due to the intermediaries	0.000	0.000	0	0	0.000	0.000	0	0	0
43	II.4. Turnover fees and other bank service fees	0.000	0.000	0	0	0.000	0.000	0	0	0
44	II.5. Interest expense	0.294	0.280	0	3,988,871	0.257	0.243	0	3,632,634	-356,237
45	II.6. Issue expense	0.000	0.000	0	0	0.000	0.000	0	0	0
46	II.7. Fees and tariffs owed to the F.S.A.	0.008	0.007	0	105,761	0.007	0.007	0	105,961	200
47	II.8. Financial auditing expenses	0.000	0.000	0	0	0.000	0.000	0	0	0
48	II.9. Other approved expenses	4.698	4.475	0	63,812,772	5.338	5.055	0	75,426,721	11,613,949
49	II.10. Redemptions payable	0.000	0.000	0	0	0.000	0.000	0	0	0
50	III. Net Asset Value (I-II)	100.000	95.237	42,613,931	1,315,548,999	100.000	94.693	65,144,247	1,347,754,666	54,735,983

Net Asset Value per Share

Item	Current period (30.06.2023)	Corresponding period of the previous year (30.06.2022)	Differences
NET ASSET VALUE	1,412,898,913.79	1,355,853,905.43	57,045,008.36
NUMBER OF SHARES ISSUED AND OUTSTANDING*	2,146,018,788	2,152,000,000	-5,981,212
NET ASSET VALUE PER SHARE (RON/share)	0.6584	0.6300	0.0284

* In accordance with art. 47 para. (4) of the F.S.A. Regulation no. 7/2020 regarding the NAVPS calculation, this position represents: 'the number of shares issued and outstanding as at that date, excluding the own shares redeemed by the Company'

DETAILED STATEMENT OF INVESTMENTS

I. Securities admitted to or traded on a regulated market in Romania

1. Shares traded during the last 30 trading days (working days)

No.	Issuer	Symbol	Date of last trading session	No. of shares held	Nominal value (RON)	Share value (RON)	Total value (RON)	Weight in the issuer's share capital (%)	Weight in RIAIF's total assets (%)
1	ARO-PALACE SA *	ARO	30.06.2023	345,704,600	0.1000	0.0822	28,416,918.12	85.740	1.905
2	BANCA TRANSILVANIA SA	TLV	30.06.2023	10,568,771	10.0000	20.7400	219,196,310.54	1.493	14.691
3	BIROUL DE TURISM PENTRU TINERET (BTT) SA	BIBU	23.06.2023	576,540	2.5000	0.0000	0.00	10.644	0.000
4	BRD - GROUPE SOCIETE GENERALE S.A.	BRD	30.06.2023	14,247,102	1.0000	13.2200	188,346,688.44	2.044	12.623
5	BURSA DE VALORI BUCURESTI SA	BVB	30.06.2023	618,680	10.0000	50.0000	30,934,000.00	7.686	2.073
6	CASA ALBA INDEPENDENTA SIBIU *	CAIN	23.06.2023	782,468	2.5000	52.5496	41,118,380.41	53.348	2.756
7	COMP SA SIBIU	CMP	30.06.2023	3,353,936	0.1000	0.4730	1,586,411.73	1.533	0.106
8	CONDMAG BRASOV **	COMI	30.06.2023	19,000,000	0.1000	0.0000	0.00	4.982	0.000
9	DIGI Communications N.V.	DIGI	30.06.2023	12,000	0.0100	34.3000	411,600.00	0.034	0.028
10	DORNA TURISM SA *	DOIS	29.06.2023	455,793	2.5000	7.6309	3,478,110.80	32.014	0.233
11	DUPLEX SA *	DUPX	12.06.2023	32,772	2.5000	17.5261	574,365.35	26.867	0.038
12	EMAILUL SA *	EMAI	30.06.2023	729,551	2.5000	7.7740	5,671,529.47	28.926	0.380
13	EVERGENT INVESTMENTS S.A.	EVER	30.06.2023	41,905,295	0.1000	1.2050	50,495,880.48	4.357	3.384
14	FEPER SA *	FEP	29.06.2023	312,123,729	0.1000	0.1658	51,750,114.27	85.800	3.468
15	FONDUL PROPRIETATEA SA	FP	30.06.2023	13,672,197	0.5200	1.9460	26,606,095.36	0.220	1.783

No.	Issuer	Symbol	Date of last trading session	No. of shares held	Nominal value (RON)	Share value (RON)	Total value (RON)	Weight in the issuer's share capital (%)	Weight in RIAIF's total assets (%)
16	HOLDE AGRI INVEST S.A.	HAI	30.06.2023	3,840,543	1.0000	1.1750	4,512,638.03	3.760	0.302
17	INFINITY CAPITAL INVESTMENTS S.A.	SIF5	30.06.2023	759,813	0.1000	1.6900	1,284,083.97	0.152	0.086
18	MECANICA CODLEA SA *	MEOY	30.06.2023	60,156,150	0.1000	0.0863	5,191,475.75	81.072	0.348
19	MED LIFE S.A.	M	30.06.2023	77,045	0.2500	17.7000	1,363,696.50	0.058	0.091
20	NEPTUN-OLIMP SA *	NEOL	28.06.2023	30,194,757	0.1000	0.2759	8,330,733.46	41.185	0.558
21	OMV PETROM SA BUCURESTI	SNP	30.06.2023	190,059,119	0.1000	0.5000	95,029,559.50	0.305	6.369
22	ORGANE DE ASAMBLARE SA **	ORAS	12.06.2023	12,984,511	0.1000	0.0000	0.00	95.697	0.000
23	PROSPECTIUNI SA BUCURESTI	PRSN	30.06.2023	41,129,011	0.1000	0.1200	4,935,481.32	5.728	0.331
24	PURCARI WINERIES PUBLIC COMPANY Ltd	WINE	30.06.2023	380,000	0.0100	10.4600	3,974,800.00	0.947	0.266
25	ROCA INDUSTRY HOLDINGROCK1 SA	ROC1	29.06.2023	99,976	10.0000	9.0000	899,784.00	0.565	0.060
26	S.N. NUCLEARELECTRICA	SNN	30.06.2023	200,756	10.0000	44.6000	8,953,717.60	0.067	0.600
27	S.N.G.N. ROMGAZ S.A.	SNG	30.06.2023	516,950	1.0000	44.2500	22,875,037.50	0.134	1.533
28	S.N.T.G.N. TRANSGAZ SA	TGN	30.06.2023	87,136	10.0000	17.6400	1,537,079.04	0.046	0.103
29	SANTIERUL NAVAL CONSTANTA SA *	SNC	27.06.2023	456,755	2.5000	1.7908	817,956.85	0.703	0.055
30	SANTIERUL NAVAL SA	SNO	30.06.2023	5,711,432	2.5000	4.6000	26,272,587.20	50.000	1.761
31	SEMBRAZ SA *	SEBZ	22.05.2023	719,900	2.0000	5.0001	3,599,571.99	90.968	0.241
32	SOCIETATEA ENERGETICA ELECTRICA SA	EL	30.06.2023	153,825	10.0000	8.5000	1,307,512.50	0.044	0.088
33	SPHERA FRANCHISE GROUP	SFG	30.06.2023	38,018	15.0000	18.0500	686,224.90	0.098	0.046
34	TRANSILVANIA LEASING SI CREDIT IFN SA BRASOV *	TSLA	28.06.2023	481,234,149	0.1000	0.0478	23,002,992.32	93.494	1.542
35	TRATAMENT BALNEAR BUZIAS SA *	BALN	15.06.2023	145,615,772	0.1000	0.0407	5,926,561.92	91.871	0.397
36	TURISM COVASNA SA *	TUAA	30.06.2023	439,760,355	0.1000	0.0697	30,651,296.74	92.942	2.054
37	TURISM FELIX SA	TUFE	30.06.2023	456,960,465	0.1000	0.2960	135,260,297.64	93.032	9.065
38	TURISM, HOTELURI, RESTAURANTE MAREA NEAGRA SA	EFO	30.06.2023	453,885,873	0.1000	0.2760	125,272,500.95	78.798	8.396
39	TUSNAD SA *	TSND	14.06.2023	230,601,476	0.1000	0.0716	16,511,065.68	76.408	1.107
40	VIROLA-INDEPENDENTA SIBIU *	VIRO	08.06.2023	74,307	2.5000	83.5200	6,206,120.64	53.616	0.416
TOTAL							1,182,989,180.97		79.283

* in accordance with the Fund Rules at the fair value determined based on a Valuation Report according to the valuation standards

** in accordance with the Fund Rules at 0 (zero) value – companies undergoing judicial reorganization

2. Shares not traded during the last 30 trading days (working days)

No.	Issuer	Symbol	Date of last trading session	No. of shares held	Nominal value (RON)	Share value (RON)	Total value (RON)	Weight in the issuer's share capital (%)	Weight in RIAIF's total assets (%)
1	COCOR SA	COCR	24.04.2023	30,911	40.0000	134.2989	4,151,313.30	10.246	0.278
2	INDEPENDENTA SA	INTA	24.03.2023	1,530,636	2.5000	8.6961	13,310,563.72	53.301	0.892
3	MECON SA	MECP	03.04.2023	58,966	11.6000	17.0892	1,007,681.77	12.284	0.068
4	ROMRADIATOARE SA BRASOV	RRD	08.02.2023	11,477,141	1.6300	0.9392	10,779,330.83	76.514	0.722
5	SERVICE NEPTUN 2002 SA	SECE	04.05.2023	3,610,420	0.1000	0.8847	3,194,138.57	39.624	0.214
6	UTILAJ GREU SA	UTGR	16.05.2023	476,226	2.5000	9.7149	4,626,487.97	70.387	0.310
TOTAL							37,069,516.16		2.484

3. Shares not traded during the last 30 trading days (working days) for which the financial statements are not obtained within 90 days from the legal submission dates

Not applicable

4. Preemptive / assignment rights

Not applicable

5. Bonds admitted to trading, issued or guaranteed by local public administration authorities / corporate bonds

Not applicable

6. Bonds admitted to trading, issued or guaranteed by central public administration authorities

Series	Date of last trading session	No. of bonds held	Acquisition date	Coupon date	Coupon maturity date	Initial value (RON)	Daily increase (RON)	Accrued interest (RON)	Accrued Discount / premium (RON)	Market price (%)	Total value (RON)	Intermediary Bank	Weight in total bond issue (%)	Weight in RIAIF's total assets (%)
RO1624DBN027	30.06.2023	200	21.07.2022	29.04.2023	29.04.2024	910,486.68	88.80	5,505.46		97.6600	982,105.46	ING BANK	0.008	0.066
RO1624DBN027	30.06.2023	400	22.07.2022	29.04.2023	29.04.2024	1,826,475.81	177.60	11,010.92		97.6600	1,964,210.93	ING BANK	0.017	0.132
RO1624DBN027	30.06.2023	280	30.01.2023	29.04.2023	29.04.2024	1,344,100.25	124.32	7,707.64		97.6600	1,374,947.65	BANCA COMERCIALA ROMANA SA	0.012	0.092
TOTAL											4,321,264.04			0.290

According to the Fund Rules, at fair value determined based on MID prices (accessed from Bloomberg- BVAL platform)

Note: For fixed-income instruments, the following valuation methods according to the Fund Rules are used:

- MID prices (accessed from Bloomberg-BVAL platform)

- Fair value measurement methods, according to the established valuation techniques.

7. Other securities admitted to trading on a regulated market

Not applicable

8. Amounts under settlement for securities admitted to trading or traded on a regulated market in Romania

No.	Issuer	Securities' type	Symbol	Unit value (RON)	No. of securities traded	Total value (RON)	Weight in the issuer's share capital / total bonds of an issuer (%)	Weight in RIAIF's total assets (%)
1	TRANSILVANIA INVESTMENTS ALLIANCE	Shares	TRANSI	0.2814	-45,000	-12,664.94	0.002	-0.001
TOTAL						-12,664.94		-0.001

II. Securities admitted to trading or traded on a regulated market in another Member State**1. Shares traded during the last 30 trading days (working days)**

Not applicable

2. Bonds admitted to trading, issued or guaranteed by local public administration authorities / corporate bonds

Not applicable

3. Bonds admitted to trading, issued or guaranteed by central public administration authorities (Government securities)

Issuer	Series	Date of last trading session	Number of bonds held	Acquisition date	Coupon date	Coupon maturity date	Initial value (EUR)	Daily increase (EUR)	Accrued interest (EUR)	Accrued Discount / premium (EUR)	Market price (%)	NBR exchange rate	Total value (RON)	Weight in total bond issue(%)	Weight in RIAIF's total assets(%)
MINISTRY OF FINANCE	XS2109812508	30.06.2023	500	05.10.2022	28.01.2023	28.01.2024	321,500.00	27.40	4,191.80		73.5620	4.9634	1,846,393.64	0.036	0.124
MINISTRY OF FINANCE	XS2109812508	30.06.2023	500	12.10.2022	28.01.2023	28.01.2024	305,625.00	27.40	4,191.80		73.5620	4.9634	1,846,393.64	0.036	0.124
MINISTRY OF FINANCE	XS2109812508	30.06.2023	1,000	05.01.2023	28.01.2023	28.01.2024	676,000.00	54.79	8,383.60		73.5620	4.9634	3,692,787.28	0.071	0.247
MINISTRY OF FINANCE	XS2434895558	30.06.2023	500	07.11.2022	07.03.2023	07.03.2024	397,250.00	29.03	3,338.45		87.0350	4.9634	2,176,517.69	0.040	0.146
TOTAL												9,562,092.25		0.641	

According to the Fund Rules, at fair value determined based on MID prices (accessed from Bloomberg - BVAL platform).

4. Other securities admitted to trading on a regulated market in another Member State

Not applicable

5. Amounts under settlement for securities admitted to trading or traded on a regulated market in another Member State

Not applicable

III. Securities admitted to trading or traded on a regulated market in a Third Country**1. Shares traded during the last 30 trading days (working days)**

Not applicable

2. Bonds admitted to trading, issued or guaranteed by local public administration authorities / corporate bonds, traded during the last 30 trading days

Not applicable

3. Other securities admitted to trading on a regulated market in a Third Country

Not applicable

4. Amounts under settlement for securities admitted to trading or traded on a regulated market in a Third Country

Not applicable

IV. Money market instruments admitted to trading or traded on a regulated market in Romania

Not applicable

Amounts under settlement for money market instruments admitted to trading or traded on a regulated market in Romania

Not applicable

V. Money market instruments admitted to trading or traded on a regulated market in another Member State

Not applicable

Amounts under settlement for money market instruments admitted to trading or traded on a regulated market in another Member State

Not applicable

VI. Money market instruments admitted to trading or traded on a regulated market in a Third Country

Not applicable

Amounts under settlement for money market instruments admitted to trading or traded on a regulated market in a Third Country

Not applicable

VII. Newly issued securities**1. Newly issued shares**

Not applicable

2. Bonds newly issued by central public administration authorities (Government securities)

Series	No. of bonds held	Acquisition date	Coupon date	Coupon maturity date	Initial value (RON)	Daily increase (RON)	Accrued interest (RON)	Accrued Discount / premium (RON)	Market price (%)	Total value (RON)	Intermediary bank	Weight in total bond issue (%)	Weight in RIAIF's total assets (%)
RO52CQA3C829	600	16.03.2023	29.09.2022	29.09.2023	3,167,862.69	678.08	185,794.50		109.9400	3,483,994.52	CITI BANK EUROPE PLC DUBLIN	0.025	0.233
RO52CQA3C829	600	17.03.2023	29.09.2022	29.09.2023	3,182,418.56	678.08	185,794.50		109.9400	3,483,994.52	CITI BANK EUROPE PLC DUBLIN	0.025	0.233
RO52CQA3C829	600	04.04.2023	29.09.2022	29.09.2023	3,181,817.06	678.08	185,794.50		109.9400	3,483,994.52	CITI BANK EUROPE PLC DUBLIN	0.025	0.233
RO52CQA3C829	400	27.04.2023	29.09.2022	29.09.2023	2,122,077.99	452.05	123,863.00		109.9400	2,322,663.01	BANCA COMERCIALA ROMANA SA	0.017	0.156
RO52CQA3C829	1.000	12.05.2023	29.09.2022	29.09.2023	5,394,817.92	1,130.14	309,657.50		109.9400	5,806,657.53	CITI BANK EUROPE PLC DUBLIN	0.042	0.389
TOTAL										18,581,304.10			1.244

According to the Fund Rules, at fair value determined based on MID prices (accessed from Bloomberg – BVAL platform).

3. Preemptive rights (after registration with the central depository, prior to admission to trading)

Not applicable

VIII. Other securities and money market instruments

VIII.1 Other securities

1. Shares not admitted to trading

No.	Issuer	No. of shares held	Nominal value (RON)	Share value	Total value (RON)	Weight in the issuer's share capital / total bonds of an issuer (%)	Weight in RIAIF's total assets (%)
1	APOLLO ESTIVAL 2002 SA	2,350,890	0.1000	1.5603	3,668,093.67	39.624	0.246
2	ARCOM S.A. BUCURESTI	667	7.2100	14.2729	9,520.02	0.023	0.001
3	CCP.RO BUCHAREST S.A.	142,500	10.0000	6.6250	944,062.50	1.642	0.063
4	CNM PETROMIN SA CONSTANTA	5,358,861	2.5000	0.0000	0.00	23.830	0.000
5	CONTINENTAL HOTELS SA BUCURESTI	2,729,171	3.3000	3.2992	9,004,080.96	9.302	0.603
6	CRISTIANA SA	153,410	100.0000	112.9633	17,329,699.85	99.798	1.161
7	DEPOZITARUL CENTRAL SA BUCURESTI	10,128,748	0.1000	0.0667	675,587.49	4.005	0.045
8	ENERGO SA	317,061	2.5000	0.0000	0.00	15.000	0.000
9	FELAM SA	374,907	2.5000	0.0000	0.00	36.223	0.000
10	FERMIT SA	151,468	2.5000	8.3042	1,257,820.57	16.372	0.084
11	GRUP BIANCA TRANS SA	8,983,920	0.1000	0.2083	1,871,350.54	82.720	0.125
12	HARGHITA SA	45,633	2.5000	0.0000	0.00	31.422	0.000
13	ICIM SA	29,748	2.5000	0.0000	0.00	3.590	0.000
14	INTERNATIONAL TRADE&LOGISTIC CENTER SA	81,708,428	0.1000	0.1158	9,461,835.96	87.302	0.634
15	MECANICA SA	422,503	2.5000	0.0000	0.00	10.892	0.000
16	PRAHOVA ESTIVAL 2002 SA	1,288,584	0.1000	0.0000	0.00	39.624	0.000
17	ROMAGRIBUZ VERGULEASA SA	280,631	2.5000	0.0000	0.00	37.298	0.000
18	S.I.F. TRANSILVANIA PROJECT MANAGEMENT COMPANY SA	44,999	10.0000	6.7437	303,459.76	99.998	0.020
19	SIBAREX SA	1,215,711	1.6000	0.0000	0.00	52.853	0.000
20	SIMEC SA	197,044	2.5000	0.0000	0.00	45.775	0.000
21	SIRETUL PASCANI	17,116,533	0.1000	0.0000	0.00	10.781	0.000
22	SOCIETATEA DE INVESTITII CERTINVEST IMM S.A.	1,125	200.0000	154.0968	173,358.90	15.625	0.012
23	SOFT APLICATIV SI SERVICII SA	47,728	2.5000	26.6542	1,272,151.66	28.326	0.085

No.	Issuer	No. of shares held	Nominal value (RON)	Share value	Total value (RON)	Weight in the issuer's share capital / total bonds of an issuer (%)	Weight in RIAIF's total assets (%)
24	TERRACOTTA STAR SA	2,209,017	1.8000	0.0000	0.00	97.483	0.000
25	TOMIS ESTIVAL 2002 SA	522,893	0.1000	2.1874	1,143,776.15	39.624	0.077
26	TRANSILVANIA HOTELS & TRAVEL S.A.	1,123,180	2.5000	0.0000	0.00	37.014	0.000
27	TRANSILVANIA INVESTMENTS ALLIANCE EQUITY S.A.	1,170,990	10.0000	6.8361	8,005,004.74	99.999	0.536
28	TURISM LOTUS FELIX SA	484,853,142	0.1000	0.0401	19,442,610.99	38.268	1.303
29	VERITAS PANCIU SA	656,693	2.5000	0.0000	0.00	26.333	0.000
30	VITIVINICOLA BASARABI SA	342,580	2.5000	0.0000	0.00	10.860	0.000
TOTAL					74,562,413.76		4.995

2. Shares traded within other systems than regulated markets

Not applicable

3. Shares not admitted to trading measured at zero value (lack of updated financial statements submitted to the Trade Register)

Not applicable

4. Bonds not admitted to trading

Not applicable

5. Amounts under settlement for shares traded within other systems than regulated markets

Not applicable

VIII.2. Other money market instruments referred to in art. 83 para. (1) indent a) of G.E.O. no. 32/2012

1. Commercial papers

Not applicable

IX. Current accounts and cash

1. Current accounts and cash, in RON

No.	Bank name	Present value (RON)	Weight in RIAIF's total assets (%)
BANCA COMERCIALA ROMANA SA Sucursala BRASOV			
1	RO08RNCB0053008581440001	594,916.21	0.040
Total BANCA COMERCIALA ROMANA SA Sucursala BRASOV		594,916.21	0.040
BANCA DE EXPORT IMPORT A ROMANIEI EXIMBANK S.A.			
2	RO11BRMA0999100094603805	819.64	0.000
Total BANCA DE EXPORT IMPORT A ROMANIEI EXIMBANK S.A.		819.64	0.000
BANCA TRANSILVANIA SA			
3	RO04BTRLRONCRT0422456701	423,245.79	0.028
4	RO72BTRLRONDISB000739801	1,179,443.13	0.079
5	RO67BTRLRONVBSG422456701	5,292.28	0.000
6	RO74BTRLRONCRT0422456702	9,068.26	0.001
7	RO36BTRLRONDISB000703201	93,450.26	0.006
Total BANCA TRANSILVANIA SA		1,710,499.72	0.115
BRD - GROUPE SOCIETE GENERALE S.A.			
8	RO12BRDE080SV08838330800	77,554.21	0.005
Total BRD - GROUPE SOCIETE GENERALE S.A.		77,554.21	0.005
ING BANK			
9	RO85INGB0009008122758918	1,094.59	0.000
10	RO27INGB0009008221788911	733.68	0.000
11	RO10INGB5011999910727283	5,363.75	0.000
12	RO37INGB5011999910727282	9,901.72	0.001
Total ING BANK		17,093.74	0.001
OTP BANK ROMANIA SA Sucursala Brasov			
13	RO05OTPV211000012040RO04	28,599.95	0.002
Total OTP BANK ROMANIA SA Sucursala Brasov		28,599.95	0.002
TRANSILVANIA INVESTMENTS ALLIANCE			
14	Casa	4,379.02	0.000
Total TRANSILVANIA INVESTMENTS ALLIANCE		4,379.02	0.000
UNICREDIT TIRIAC BANK			
15	RO41BACX0000000563501000	550.54	0.000
Total UNICREDIT TIRIAC BANK		550.54	0.000
VISTA BANK			
16	RO54EGNA1010000001243438	4,872.95	0.000
Total VISTA BANK		4,872.95	0.000
TOTAL		2,439,285.98	0.163

2. Current accounts and cash, in foreign currency

No.	Bank name	Present value (Currency)	NBR exchange rate	Present value RON	Weight in RIAIF's total assets (%)
Current accounts and cash in EUR					
1	BANCA COMERCIALA ROMANA SA - RO78RNCB0053008581440002	5,020.03	4.9634	24,916.42	0.002
2	BRD - GROUPE SOCIETE GENERALE S.A. - RO90BRDE080SV27929280800	40,922.33	4.9634	203,113.89	0.014
3	ING BANK - RO34INGB0009008122750718	52,909.65	4.9634	262,611.76	0.018
Current accounts and cash in GBP					
1	BANCA COMERCIALA ROMANA SA - RO29RNCB0053008581442242	96.49	5.7822	557.92	0.000
Current accounts and cash in USD					
1	BANCA COMERCIALA ROMANA SA - RO67RNCB0053008581440006	93.45	4.5750	427.53	0.000
2	BRD - GROUPE SOCIETE GENERALE S.A. - RO58BRDE080SV35468760800	37,131.45	4.5750	169,876.38	0.011
TOTAL				661,503.90	0.044

X. Bank deposits by categories: deposits set up with credit institutions in Romania / in another Member State / in a Third Country

1. Bank deposits in RON

No.	Bank name	Set up date	Maturity date	Initial value (RON)	Daily increase (RON)	Accrued interest (RON)	Total value (RON)	Weight in RIAIF's total assets (%)
BRD - GROUPE SOCIETE GENERALE S.A.								
1	BRD - GROUPE SOCIETE GENERALE S.A.	29.06.2023	06.07.2023	41,000,000.00	5,466.67	10,933.33	41,010,933.33	2.749
2	BRD - GROUPE SOCIETE GENERALE S.A.	29.06.2023	03.07.2023	13,700,000.00	1,864.72	3,729.44	13,703,729.44	0.918
Total BRD - GROUPE SOCIETE GENERALE S.A.							54,714,662.77	3.667
ING BANK								
1	ING BANK	30.06.2023	03.07.2023	969,000.00	121.39	121.39	969,121.39	0.065
Total ING BANK							969,121.39	0.065
TOTAL							55,683,784.16	3.732

2. Bank deposits in foreign currency

Not applicable

XI. Derivatives traded on a regulated market**– by categories: on a regulated market in Romania/in a Member State/in a Third Country****1. Futures contracts**

Not applicable

2. Options

Not applicable

3. Amounts under settlement for derivatives traded on a regulated market

Not applicable

XII. Derivatives negotiated outside the regulated markets**1. Forward contracts**

Not applicable

2. Swaps contracts**– valuation based on quotation**

Not applicable

– valuation based on the determination of the present value of payments under the contract

Not applicable

3. Contracts for difference (CFD)

Not applicable

4. Other derivative contracts in relation to securities, currencies, interest or profitability rates or other derivatives, financial indexes or indicators/other derivative contracts in relation to commodities that have to be settled in cash or can be settled in cash at the request of one of the parties

Not applicable

XIII. Money market instruments, other than those traded on a regulated market, in accordance with art. 82 indent g) of G.E.O. no. 32/2012

1. Bonds issued by central public administration authorities (Government securities)

Series	No. of bonds held	Acquisition date	Coupon date	Coupon maturity date	Initial value (RON)	Daily increase (RON)	Accrued interest (RON)	Accrued Discount / premium (RON)	Market price (%)	Total value (RON)	Intermediary bank	Weight in total bond issue (%)	Weight in RIAIF's total assets (%)
RO7P95F9FNY6	600	24.10.2022	25.10.2022	25.10.2023	2,184,586.46	205.48	50,958.90		85.0660	2,602,938.90	BANCA COMERCIALA ROMANA SA	0.026	0.174
RO7P95F9FNY6	600	18.01.2023	25.10.2022	25.10.2023	2,441,410.65	205.48	50,958.90		85.0660	2,602,938.90	ING BANK	0.026	0.174
RO7P95F9FNY6	600	14.02.2023	25.10.2022	25.10.2023	2,445,593.82	205.48	50,958.90		85.0660	2,602,938.90	CITI BANK EUROPE PLC DUBLIN	0.026	0.174
TOTAL										7,808,816.70			0.522

According to the Fund Rules, at fair value determined based on MID prices (accessed from Bloomberg – BVAL platform).

XIV. UCITS/AIF equity securities

1. Equity securities denominated in RON

No.	Fund name	Date of last trading session	No. of fund units/ shares held	Fund unit value (NAV per unit) (RON)	Market price (RON)	Total value (RON)	Weight in UCITS/AIF's total equity securities (%)	Weight in RIAIF's total assets (%)
1	BT MAXIM		527,797.325827	18.8090		9,927,339.90	4.702	0.665
2	FDI GlobUS BlueChips		27,486.870000	11.2375		308,883.70	11.115	0.021
3	FDI NAPOCA		413,086.580000	0.7507		310,104.10	1.830	0.021
4	FIAIP Professional Globinvest		100.000000	8,253.2523		825,325.23	19.881	0.055
5	FIAIR FONDUL PRIVAT COMERCIAL		11,932.550000	452.9684		5,405,068.08	3.443	0.362
6	FOND INCHIS DE INVESTITII BET-FI INDEX INVEST *	14.06.2023	782.000000	816.9656		638,867.10	6.772	0.043
Total						17,415,588.11		1.167

According to the Fund Rules, at the last unitary net asset value calculated and published (for equity securities issued by CIU traded on a market with a liquidity considered to be irrelevant for the application of the mark-to-market method).

2. Equity securities denominated in foreign currency

No.	Fund name	ISIN	Date of last trading session	No. of fund units / Equity holdings	Fund unit value (NAV per unit) (NAVPS currency)	Market price (Currency)	NBR exchange rate (RON)	Total value (RON)	Weight in UCITS/ AIF's total equity securities (%)	Weight in RIAIF's total assets (%)
Equity securities denominated in EUR										
1	CCL CEECAT Fund II SCSp			1.000000	8,747,248.0000		4.9634	43,416,090.72	7.978	2.910
Total EUR								43,416,090.72		2.910
Total								43,416,090.72		2.910

3. Amounts under settlement for equity securities denominated in RON

Not applicable

4. Amounts under settlement for equity securities denominated in foreign currency

Not applicable

XV Equity interests

No.	Issuer	No. of equity interests	Acquisition date	Unit value (RON)	Valued amount (RON)	Date of last valuation	Weight in RIAIF's total assets (%)
1	KOGNITIVE MANUFACTURING TECH S.R.L.	238	23.02.2022	1,242.6364	295,747.46	30.06.2023	0.020
TOTAL					295,747.46		0.020

XVI. Dividends or other receivable rights**1. Dividends receivable**

No.	Issuer	Ex-dividend date	No. of shares held	Gross dividend	Amount receivable	Weight in RIAIF's total assets
1	DEPOZITARUL CENTRAL SA BUCURESTI	26.05.2023	10,128,748	81,096.53	74,608.57	0.005
2	S.N.T.G.N. TRANSGAZ SA	27.06.2023	87,136	60,995.20	56,115.58	0.004
Total					130,724.15	0.009

2. Shares distributed without consideration in cash

Not applicable

3. Shares distributed with consideration in cash

Not applicable

4. Amounts payable for shares distributed with consideration in cash

Not applicable

5. Preemptive rights (prior to admission to trading and after the trading period)

Not applicable

Evolution of Net Asset Value and NAV per share during the last 3 reporting periods

	30.06.2021	30.06.2022	30.06.2023
NET ASSET VALUE	1,319,357,394.00	1,355,853,905.43	1,412,898,913.79
NET ASSET VALUE PER SHARE (RON/share)	0.6101	0.6300	0.6584

Transilvania Investments Alliance's leverage and exposure, calculated in accordance with the Regulation (EU) no. 231/2013 (in accordance with art. 38, para. (4) of Law no. 243/2019).

Method	Leverage ratio	Exposure value
Gross method	101.49%	1,433,966,199
Commitment method	105.60%	1,492,089,269

EXECUTIVE VICE-PRESIDENT,
BUFTEA THEO-DORIAN

PORTFOLIO
MANAGEMENT DEPARTMENT

CERTIFIED BY THE DEPOSITORY COMPANY
BRD-Groupe Societe Generale S.A. București

EXECUTIVE VICE-PRESIDENT,
CORPACIAN STELA

Head of department,
COSTESCU CONSTANTIN

SECURITIES DIVISION
Director Claudia IONESCU

FINANCIAL DEPARTMENT
Head of department,
VERES DIANA

COMPLIANCE OFFICER,
STOICA MIHAELA CORINA

Verified by: _____

Annex on litigations

The litigations in which Transilvania Investments Alliance was involved during the first half of 2023 and which have as object-matter claims, annulment of the resolutions of the Supervisory Board or of the decisions of the supervisory authority, are the following:

Ongoing litigations

No.	Transilvania Investments' capacity	Subject matter	Opposing party	Procedural status
1.	Plaintiff	Annulment of the F.S.A. Decisions no. 422, 424 and 425 of 2019 and no. 648/08.05.2019	Financial Supervisory Authority (F.S.A.)	Litigation pending on the merits of the case Suspended
2.	Defendant	Claims following the annulment of the F.S.A. Decision no. 1095/2018	Frățilă Constantin	Litigation pending on the merits of the case

Settled litigations

No.	Transilvania Investments' capacity	Subject matter	Opposing party	Court decision
1.	Plaintiff	Claims following the annulment of the F.S.A. decisions issued in respect to the unannounced inspection	Financial Supervisory Authority (F.S.A.)	Dismisses the action.
2.	Defendant	Annulment of the Supervisory Board resolutions of 30.03.2020	Szabo Ștefan Carapiti Dumitru Luțac Gheorghe	Dismisses the action
3.	Plaintiff	Annulment of the Supervisory Board Resolutions no. 1/14.05.2020 and no. 1/18.05.2020	Frățilă Constantin Andănuț Crinel-Valer Moldovan Marius-Adrian Petria Nicolae	Finds that the request for summons is outdated
4.	Auxiliary intervening party	Annulment of the Supervisory Board Resolution no. 1/04.04.2020	Frățilă Constantin Andănuț Crinel-Valer Moldovan Marius-Adrian Petria Nicolae	Finds that the request for summons is outdated

TRANSILVANIA INVESTMENTS ALLIANCE S.A.

INTERIM CONDENSED FINANCIAL STATEMENTS AS AT 30 JUNE 2023

Prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (IFRS) and Financial Supervisory Authority Rule (“FSA”) no. 39/2015 regarding the approval of the accounting regulations in accordance with IFRS, applicable to the entities authorised, regulated and supervised by the FSA from the Financial Investments and Instruments Sector, with subsequent amendments (herein after “FSA Rule no. 39/2015”)

Unaudited

TRANSILVANIA INVESTMENTS ALLIANCE S.A.
INTERIM CONDENSED FINANCIAL STATEMENTS AS AT 30 JUNE 2023

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TRANSILVANIA INVESTMENTS ALLIANCE S.A.
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
AS AT 30 JUNE 2023
(All amounts are expressed in RON, unless otherwise stated)

Description	Note	30 June 2023	30 June 2022
Dividend income	4	26,838,066	89,420,280
Bank interest income		1,276,786	200,267
Interest income from government securities classified as financial assets at fair value through profit or loss		1,210,632	-
Net gain/(loss) on financial assets at fair value through profit or loss	5	36,899,159	(8,915,891)
Operating income	6	255,734	233,803
Total net income		66,480,377	80,938,459
Employee benefit expense	7	(9,604,903)	(6,164,165)
Fees and commissions expense	8	(1,198,446)	(1,121,301)
Impairment of financial assets		36,454	-
Operating expenses	9	(4,373,073)	(5,899,846)
Financing costs		(25,524)	(750,225)
Provision losses		1,175,919	-
Total expenses		(13,989,573)	(13,935,537)
Profit before tax		52,490,804	67,002,924
Income tax benefit	10	(110,537)	1,772,395
Net profit for the period		52,380,267	68,775,319
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss:</i>			
Gain/(loss) from revaluation of financial assets at fair value through other comprehensive income, net of deferred tax	22	33,119,185	(95,898,023)
Increase / (Decrease) in revaluation reserve of property, plant and equipment, net of deferred tax	23	-	-
Other comprehensive income – total		33,119,185	(95,898,023)
Total comprehensive income for the period		85,499,452	27,122,704
Earnings per Share		0.0244	0.0318
Diluted Earnings per Share		0.0244	0.0318

Executive President
Roșca Radu Claudiu

Head of Financial Department
Vereș Diana

TRANSILVANIA INVESTMENTS ALLIANCE S.A.
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023
(All amounts are expressed in RON, unless other wise stated)

	<u>Note</u>	<u>30 June 2023</u>	<u>31 December 2022</u>
Cash and cash equivalents	11	58,784,574	47,173,996
Financial assets measured at fair value through profit or loss	12	668,200,466	646,510,745
Government securities measured at fair value through profit or loss		40,273,477	31,653,276
Financial assets measured at fair value through other comprehensive income	13	687,548,071	669,338,157
Financial assets at amortised cost	14	12,039,155	6,719,070
Other assets	15	949,640	951,713
Intangible assets	16	58,689	82,473
Property, plant and equipment	16	18,977,439	18,029,683
Investment property	17	2,119,862	2,119,862
Right of use assets under leases	18	3,137,896	3,514,086
Total assets		1,492,089,269	1,426,093,062
Financial liabilities	19	38,121,162	26,908,594
Lease liabilities	18	3,635,700	3,988,871
Deferred income tax liabilities	10	34,234,475	30,129,459
Current income tax liabilities		330,208	3,650,349
Other liabilities	20	1,936,539	1,443,750
Provisions		932,271	1,809,107
Total liabilities		79,190,355	67,930,130
Share capital	21	216,244,380	216,244,380
Retained earnings		206,009,818	206,004,942
Revaluation reserves on financial assets at fair value through other comprehensive income	22	155,670,303	133,897,466
Revaluation reserve for property, plant and equipment	23	15,602,907	15,602,907
Other reserves	24	818,035,322	784,291,364
Equity-based payments to employees and management	26	2,648,433	4,908,273
Own shares	25	(1,312,249)	(2,786,400)
Total equity		1,412,898,914	1,358,162,932
Total liabilities and equity		1,492,089,269	1,426,093,062

Executive President
Roşca Radu Claudiu

Head of Financial Department
Vereş Diana

The attached Notes are an integral part of these financial statements.

TRANSILVANIA INVESTMENTS ALLIANCE S.A.
STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2023
(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	Equity-based payments to employees and management	Own shares	Total
Balance at 1 January 2023		216,244,380	15,602,907	133,897,466	784,291,364	206,004,942	4,908,273	(2,786,400)	1,358,162,932
Comprehensive income:									
Profit/(Loss) for the period		-	-	-	-	52,380,267	-	-	52,380,267
Other comprehensive income:									
Net gain/(loss) on the revaluation of financial assets at fair value through other comprehensive income, net of deferred tax	22	-	-	33,119,185	-	-	-	-	33,119,185
Revaluation reserve on property, plant and equipment, net of deferred tax	23	-	-	-	-	-	-	-	-
Depreciation transfer to retained earnings on property, plant and equipment upon disposal, net of deferred tax	23	-	-	-	-	-	-	-	-
Equity-based payments to employees and management	26	-	-	-	-	-	(2,259,840)	-	(2,259,840)
Total comprehensive income for the period		216,244,380	15,602,907	167,016,651	784,291,364	258,385,209	2,648,433	(2,786,400)	1,441,402,544
Transfer of reserve to retained earnings upon the sale of financial assets at fair value through other comprehensive income, net of deferred tax	22	-	-	(11,346,348)	-	11,346,348	-	-	-
Allocation of financial instruments under the Stock Option Plan		-	-	-	296,433	-	-	3,358,820	3,655,253
Transactions with shareholders, recognized directly in equity:									
Legal reserve		-	-	-	-	-	-	-	-
Allocation of reserves from previous years' profits		-	-	-	33,447,525	(33,447,525)	-	-	-
Dividends distributed		-	-	-	-	(30,274,213)	-	-	(30,274,213)
Own shares bought back		-	-	-	-	-	-	(1,884,669)	(1,884,669)
Balance at 30 June 2023		216,244,380	15,602,907	155,670,303	818,035,322	206,009,818	2,648,433	(1,312,249)	1,412,898,914

Executive President
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Head of Financial Department
Vereș Diana

The attached Notes are an integral part of these financial statements.

TRANSILVANIA INVESTMENTS ALLIANCE S.A.
STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2023
(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	Equity-based payments to employees and management	Own shares	Total
Balance at 1 January 2022		216,244,380	11,979,484	254,484,622	691,314,508	206,411,822	4,250,000	(4,522,164)	1,380,162,653
Comprehensive income:									
Profit/(Loss) for the period		-	-	-	-	68,775,319	-	-	68,775,319
Other comprehensive income:									
Net gain/(loss) on the revaluation of financial assets at fair value through other comprehensive income, net of deferred tax	23	-	-	(95,898,024)	-	-	-	-	(95,898,024)
Revaluation reserve on property, plant and equipment, net of deferred tax		-	-	-	-	-	-	-	-
Depreciation transfer to retained earnings on property, plant and equipment upon disposal, net of deferred tax		-	-	-	-	-	-	-	-
Equity-based payments to employees and management		-	-	-	-	-	2,813,958	-	2,813,958
Total comprehensive income for the period		-	-	(95,898,024)	-	68,775,319	2,813,958	-	24,308,747
Transfer of reserve to retained earnings upon the sale of financial assets at fair value through other comprehensive income, net of deferred tax	23	-	-	(16,946,199)	-	16,946,199	-	-	-
Transactions with shareholders, recognized directly in equity:									
Legal reserve		-	-	-	-	-	-	-	-
Allocation of reserves from previous years' profits		-	-	-	96,611,495	(96,611,495)	-	-	-
Own shares bought-back		-	-	-	-	-	-	-	-
Balance at 30 June 2022		216,244,380	11,979,484	141,640,400	787,926,003	195,521,845	7,063,958	(4,522,164)	1,355,853,905

Executive President
Roșca Radu Claudiu

Head of Financial Department
Vereș Diana

The attached Notes are an integral part of these financial statements.

TRANSILVANIA INVESTMENTS ALLIANCE S.A.
STATEMENT OF CASH FLOWS AS AT 30 JUNE 2023
(All amounts are expressed in RON, unless otherwise stated)

	30 June 2023	30 June 2022
Cash flows from operating activities, total out of which:	33,179,189	(11,152,359)
Receipts from clients	134,930	119,421
Payments to suppliers and employees	(19,891,105)	(10,480,514)
Maturity proceeds of government securities	653,983	-
Proceeds from disposal of equity investments	128,590,424	69,335,299
Payments for purchase of equity investments	(94,479,732)	(138,647,476)
Income tax paid	(5,591,887)	(14,976,546)
Interest received	1,787,286	200,268
Dividends received (net of withholding tax)	26,707,342	87,379,291
Payments of contributions, tariffs, taxes owed to the state budget	(3,650,015)	(3,092,363)
Other payments from operating activities	(737,645)	(744,574)
Other payments from investment activities (including trading sales commission)	(344,392)	(245,164)
Cash flows from investing activities, total out of which:	(1,471,997)	(543,107)
Payments for purchase of tangible and intangible assets	(1,471,997)	(543,107)
Receipts from sale of tangible assets	-	-
Cash flows from financing activities, total out of which:	(20,096,614)	(2,929,425)
Dividends paid to shareholders	(17,789,556)	(487,776)
Short term loan	-	2,583,798
Interest paid	-	(259,726)
Payments related to lease contracts	(435,029)	(243,557)
Payments for own shares bought-back	(1,872,029)	(4,522,164)
Net increase/(decrease) in cash and cash equivalents	11,610,578	(14,624,892)
Cash and cash equivalents at the beginning of the year	47,173,996	47,862,487
Cash and cash equivalents at the end of the period	58,784,574	33,237,595

Executive President
Roşca Radu Claudiu

Head of Financial Department
Vereş Diana

TRANSILVANIA INVESTMENTS ALLIANCE S.A.
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS AT 30 JUNE 2023
(All amounts are expressed in RON, unless otherwise stated)

1. GENERAL INFORMATION

TRANSILVANIA INVESTMENTS ALLIANCE („Transilvania Investments” or the „Company”) is a company established in 1996 in accordance with Law 133/1996, which operates in Romania according to Law 31/1990 on companies, Law 297/2004 on capital market and Law no. 243/2019 regulating alternative investment funds.

The regulated market on which the issued securities are traded is the Bucharest Stock Exchange -market symbol: TRANSI as of 14 March 2022 (previous market symbol: SIF3).

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

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

Contact details of the Company are:

Phone : 0268-416171

Fax : 0268-473215

Web site: www.transilvaniainvestments.ro

E-mail: office@transilvaniainvestments.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, under 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 F.S.A. (A.F.I.A.A.) under no. PJR07¹ AFIAA/080005 and in Section 9 – Alternative investment funds, Sub-section – Retail Investor Alternative Investment Funds (R.I.A.I.F.) established in Romania, under no. PJR09FAIR/080006. 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.

At 30 June 2023 the Company’s subscribed and paid-in share capital as registered with the Trade Register is RON 216,244,379.80 (20 June 2022: RON 216,244,379.80) and is divided into 2,162,443,797 shares (30 June 2022: 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.

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 of 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 to 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 an investment entity were fulfilled.

TRANSILVANIA INVESTMENTS ALLIANCE S.A.
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS AT 30 JUNE 2023
(All amounts are expressed in RON, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

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, therefore the Company no longer consolidates its 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 financial statements of the Company have been prepared under the historical cost convention, except for the revaluation of financial instruments at fair value through profit or loss, financial assets 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) Transactions 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.

The exchange rates of major foreign currencies were the following:

Currency	30 June 2023	30 June 2022	Increase/ (decrease) (%)
Euro (EUR)	1: RON 4.9634	1: RON 4.9454	0.36
US Dollar (USD)	1: RON 4.5750	1: RON 4.7424	-3.53

The foreign exchange differences resulting 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";

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Foreign currency translation (continued)

b) Transactions and balances (continued)

- 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 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.

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;
- Note 10 – Current income tax and deferred tax;
- Note 23 – Revaluation reserve for property, plant and equipment;
- Note 29 – Fair values of financial assets and liabilities;
- Note 30 – Risk management;
- Note 32 – Commitments and contingencies.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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 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.

2.8. 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 a 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 of the Company's capabilities to participate in the decision-making regarding 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 it is considered a significant shareholder and exercises significant influence through representation in the Board of Directors and through participation in the decision-making regarding the entity's policies, then such entity shall be considered an associate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8. Subsidiaries and associates (continued)

The Company does not exercise significant influence in companies where it holds between 20% and 50% of the voting rights (Note 12). In these companies, the Company's rights, as a minority shareholder, are protective and not participative, and the majority shareholder or the group of shareholders that hold the majority stake in such entities act without considering the Company's opinions.

The investments in subsidiaries and associates at 30 June 2023 and 30 June 2022 are presented in Note 12.

2.9 Financial assets and liabilities

(i) Classification

a) Financial assets measured at fair value through profit or loss

The Company classifies its investments in subsidiaries and associates, as well as 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 assets that are not classified as held for trading, but they 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.

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, bank deposits, 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 financial asset or liability is measured at the time of initial recognition, minus principal payments, plus or minus cumulative depreciation, determined through 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9. Financial assets and liabilities (continued)

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.

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 receivables that meet one or both of the following criteria:

- exposures for which the Company estimates that it is unlikely that the debtor fully pays 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 the 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 assessment of the Company’s performance at fair value.

Dividends received from entities in which the Company holds shares are recognized in the 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9. Financial assets and liabilities (continued)

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 the price in an active market. An active market is that market 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 Transilvania Investments 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 investments (shares held in companies);
- b) corporate bonds and government securities;
- c) fund units.

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.

(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" of 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 but 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, in the case of financial assets and financial liabilities not carried at fair value through profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9. Financial assets and liabilities (continued)

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 settlement date.

(iv) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the 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.

(v) Offsetting

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position only when there is a legally enforceable right to set off 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 the following circumstances:

- (i) in the normal course of business,
- (ii) the event of default, and
- (iii) 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 accumulated depreciation and 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 fair value at the end of the reporting period. If there is no market-based evidence of fair value, 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 recognised revaluation surplus in equity while all other decreases are charged to profit or loss for the year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10. Property, plant and equipment (continued)

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 made at fair value, which is determined based on evaluations made by authorised external valuers.

The latest revaluation of the Company's property, plant and equipment was performed at December 31, 2022 by REVALTEX SRL (independent valuator – ANEVAR member), resulting in an increase of RON 4,176,746 and 33% respectively

Gains and/or losses from de-recognition of tangible assets is determined as difference between 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).

(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, 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 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

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 entry into service) 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 that the asset is derecognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10. Property, plant and equipment (continued)

Each part of an item of tangible asset 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	<u>Years of depreciation</u>
Building	50
Other equipment, furniture and other tangible assets	up to 12
Vehicles	up to 6

The accounting value of a tangible asset must be derecognised:

- a) at sale; or
- b) when there are no future benefits expected from the use of the asset or from the 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.

2.11 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 - Lease Contracts ("IFRS 16") which replaces IAS 17. Thus, according to IFRS 16, a contract is or contains leasing if it confers the right to use an identifiable asset for a period of time in exchange for a 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 lease contract.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12. Leases (continued)

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 leasing payments made on or before the date of commencement of the proceedings, 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.

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 based on 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Investment property

i) Initial recognition

Investment property is property held by the Company to earn rentals or for capital appreciation or both and not to be used for the production or supply of goods or services or for administrative purposes or sold during the normal course of business.

An investment property is recognized as an asset only if:

- it is probable that the future economic benefits associated with the property will flow to the Company;
- the cost of the property can be measured reliably.

An investment property is initially measured at cost, including transaction costs. The cost of an investment property includes all costs related to its acquisition price plus any directly attributable expenses.

(ii) Subsequent measurement

The Company measures the investment property at fair value, changes in the fair value of investment property being recognized in profit or loss.

Gains or losses on changes in the fair value of investment property are recognized in profit or loss for the period in which they arise.

(iii) Transfers

Transfers to, or from, investment property are made when and only when there is a change in use of the respective asset. For the transfer of investment property carried at fair value to property, plant and equipment, the implicit cost of the asset for the purpose of its subsequent accounting will be its fair value on the date of the change in use.

If a real estate property used by the Company becomes an investment property that will be accounted at fair value, the Company applies IAS 16 until the date of the change in use.

(iv) Derecognition

The carrying amount of an investment property is derecognised on disposal or when the investment is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses resulting from the sale or scrapping of an investment property are recognized in profit or loss when it is sold or disposed of.

2.14 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 estimate 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.

2.15 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 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.

2.17 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.

2.18 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.

2.19 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 Shareholders Meeting.

Dividends payable recognized in the statement of financial position are financial liabilities. Financial liability is extinguished either by paying the amounts owed to the shareholders or when the obligation expires, i.e. after the 3 years from the dividend payment date, when dividends are prescribed in accordance with the 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".

2.20 Share capital

Ordinary shares are classified as equity.

2.21 Trade payables and 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 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.

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 other obligation in respect of pensions.

Benefits granted to the Supervisory Board members, Executive Board members and Company's personnel

In accordance with the remuneration policy approved by the shareholders in April 2022, the structure of staff remuneration is composed of two main elements: fixed remuneration and variable remuneration and/or other benefits. Variable remuneration is the form of payment or additional indemnity paid by the Company, being intended to recognize the performance of the identified personnel within a certain period, and it is a differential element of the remuneration package.

The variable remuneration will be granted subject to the following general limitation: the variable remuneration will not exceed 1.2% of the average total asset, related to the year for which the variable remuneration is established, calculated and reported according to the legal provisions in force.

The members of the Supervisory Board and Executive Board and the company's staff are entitled to receive variable remuneration in the form of shares issued by the Company, within Stock Option Plan (SOP) programmes, annually approved by the Company shareholders, in compliance with the legal provisions in force regarding the variable remuneration within the A.I.F.M.

The variable remuneration shall be paid 100% by granting instruments/shares of the Company:

- 60% of the variable remuneration is the initial component, the difference of 40% is subject to the deferral period;
- The minimum deferral period is 3 years;
- The 40% component subject to the deferral period is granted proportionally at the end of each of the three years.

For these remunerations, the Company recognizes an expense in the period in which the services were provided, in correspondence with a an increase in equity (benefits granted to employees and management in the form of equity instruments) for the share granted under the SOP programmes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Income tax expense

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

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.

2.24 Deferred tax

The deferred tax is provided using the balance sheet method, using the temporary differences arising between the tax base for calculating the tax for 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 it is specified in the laws in force at the reporting date.

Deferred tax receivables are recognized to the extent that will be obtained future probable taxable profits sufficient to allow the existence of these claims. Deferred tax receivables are reduced accordingly if it is considered that is not probable to obtain a related tax benefit. The main temporary differences arise from movements in the fair value and impairment of financial assets at fair value through other comprehensive income. The Company registers deferred tax liabilities from holdings classified as financial assets at fair value through other comprehensive income and from reserves from revaluation of tangible assets.

On 30 June 2023, the tax rate used to calculate the current and deferred tax was 16% (30 June 2022: 16%).

2.25 Basic and diluted earnings per share

Basic and diluted earnings/ (loss) per share is calculated by dividing the profit or loss for the year by the weighted average number of ordinary paid shares in issue during the year, excluding the average number of ordinary shares purchased by 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.

As at 30 June 2023 and 30 June 2022, none of the Company's issued shares or other instruments had dilutive effect, therefore basic and diluted earnings per share are the same.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.26 Revenue recognition

The Company recognises income from financial instruments in accordance with IFRS 9. The Company considered the provisions of IFRS 15 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.

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

2.27 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 amortized 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 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 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.

2.28 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.

2.29 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 the 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.

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 Transilvania Investments assesses annually whether the Company maintains its investment entity status. Thus, the Company re-assessed in 2022 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 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 purpose is to carry out business activities specific to its object and to obtain profit to be distributed to shareholders and/or to own sources to finance necessary and appropriate investments, permitted by the activity object and legal provisions.

The Company's Strategy for 2020 – 2024 and the Investment Policy Statement for 2020 – 2024, approved by the 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 Company's main investment objective is the maximization of the aggregate returns achieved by the current and potential investors through the investments performed by the Company, in compliance with the law and the Company's own regulations in force. At the same time, Transilvania Investments pursues the increase of the net asset value through a performant management carried out by specialists, oriented towards value-added generation, in conditions of an active and prudent management of assets from the business lines (trading, travel and leisure, real estate, industry and venture capital / private equity).

TRANSILVANIA INVESTMENTS ALLIANCE S.A.
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS AT 30 JUNE 2023
(All amounts are expressed in RON, unless otherwise stated)

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 which is 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 Transilvania Investments 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 12.

4. DIVIDEND INCOME

The dividend income recorded by the Company as at 30 June 2023, compared to 30 June 2022, is the following:

Entity	30 June 2023	%	30 June 2022	%
ARO PALACE SA	6,914,092	25.76	-	-
OMV PETROM SA BUCURESTI	6,557,040	24.43	6,489,383	7.26
FEPER SA	4,307,307	16.05	-	-
EVERGENT INVESTMENTS SA	3,469,759	12.93	2,846,338	3.18
TRANSILVANIA LEASING SI CREDIT IFN SA	2,300,299	8.57	-	-
S,N,NUCLEARELECTRICA	785,709	2.93	729,699	0.82
BURSA DE VALORI BUCURESTI SA	735,274	2.74	621,255	0.69
CRISTIANA SA	697,969	2.60	1,380,690	1.54
FONDUL PROPRIETATEA SA	628,921	2.34	2,688,975	3.01
MECANICA CODLEA SA	154,485	0.58	875,332	0.98
ALTELE	287,211	1.07	577,047	0.64
EMAILUL SA	-	-	921,539	1.03
FERMIT SA	-	-	478,639	0.54
BRD GROUPE SOCIETE GENERALE	-	-	59,996,273	67.09
BANCA TRANSILVANIA	-	-	11,815,110	13.21
Total	26,828,066	100,00	89,420,280	100.00

TRANSILVANIA INVESTMENTS ALLIANCE S.A.
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5. NET GAINS/LOSS FROM FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2023	30 June 2022
Net gains / (loss) from the sale of financial assets measured at fair value through profit or loss	8,393,275	4,063,885
Net gains from the revaluation of financial assets measured at fair value through profit or loss	28,505,884	(12,979,776)
Total	36,899,159	(8,915,891)

In the first half of 2023, the most important negative fair value adjustment (unrealised loss) was recorded in the case of an issuer acting in the travel and leisure sector, namely Aro Palace S.A. (- RON 6.91 million).

The negative adjustment is the effect of the ex-dividend correction recorded during the first six months of the year, as a result of the remuneration policy implemented by Aro Palace S.A. (correction that fully offsets the negative adjustment reflected at the fair value level).

The most important positive fair value adjustment (unrealised profit) was recorded in the same sector, in the case of the issuer Turism Hoteluri si Restaurante Marea Neagra (+ RON 33.13 million).

During the similar period of 2022, the most important negative fair value adjustment (unrealised loss) was registered in the case of the holding in a company acting in travel and leisure sector, namely Turism Felix S.A. (-RON 11.90 million). The most important positive fair value adjustment (unrealised profit) was registered in the same sector, in the case of the issuer Turism, Hoteluri, Restaurante Marea Neagra S.A. (+ RON 5.61 million).

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

The most significant profit achieved during the first half of 2023 was recorded from the sale of the entire stake held in COMCM S.A. (RON 5.86 million), operation carried out in May. During the reporting period, Transilvania Investments recorded net losses from the sale of holdings, amounting to RON 0.92 million (- RON 0.91 million, from the sale of the shares held in Concas S.A.).

The Company achieved an income amounting to RON 1.83 million from the sale of government securities.

During the similar period of 2022, the Company performed sale operations based on the exit strategy approved at Transilvania Investments level (defining principle of any investment entity). The most important profit achieved during the first half of 2022 was registered from the sale of the entire stake held in Gastronom S.A. (RON 6.52 million). During the similar period of 2022, the Company recorded net losses from the sale of holdings, amounting to RON 2.46 million (- RON 2.34 million from the sale of shares held in BRD Group Societe Generale S.A.).

6. OPERATING INCOME

	30 June 2023	30 June 2022
Net gains / losses on foreign exchange differences from transactions	(17,222)	24,108
Other operating income	272,956	209,695
Total	255,734	233,803

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7. EMPLOYEE EXPENSES

	30 June 2023	30 June 2022
Employee benefit expenses	8,031,862	7,143,168
Expenditure on benefits in the form of equity instruments	1,395,413	2,813,958
Income/(expenses) from the reversal/establishment of the provision for the benefits of employees, members of the Executive Board and Supervisory Board	-	(3,953,567)
Social contribution expense	177,628	160,606
Total	9,604,903	6,164,165

8. COMMISSIONS AND FEES EXPENSES

	30 June 2023	30 June 2022
Commission on the net asset value, paid to the Financial Supervisory Authority	652,243	648,809
Depository commissions	175,803	151,299
Transaction costs	327,181	235,356
Financial services costs	11,032	7,865
Other fees and commissions	32,186	77,971
Total	1,198,445	1,121,301

9. OPERATING EXPENSES

	30 June 2023	30 June 2022
Legal expenses	57,558	103,228
Other tax expenses (i)	273,286	235,368
Depreciation and amortization expenses	977,860	377,935
Audit expenses (ii)	223,493	320,118
Postal and telecommunication charges	95,736	68,918
Consumable materials expense	167,014	254,133
Insurance premium charges	95,883	84,368
Utilities expense	125,083	175,162
Travel expenses	144,510	109,073
Protocol, donation and sponsorship expenses	327,503	433,188
Rent	59,770	91,754
Maintenance and repairs expenses	63,047	18,007
Net gains/(losses) from unrealised foreign exchange differences	(1,376)	(11,244)
Other expenses (iii)	1,763,706	3,639,836
Total	4,373,073	5,889,846

(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, translation services etc.

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10. 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:

	30 June 2023	30 June 2022
Current corporate income tax expense	(110,537)	-
Deferred tax income	-	1,772,395
Total	(110,537)	1,772,395

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 2023	Credited/ (charged) to other comprehensive income	Credited to profit or loss	30 June 2023
Tax effect of deductible/(taxable) temporary differences				
Fair valuation of financial assets measured through other comprehensive income (Note 22)	(29,757,577)	(4,105,016)	-	(33,862,593)
Fair valuation of tangible assets (Note 23)	(1,549,544)	-	-	(1,549,544)
Provisions for variable remuneration	1,177,662	-	-	1,177,662
Net deferred tax liability	(30,129,459)	(4,105,016)	-	(34,234,475)

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11. CASH AND CASH EQUIVALENTS

	30 June 2023	31 December 2022
Current accounts at banks, in RON	2,434,909	863,908
Current accounts at banks, in foreign currency	661,503	1,961,355
Bank deposits, in RON	55,683,783	44,345,742
Petty cash, in RON	4,379	2,991
Total	58,784,574	47,173,996

At 30 June 2023 and 30 June 2022, cash and cash equivalents presented in the financial statements are neither past due, nor impaired.

The bank deposits, at 30 June 2023 and 30 June 2022, have a contractual maturity of up to 1 month.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The structure of the financial assets measured at fair value through profit or loss at 30 June 2023, compared to 31 December 2022, by type of financial instruments, is the following:

	30 June 2023	31 December 2022
Shares listed on Romanian markets, of which:	588,286,895	564,004,096
- listed on the Bucharest Stock Exchange (BSE)	325,947,137	279,841,813
- listed on the alternative trading system of the BSE (AeRO)	262,339,758	284,162,283
Unlisted shares	62,497,983	65,036,901
Listed unit funds	638,867	1,730,411
Unlisted fund units	16,776,721	15,739,337
	668,200,466	646,510,745
Government securities	40,273,477	31,653,276
Total	708,473,943	678,164,021

	30 June 2023	31 December 2022
Shares listed on Romanian markets, of which:	588,286,895	564,004,096
- subsidiaries	529,767,617	498,554,462
- associates	21,248,878	29,360,648
- others	37,270,400	36,088,986
Unlisted shares, of which:	62,497,983	65,036,901
- subsidiaries	35,100,000	34,838,020
- associates	25,526,632	28,446,204
- others	1,871,351	1,752,677

TRANSILVANIA INVESTMENTS ALLIANCE S.A.
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12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Investments in subsidiaries at 30 June 2023 are the following:

Entity	Fair value 30 June 2023	Market type	Shareholding %	Voting rights %
S.I.F. TRANSILVANIA PROJECT MANAGEMENT COMPANY SA	303,460	Unlisted	100.00	100.00
TRANSILVANIA INVESTMENTS ALLIANCE EQUITY S.A.	8,005,005	Unlisted	100.00	100.00
CRISTIANA SA	17,329,700	Unlisted	99.80	99.80
TERRACOTTA STAR SA	-	Unlisted	97.48	97.48
ORGANE DE ASAMBLARE SA	-	AeRO	95.70	95.70
TRANSILVANIA LEASING SI CREDIT IFN SA BRASOV	23,002,992	AeRO	93.49	93.49
TURISM COVASNA SA	30,651,297	AeRO	92.94	92.94
TRATAMENT BALNEAR BUZIAS SA	5,926,562	AeRO	91.87	91.87
SEMBRAZ SA	3,599,572	AeRO	90.97	90.97
INTERNATIONAL TRADE&LOGISTIC CENTER SA	9,461,836	Unlisted	87.30	87.30
FEPER SA	51,750,114	AeRO	85.80	85.80
ARO-PALACE SA	28,416,918	AeRO	85.74	85.74
MECANICA CODLEA SA	5,191,476	AeRO	81.07	81.07
TURISM, HOTELURI, RESTAURANTE MAREA NEAGRA SA	125,272,501	BSE	78.80	78.80
GRUP BIANCA TRANS SA	1,871,351	AeRO	77.47	77.47
ROMRADIATOARE SA BRASOV	10,779,331	AeRO	76.51	76.51
TUSNAD SA	16,511,066	AeRO	76.41	76.41
UTILAJ GREU SA	4,626,488	AeRO	70.39	70.39
TURISM FELIX SA	135,260,298	BSE	93.03	93.03
VIROLA-INDEPENDENTA SIBIU	6,206,121	AeRO	53.62	53.62
CASA ALBA INDEPENDENTA SIBIU	41,118,380	AeRO	53.35	53.35
INDEPENDENTA SA	13,310,564	AeRO	53.30	53.30
SIBAREX SA	-	Unlisted	52.85	52.85
SANTIERUL NAVAL SA	26,272,587	BSE	50.00	50.00
Total	564,867,617			

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

Investments in subsidiaries as at 31 December 2022 are the following:

Entity	Fair value 31 December 2022	Market type	Shareholding %	Voting rights %
S.I.F. TRANSILVANIA PROJECT MANAGEMENT COMPANY SA	303,460	Unlisted	100.00	100.00
TRANSILVANIA INVESTMENTS ALLIANCE EQUITY S.A. CRISTIANA SA	7,045,054	Unlisted	100.00	100.00
TERRACOTTA STAR SA	18,027,669	Unlisted	99.80	99.80
ORGANE DE ASAMBLARE SA	-	Unlisted	97.48	97.48
TRANSILVANIA LEASING SI CREDIT IFN SA BRASOV	-	AeRO	95.70	95.70
TURISM COVASNA SA	25,264,793	AeRO	93.49	93.49
TRATAMENT BALNEAR BUZIAS SA	30,651,297	AeRO	92.94	92.94
SEMBRAZ SA	5,926,562	AeRO	91.87	91.87
INTERNATIONAL TRADE&LOGISTIC CENTER SA	3,599,572	AeRO	90.97	90.97
FEPER SA	9,461,836	Unlisted	87.30	87.30
ARO-PALACE SA	56,057,422	AeRO	85.80	85.80
MECANICA CODLEA SA	35,331,010	AeRO	85.74	85.74
TURISM, HOTELURI, RESTAURANTE MAREA NEAGRA SA	5,347,882	AeRO	81.07	81.07
GRUP BIANCA TRANS SA	92,138,832	BSE	78.80	78.80
ROMRADIATOARE SA BRASOV	1,752,678	AeRO	77.47	77.47
TUSNAD SA	10,779,331	AeRO	76.51	76.51
UTILAJ GREU SA	16,511,066	AeRO	76.41	76.41
TURISM FELIX SA	4,697,636	AeRO	70.39	70.39
COMCM SA CONSTANTA	80,807,673	BSE	63.77	63.77
VIROLA-INDEPENDENTA SIBIU	40,496,484	BSE	56.72	56.72
CASA ALBA INDEPENDENTA SIBIU	6,206,121	AeRO	53.62	53.62
INDEPENDENTA SA	41,118,380	AeRO	53.35	53.35
SIBAREX SA	13,310,564	AeRO	53.30	53.30
SANTIERUL NAVAL SA	-	Unlisted	52.85	52.85
	28,557,160	BSE	50.00	50.00
Total	533,392,481			

The fair value of companies listed on alternative markets was determined according to the Company's accounting policies, through valuation reports prepared as at December 31, 2022.

All the Company's subsidiaries are incorporated in Romania.

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

Investments in associates as at 30 June 2023 are the following:

Entity	Fair value at 30 June 2023	Market type	Shareholding %
SIMEC SA	-	Unlisted	45.78
NEPTUN-OLIMP SA	8,330,733	Listed	41.18
APOLLO ESTIVAL 2002 SA	3,668,094	Unlisted	39.62
PRAHOVA ESTIVAL 2002 SA	-	Listed	39.62
TOMIS ESTIVAL 2002 SA	1,143,776	Unlisted	39.62
SERVICE NEPTUN 2002 SA	3,194,139	Listed	39.62
TURISM LOTUS FELIX SA	19,442,611	Unlisted	38.27
ROMAGRIBUZ VERGULEASA SA	-	Unlisted	37.30
TRANSILVANIA HOTELS & TRAVEL SA	-	Unlisted	37.01
FELAM SA	-	Unlisted	36.22
DORNA TURISM SA	3,478,111	Listed a	32.01
HARGHITA SA	-	Unlisted	31.42
EMAILUL SA	5,671,529	Listed	28.93
SOFT APLICATIV SI SERVICII SA	1,272,152	Unlisted	28.33
DUPLEX SA	574,365	Listed	26.87
VERITAS PANCIU SA	-	Unlisted	26.33
CNM PETROMIN SA CONSTANTA	-	Unlisted	23.83
Total	46,775,510		

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

Investments in associates as at 31 December 2022 are the following:

Entity	Fair value 31 December 2022	Market type	Shareholding %
CONCAS SA	6,906,562	Listed	47.21
SIMEC SA	-	Unlisted	45.78
NEPTUN-OLIMP SA	8,330,733	Listed	41.18
APOLLO ESTIVAL 2002 SA	5,409,633	Unlisted	39.62
PRAHOVA ESTIVAL 2002 SA	-	Listed	39.62
TOMIS ESTIVAL 2002 SA	1,532,076	Unlisted	39.62
SERVICE NEPTUN 2002 SA	4,154,510	Listed	39.62
TURISM LOTUS FELIX SA	19,442,611	Unlisted	38.27
ROMAGRIBUZ VERGULEASA SA	-	Unlisted	37.30
TRANSILVANIA HOTELS & TRAVEL SA	-	Unlisted	37.01
FELAM SA	-	Unlisted	36.22
DORNA TURISM SA	3,478,111	Listed	32.01
HARGHITA SA	-	Unlisted	31.42
EMAILUL SA	5,671,529	Listed	28.93
SOFT APLICATIV SI SERVICII SA	1,298,221	Unlisted	28.33
COMSIG SA	-	Unlisted	27.09
DUPLEX SA	819,202	Listed	26.87
The Foundations Feeder	-	Unlisted	26.67
VERITAS PANCIU SA	-	Unlisted	26.33
LEGUME FRUCTE BUZAU SA	763,663	Unlisted	25.23
CNM PETROMIN SA CONSTANTA	-	Unlisted	23.83
Total	57,806,852		

Corporate bonds measured at fair value through profit or loss, held by the Company as at 30 June 2023, as compared to 31 December 2022, are the following:

Entity	Currency	No. of units 30 June 2023	No. of units 31 December 2022	Fair value 30 June 2023	Fair value 31 December 2022
Sibarex SA	RON	900,000	900,000	-	-
Total				-	-

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

At 30 June 2023, the Company held corporate bonds issued by the following entity:

- *Sibarex SA* – bonds with a total nominal value of RON 2.25 million. The bonds are unquoted, non-convertible into shares, and issued at a nominal value of RON 2.50 per bond, with a 3-year maturity (maturity date: 21 November 2016) and an annual interest rate resulting from the variable interest of ROBOR at 6 months plus 2.00%. Interest payments are made quarterly. At 30 June 2023, 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 at 30 June 2023 is zero (31 December 2022: zero). The bonds 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.

As at 30 June 2023, the Company holds government securities as follows:

Issuer	30 June 2023			31 December 2022	
	Currency	No. of securities	Fair value	No. of securities	Fair value
M.F.P. (ISIN RO1624DBN027)	RON	880	4,321,264	600	2,935,302
M.F.P. (ISIN RO3B41D8EX14)	RON	-	-	2,600	11,234,956
M.F.P. (ISIN RO7P95F9FNY6)	RON	1,800	7,808,817	600	2,397,057
M.F.P. (ISIN RO07A2H5YIN8)	RON	-	-	2,000	9,560,805
M.F.P. (ISIN RO52CQA3C829)	RON	3,200	18,581,304	-	-
M.F.P. (ISIN XS2109812508)	EUR	2,000	7,385,575	1,000	3,407,798
M.F.P. (ISIN XS2434895558)	EUR	500	2,176,518	500	2,117,358
Total		8,380	40,273,477	7,300	31,653,276

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

Entity	30 June 2023		31 December 2022	
	No. of units	Fair value	No. of units	Fair value
Fond Inchis de Investitii Bet-Fi Index Invest	782	638,867	2,054	1,730,411
Fondul Inchis de Investitii Fondul Privat Comercial	11,933	5,405,068	11,933	5,454,974
Fondul Deschis de Investitii BT MAXIM	527,797	9,927,340	527,797	8,925,581
Fondul Deschis de Investitii Napoca	413,087	310,104	413,087	294,489
Fondul Deschis de Investitii GlobUS BlueChips	27,487	308,884	27,487	278,786
Fondul de Investiții Alternative Professional Globinvest	100	825,325	100	785,508
Total	981,186	17,415,588	982,458	17,469,748

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

The portfolio managed by the Company includes investment funds that have declared 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).

- **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. The BET-FI Index has been classified into risk class 4 out of 7, which is equivalent to an average risk degree.

- **Fondul Privat Comercial**

Fondul Privat Comercial 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 6.

- **Fondul deschis de investitii BT MAXIM**

BT Maxim is a stock fund that addresses in particular dynamic investors, with high risk profile, eager to capitalize on their own assets through the listed shares market. At the moment, the portfolio is focused on the energy and financial area, being oriented on pro-cyclical actions that will benefit from the current context with high prices for goods as well as that of raising interest rates. The fund invests at least 85% in shares and the remaining 15% is invested in fixed income instruments. The synthetic risk indicator places the fund in risk class 4.

- **Fondul deschis de investitii Napoca**

FDI Napoca is an open 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.

- **Fondul Deschis de Investitii GlobUS BlueChips**

Fdi GlobUS BlueChips is an open investment fund with an investment policy focused on the medium and long term in shares listed on regulated markets in the United States of America. It invests in shares issued by companies included in the main American indexes, characterised by a high stock exchange capitalisation, a high capacity of the management to obtain profit and a high return on capital invested. The synthetic risk indicator places the fund in risk class 5.

- **Fondul de Investitii Alternative Professional Globinvest**

The investment policy of the fund is focused on the medium and long term, in high growth potential shares in time, discounted and/or interest-bearing debt securities such as government, municipal or corporate bonds, bank deposits, ownership securities issued by collective investment bodies. The fund will invest in financial instruments issued in Romania, preferably in the financial field.

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13. FINANCIAL ASSETS 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:

	30 June 2023	31 December 2022
Shares listed on Romanian markets, out of which:	631,771,803	625,598,878
- listed on Bucharest Stock Exchange (BSE)	615,446,947	609,400,419
- listed on the alternative trading system of the BSE (AeRO)	16,324,855	16,198,459
Unlisted shares, preference rights	12,064,430	13,317,402
Equity interests	295,747	438,010
Equity holdings	43,416,091	29,983,866
Total	687,548,071	669,338,157
	30 June 2023	31 December 2022
Carrying amount as at 1 January	669,338,157	711,396,334
Net gains /losses on fair value, of which:		
- <i>Net gains/(losses) on mark-to-market during the year</i>	39,385,415	(107,449,616)
Acquisitions	5,106,055	124,441,487
Sales	(26,281,556)	(59,050,047)
Carrying amount at the end of the period	687,548,071	669,338,157

14. FINANCIAL ASSETS AT AMORTISED COST

The Company applies the provisions of IFRS 9 regarding the 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 (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 mainly include amounts arising from final court sentences.

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14. FINANCIAL ASSETS AT AMORTISED COST (CONTINUED)

Financial assets at amortised cost, not past due and not impaired (Stage 1) are presented as follows:

	30 June 2023	31 December 2022
Unsettled share capital increase	11,493,269	6,092,301
Other receivables	314,035	-
Total	11,807,304	6,092,301

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

30 June 2023	Receivables from group entities	Other receivables	Receivables on disposal of shares	Dividends receivable
Gross carrying amount	7,634	355,486	1,575,024	107,985
Loss allowance	(7,634)	(134,927)	(1,525,024)	(96,693)
Net carrying amount	-	220,559	-	11,292

From the total receivables on disposal of share, the RON 1,575,024 represent the counter value of the shares held in SOFT APLICATIV SI SERVICII SA (as per the shares sales agreement entered into on 28.05.2019), for which the enforcement of Arbitration Award no. 9/ 13.11.2019 started in 2021 for claims further to the non-fulfilment of contractual obligations, for which the Company set up impairment allowances for receivables for the entire amount.

31 December 2022	Receivables from group entities	Other receivables	Receivables on disposal of shares	Dividends receivable
Gross carrying amount	7,634	754,841	1,575,024	142,654
Loss allowance	(7,634)	(139,326)	(1,525,024)	(131,398)
Net carrying amount	-	615,515	-	11,255

15. OTHER ASSETS

	30 June 2023	31 December 2022
Consumables and other inventories	6,712	7,000
Prepayments	796,404	787,314
Other assets	146,524	157,399
Total	949,640	951,713

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16. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings	Plant and equipment	Fixtures, fittings and furniture	Total
<i>Balance at 1 January 2023</i>				
Gross value	16,853,029	978,300	198,353	18,029,683
Accumulated depreciation	-	-	-	-
Net carrying amount	16,853,029	978,300	198,353	18,029,683
Acquisitions	-	386,266	35,271	421,537
Tangible assets in progress	89,027	964,942	-	1,053,969
Advances for tangible assets	-	-	-	-
Sales or scraps	-	-	-	-
Depreciation recorded during the year	(261,741)	(213,048)	(52,960)	(527,749)
Depreciation for the assets sold	-	-	-	-
<i>Balance at 30 June 2023</i>				
Gross value	16,942,056	2,329,508	233,624	19,505,188
Accumulated depreciation	(261,741)	(213,048)	(52,960)	(527,749)
Net carrying amount	16,680,315	2,116,460	180,664	18,977,439
	Land and Buildings	Plant and equipment	Fixtures, fittings and furniture	Total
<i>Balance at 1 January 2022</i>				
Gross value	12,624,294	831,897	322,176	13,778,367
Accumulated depreciation	(726,688)	(244,414)	(73,187)	(1,044,289)
Net carrying amount	11,897,606	587,483	248,988	12,734,077
Acquisitions	-	692,197	-	692,197
Tangible assets in progress	1,265,073	-	-	1,265,073
Advances for tangible assets	-	18,971	-	18,971
Sales or scraps	-	(130,880)	(1,440)	(132,320)
Depreciation recorded during the year	(363,344)	(314,821)	(61,669)	(739,835)
Depreciation for the assets sold	-	30,076	1,440	31,516
Revaluation in 2022	4,053,694	95,274	11,034	4,160,002
<i>Balance at 31 December 2022</i>				
Gross value	16,853,029	978,300	198,353	18,029,683
Accumulated depreciation	-	-	-	-
Net carrying amount	16,853,029	978,300	198,353	18,029,683

The Company has no restrictions on its property titles. There are no cases of tangible assets pledged as security for liabilities recorded. The Company did not record contractual obligations for the purchase of tangible assets. The latest revaluation of the land and buildings owned by the Company was performed on December 31, 2022 and the differences from the revaluation were recorded in other comprehensive income (Note 23).

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16. INTANGIBLE ASSETS

	Licenses	Other intangible assets	Total
<i>Balance at 1 January 2023</i>			
Gross value	487,870	775,415	1,263,285
Accumulated amortisation	(405,397)	(775,415)	(1,180,812)
Net carrying amount	82,473	-	82,473
Acquisitions	4,491	-	4,491
Advances for intangible assets	-	-	-
Sales or scraps	-	-	-
Amortisation recorded during the year	(28,275)	-	(28,275)
Amortisation for the assets sold	-	-	-
<i>Balance at 30 June 2023</i>			
Gross value	492,362	775,415	1,267,777
Accumulated amortisation	(433,673)	(775,415)	(1,209,088)
Net carrying amount	58,689	-	58,689
<i>Balance at 1 January 2022</i>			
Gross value	489,875	787,053	1,276,928
Accumulated amortisation	(369,851)	(787,053)	(1,156,904)
Net carrying amount	120,024	-	120,024
Acquisitions	57,443	-	57,443
Advances for intangible assets	-	-	-
Sales or scraps	(59,447)	(11,638)	(71,085)
Amortisation recorded during the year	(94,692)	-	(94,692)
Amortisation for the assets sold	59,145	11,638	70,783
<i>Balance at 31 December 2022</i>			
Gross value	487,870	775,415	1,263,285
Accumulated amortisation	(405,397)	(775,415)	(1,180,812)
Net carrying amount	82,473	-	82,473

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17. ASSETS REPRESENTING INVESTMENT PROPERTY

In December 2022, the Company leased an office space in Bucharest. In accordance with IAS 16, the asset was revalued and transferred from *Property, plant and equipment* to *Investment property*. The Valuation report was prepared by REVALTEX SRL – ANEVAR member, which resulted in an increase of the revaluation reserve by RON 53,411.

Assets representing investment property:

Balance at 1 January 2023

Gross value	2,119,862
Accumulated depreciation	-
Net carrying amount	2,119,862
Acquisitions	-
Revaluation	-

Balance at 30 June 2023

Gross value	2,119,862
Accumulated depreciation	-
Net carrying amount	2,119,862

18. RIGHT-OF-USE ASSETS

The Company holds lease agreements mainly for vehicles and has rented an office space in Bucharest.

Right-of-use assets under leases:

Balance at 1 January 2023

Gross value	4,011,257
Accumulated amortization	(497,171)
Net carrying amount	3,514,086

Acquisitions	45,645
Amortization during the year	(421,835)

Balance at 30 June 2023

Gross value	4,056,902
Accumulated amortization	(919,006)
Net carrying amount	3,137,896

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18. RIGHT-OF-USE ASSETS (CONTINUED)

Balance at 1 January 2022

Gross value	<u>1,878,067</u>
Accumulated amortization	<u>(268,604)</u>
Net carrying amount	<u>1,609,463</u>

Acquisitions	2,571,613
Amortization during the year	(668,132)
Revaluation	1,142

Balance at 31 December 2022

Gross value	<u>4,450,823</u>
Accumulated amortization	<u>(936,736)</u>
Net carrying amount	<u>3,514,087</u>

Lease liabilities:

Balance at 1 January 2023

Debt recognition	<u>3,988,871</u>
Increases	54,946
Debts paid	<u>(445,856)</u>
Exchange rate differences expense	37,739

Balance at 30 June 2023

Due in less than one year	<u>136,608</u>
Due in more than one year	<u>3,499,092</u>

Year	30 June 2023
Year 1	136,608
Year 2	873,893
Year 3	674,240
Year 4	674,239
Year 5	674,239
Year 6	393,436
Year 7	112,632
Year 8	96,413
Total debt	<u>3,635,700</u>

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18. RIGHT-OF-USE ASSETS (CONTINUED)

<i>Balance at 1 January 2022</i>	1,761,619
Debt recognition	1,761,619
Increase	2,814,637
Debts paid	(601,039)
Exchange rate differences expense	13,653
<i>Balance at 31 December 2022</i>	3,988,871
Due in less than one year	489,779
Due in more than one year	3,499,092
Year	31 December 2022
Year 1	489,779
Year 2	873,893
Year 3	674,240
Year 4	674,239
Year 5	674,239
Year 6	393,436
Year 7	112,632
Year 8	96,413
Total debt	3,988,871

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19. FINANCIAL LIABILITIES

Description	30 June 2023	31 December 2022
Dividend payables	36,700,675	25,018,532
Trade payables	1,420,467	1,867,735
Collections made in advance from third parties	20	20
Liabilities with related parties	-	22,308
Total	38,121,162	26,908,594

20. OTHER LIABILITIES

	30 June 2023	31 December 2022
Salaries liabilities	526,935	801,491
Taxes payable	946,369	151,294
Social contributions owed to the state budget	463,235	490,965
Total	1,936,539	1,443,750

21. SHARE CAPITAL

The Company's share capital at 30 June 2023 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 into 2,162,443,797 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.

	30 June 2023	31 December 2022
Share capital registered with the Trade Register	216,244,380	216,244,380
Share capital according to IFRS	216,244,380	216,244,380

Shareholding structure as at 30 June 2023:

Shareholders	Number of shareholders	No. of shares held	Percentage out of total shares (%)
Resident shareholders	6,956,102	2,112,696,690	97.70
natural persons	6,955,888	1,086,693,812	50.25
legal persons	214	1,026,002,878	47.45
Non-resident shareholders	2,479	49,747,107	2.30
natural persons	2,456	12,245,659	0.57
legal persons	23	37,501,448	1.73
TOTAL	6,958,581	2,162,443,797	100.00
natural persons	6,958,344	1,098,939,471	50.82
legal persons	237	1,063,504,326	49.18

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

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

	30 June 2023	31 December 2022
Gross fair value revaluation reserve of financial assets at fair value through other comprehensive income	189,532,896	163,655,043
Deferred tax liabilities (Note 10)	(33,862,593)	(29,757,577)
Net reserve	155,670,303	133,897,466

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

	Revaluation reserves of financial assets measured at fair value through other comprehensive income		
	Gross	Deferred tax	Total net
Balance at 1 January 2023	163,655,043	(29,757,577)	133,897,466
Loss on changes in fair value from mark-to-market	(39,651,352)	6,532,167	(33,119,185)
Transfer of reserve to retained earnings upon sale of financial assets measured at fair value through other comprehensive income	13,773,499	(2,427,151)	11,346,348
Balance at 30 June 2023	189,532,896	(33,862,593)	155,670,303

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23. REVALUATION RESERVE FOR PROPERTY, PLANT AND EQUIPMENT

The last revaluation of the Company's tangible assets was performed at 31 December 2022 by REVALTEX SRL (independent valuator – ANEVAR member), which resulted in an increase in the revaluation reserve by RON 4,176,746, respectively by 32%.

The revaluation reserves cannot be distributed to shareholders as dividends.

	Gross	Deferred tax	Total net
Balance at 1 January 2022	11,795,991	183,493	11,979,484
Transfer of the reserve to retained earnings	(30,423)	-	(30,423)
Revaluation differences	-	(522,900)	(522,900)
Revaluation reserve	4,176,746	-	4,176,746
Balance at 31 December 2022	15,942,314	(339,407)	15,602,907
Balance at 1 January 2023			
Transfer of the reserve to retained earnings	-	-	-
Revaluation differences	-	-	-
Revaluation reserve	-	-	-
Balance at 30 June 2023	15,942,314	(339,407)	15,602,907

24. OTHER RESERVES

Other reserves have been created as a result of the profit allocation	30 June 2023	31 December 2022
Legal reserve (i)	43,248,876	43,248,876
Reserves from previous years' profits	770,874,352	737,130,394
Other reserves (ii)	3,912,094	3,912,094
Total	818,035,322	784,291,364

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

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

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25. OWN SHARES

Transilvania Investments commenced on 18.08.2022 the own share buy-back program, in accordance with the E.G.M.S. Resolution no. 1/28.04.2022 and the Executive Board Decision of 17.08.2022. The characteristics of the program are the following:

- Period: 18.08.2022 – 16.11.2023;
- Number of shares: maximum 20,000,000 shares;
- Price: the maximum price will be RON 0.49/share, in accordance with the E.G.M.S. Resolution no. 1/28.04.2022;
- Purpose of the program: The Company will buy-back own shares in order to be distributed within a Stock Option Plan program.
- Intermediary: BT Capital Partners.

	30 June 2023	31 December 2022
Own shares bought back	(4,671,069)	(2,786,400)
Own shares distributed	3,358,820	-
Total	(1,312,249)	(2,786,400)

26. BENEFITS GRANTED TO THE SUPERVISORY BOARD MEMBERS, EXECUTIVE BOARD MEMBERS AND COMPANY PERSONNEL

The benefits granted to the Supervisory Board members, Executive Board members and the company personnel in the form of equity instruments represent the value of benefits related to their participation to the benefit plan within Stock Option Plan programs, component of the variable remuneration granted in the form of shares.

The Company has in progress a benefit plan for the year 2022, amounting to RON 9,800,000 (value recognized in equity in 2022 according to the remuneration policy: RON 4,611,840) for which a share buy-back program is currently running, according to the E.G.M.S. Resolution of 28.04.2022, for a maximum of 20,000,000 shares, at a maximum price of RON 0.49/share, shares intended for distribution within the stock option plan program.

In June 2023, the Company distributed free shares amounting to RON 3,358,820, being transferred to the identified personnel the initial component of the variable remuneration for the year 2022 consisting in 60% of the shares allotted.

The Company has in progress a benefit plan for the year 2023, amounting to RON 3,920,000 (value recognized in equity in 2023 according to the remuneration policy: RON 2,352,000) for which a share buy-back program will be run, according to the E.G.M.S. Resolution of 24.04.2023, for a maximum of 8,000,000 shares, at a maximum price of RON 0.49/share, shares intended for distribution within the stock option plan program.

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27. TRANSACTIONS WITH RELATED PARTIES

Entities or persons are generally deemed as related parties if the parties are under common control, or one party can control the other party or can exercise a significant influence over the other party in making financial or operational decisions. In the process of identifying its related parties, the Company considers the substance of the relationship, not merely the legal form.

The transactions with related parties, recorded as at 30 June 2023, compared to 30 June 2022, are as follows:

Expenses with subsidiaries	Transaction type	30 June 2023	30 June 2022
International Trade Center& Logistic	Renting services	897	11,424
Aro Palace S.A.	Hotel services	145,996	105,916
Cristiana SA Braşov	Rent	58,693	92,483
Turism, Hoteluri si Restaurante Marea Neagra	Hotel services	36,720	-
Tusnad S.A.	Hotel services	-	744
Total		242,306	210,567

Expenses with associates	Transaction type	30 June 2023	30 June 2022
Transilvania Hotels&Travel S.A.	Services	728	-
Total		728	-

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

Dividend income from subsidiaries	30 June 2023	30 June 2022
Aro Palace S.A.	6,914,092	-
FEPER S.A.	4,307,307	-
Cristiana S.A.	2,300,299	1,380,690
Transilvania Leasing & Credit IFN	697,969	-
Mecanica Codlea S.A.	154,485	875,332
Utilaj Greu S.A.	71,101	173,489
Total	14,445,253	2,429,511

Dividend income from associates	30 iunie 2023	30 iunie 2022
Soft Aplicativ si Servicii S.A.	26,070	12,322
Emailul S.A.	-	921,539
Total	26,070	933,861

Dividend income from subsidiaries and associates are included in „Dividend income” in the Statement of profit or loss and other comprehensive income.

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27. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Key management

The paid or payable fixed remuneration is as follows

	30 June 2023	30 June 2022
Supervisory Board	2,222,424	1,530,996
Executive Board	1,595,580	1,025,220
Total	3,818,004	2,556,216

The Company did not grant loans or advances (except advances for salaries and/or transportation) to the members of the Supervisory Board and the Executive Board, therefore, at 30 June 2023 no such obligations were registered.

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28. 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 or at fair value. The following table provides a reconciliation of the financial assets and liabilities with these measurement categories as at 30 June 2023:

	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	58,784,574	-	-	-	58,784,574
Financial assets measured at fair value through other comprehensive income	-	687,548,071	-	-	687,548,071
Financial assets at fair value through profit or loss	-	-	668,200,466	-	668,200,466
Government securities measured at fair value through profit or loss	-	-	40,273,477	-	40,273,477
Other financial assets at amortised cost	12,039,155	-	-	-	12,039,155
Total financial assets	70,823,729	687,548,071	708,473,943	-	1,466,845,743
Financial liabilities (at amortised cost)	-	-	-	38,121,162	38,121,162
Total financial liabilities	-	-	-	38,121,162	38,121,162

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28. PRESENTATION OF THE FINANCIAL INSTRUMENTS BY MEASUREMENT CATEGORIES (CONTINUED)

The following table provides a reconciliation of the financial assets and liabilities with these measurement categories as at 31 December 2022:

	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	47,173,996	-	-	-	47,173,996
Financial assets measured at fair value through other comprehensive income	-	669,338,157	-	-	669,338,157
Financial assets at fair value through profit or loss	-	-	646,510,745	-	646,510,745
Government securities measured at fair value through profit or loss	-	-	31,653,276	-	31,653,276
Other financial assets at amortised cost	6,719,070	-	-	-	6,719,070
Total financial assets	53,893,066	669,338,157	678,164,021	-	1,401,395,244
Financial liabilities (at amortised cost)	-	-	-	26,908,594	26,908,594
Total financial liabilities	-	-	-	26,908,594	26,908,594

29. FINANCIAL ASSETS AND LIABILITIES FAIR VALUE

29.1 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 uses the closing /reference prices on the domestic and/or foreign trading systems.

The materiality level of the inputs used in the fair value estimation is established by using professional judgment, taking into account specific factors, due to the complexity of the 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 Transilvania Investments is estimated according to the Company's Fund rules, policy, procedure and methodology regarding the assets valuation for financial reporting purposes.

Through the Current reports dated 28.02.2023 and 26.05.2023, sent to the Bucharest Stock Exchange and the Financial Supervisory Authority, Transilvania Investments reported on the annual review of the valuation policy and procedures approved and implemented at the company level and on the publishing of the Fund Rules, updated in terms of the valuation rules used.

Given the organisational structure and the internal regulations of Transilvania Investments, for some holdings that are classified as Level 3 on the fair value hierarchy, the valuation activity is based on specific services provided by a contractual partner, in compliance with the provisions of specific legislation and Valuation Standards applicable at the reference date of the report (valuation date).

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, equity interests (participations in the share capital of issuers of less than 20% classified in this category), equity holdings.
- (ii) Financial assets at fair value through profit and loss, consisting of shares (participations in the share capital of issuers of more than 20% and less than 20% classified in this category), bonds, government securities and fund units.

29. FINANCIAL ASSETS AND LIABILITIES FAIR VALUE (CONTINUED)

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

The methodology for estimating fair values considers the structure of the financial instrument portfolio managed by Transilvania Investments, 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.

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

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

The process of estimating fair values refers to a volatile economic environment, influenced by phenomena whose effects, duration or evolution can be difficult to define and anticipate (eg inflation, conflicts, energy prices, Covid-19 pandemic etc.). The high volatility of some specific influencing factors can lead to changes in existing conditions in a relatively short period of time, and the impact on economic conditions, financial markets or at company level could lead to variations in the initially estimated values. An important element that determines the consistency and relevance of some data and information used in the valuation process is the availability and the level of complexity of the financial reports of the companies in the managed portfolio.

For *corporate bonds* whose estimated fair value uses Level 3 inputs, the "default" stage of the respective issued bonds is considered, determined by the exceeding of the terms provided in the issue prospectuses for the payment of the principal and the coupons. According to the fund's rules and the methodology for valuing financial assets in this category, they are recorded at nil value.

The *government securities*, whose estimated fair value uses Level 2 input data, are measured by using composite price benchmarks published by Bloomberg, namely Mid prices that have as main support direct observations on the respective instrument.

For *unit funds* whose estimated fair value uses Level 3 inputs, the unitary net asset value, as published or communicated by the fund manager for the reference date, was considered.

For the *equity holdings* held in a closed-end investment entity, level 3 input data is considered, by reference to the capital contributions made by Transilvania Investments and the net asset value (NAV) assigned to Transilvania Investments, based on the information in the periodic financial reports communicated to investors by the respective entity.

At the level of the entire portfolio of financial instruments held by Transilvania Investments, at 30 June 2023 the value of the financial assets measured at fair value through profit and loss amounts to RON 708.5 million, of which 46.0% represents the value of financial instruments classified on Level 1 in the fair value hierarchy.

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29. FINANCIAL ASSETS AND LIABILITIES FAIR VALUES (CONTINUED)

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

At 30 June 2023, the Company had financial assets measured at fair value classified on the three levels in the fair value hierarchy, as follows:

FINANCIAL ASSETS	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income, out of which:	625,794,850	-	61,753,221	687,548,071
<i>Shares</i>	625,794,850	-	18,041,383	643,836,233
<i>Equity interests</i>	-	-	295,747	295,747
<i>Equity holdings</i>	-	-	43,416,091	43,416,091
Financial assets at fair value through profit or loss, out of which:	325,947,137	40,273,477	342,253,329	708,473,943
<i>Shares</i>	325,947,137	-	324,837,741	650,784,878
<i>Fund units</i>	-	-	17,415,588	17,415,588
<i>Government securities</i>	-	40,273,477	-	40,273,477
<i>Corporate bonds</i>	-	-	-	-
Total financial assets	951,741,987	40,273,477	404,006,550	1,396,022,014
NON-FINANCIAL ASSETS				
Property, plant and equipment	-	-	18,977,439	18,977,439
Investment property			2,119,862	2,119,862
Total assets measured at fair value	951,741,987	40,273,477	425,103,851	1,417,119,315

At 30 June 2022, the Company had financial assets measured at fair value classified on Level 1 and Level 3 in the fair value hierarchy, as follows:

FINANCIAL ASSETS	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income, out of which:	627,308,876	-	48,016,433	675,325,309
<i>Shares, preference rights</i>	627,308,876	-	24,576,354	651,885,230
<i>Equity interests</i>	-	-	438,010	438,010
<i>Equity holdings</i>	-	-	23,002,069	23,002,069
Financial assets at fair value through profit or loss, out of which:	262,776,881	-	429,035,852	691,812,733
<i>Shares</i>	262,776,881	-	397,390,572	660,167,453
<i>Fund units</i>	-	-	31,645,280	31,645,280
<i>Corporate bonds</i>	-	-	-	-
Total financial assets	890,085,757	-	477,052,285	1,367,138,042
NON-FINANCIAL ASSETS				
Property, plant and equipment	-	-	12,848,181	12,848,181
Investment property			2,119,862	2,119,862
Total assets measured at fair value	890,085,757	-	492,020,328	1,382,106,085

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29. FINANCIAL ASSETS AND LIABILITIES FAIR VALUES (CONTINUED)

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

In the first half of 2023, no transfers of holdings between levels of the fair value hierarchy took place in the portfolio of financial assets owned by Transilvania Investments.

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

During the first half of 2023, the following movements between Level 3 assets took place:

	Shares	Equity interests	Bonds	Fund units	Equity holdings	Total
Balance at 1 January 2023	408,990,022	438,010	-	17,469,747	29,983,866	456,881,645
Acquisitions made during the year	1,039,761	-	-	-	5,106,055	6,145,816
Sales during the year	(54,266,257)	-	-	(1,059,638)		(55,325,895)
Transfers to level 3	-	-	-	-	-	-
Transfers from level 3	-	-	-	-	-	-
Gain / (loss) recognised in:						
Net gain / (loss) from financial assets at fair value through other comprehensive income	(244,120)	(142,263)	-	-	8,326,169	7,939,786
Net gain / (loss) from financial assets at fair value through profit or loss:	(12,640,282)	-	-	1,005,478	-	(11,634,804)
- realized gain/(loss)	5,090,696	-	-	(11,970)	-	5,078,726
- unrealized gain/(loss)	(17,730,978)	-	-	1,017,448	-	(16,713,530)
Balance at 30 June 2023	342,879,125	295,747	-	17,415,587	43,416,091	404,006,550

During the reporting period, the following operations took place:

- acquisition of shares (Grup Bianca Trans);
- sale of shares (COMCM, Legume-Fructe Buzau, Concas, IRUCOM);
- withdrawal from Transilvania Estival 2002;
- sale of fund units (BET-FI INDEX INVEST);
- participation in the share capital increase of Transilvania Investments Alliance Equity

No transfers between level 1 and level 3 took place.

At the end of H1 2023, the equity holding in CEECAT Fund II SCSP amounts to RON 43.42 million (EUR 8.75million).

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29. FINANCIAL ASSETS AND LIABILITIES FAIR VALUES (CONTINUED)

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

During the first half of 2022, the following movements between Level 3 assets took place:

	Shares	Equity interests	Bonds	Fund units	Equity holdings	Total
Balance at 1 January 2022	426,739,766	-	-	39,629,756	-	466,369,522
Acquisitions performed during the year	3,999,660	494,500	-	10,349,999	21,557,376	36,401,535
Sales during the year	(14,978,872)	-	-	(15,597,284)	-	(30,576,156)
Bonds upon maturity	-	-	-	-	-	-
Transfers to level 3	(3,174,000)	-	-	-	-	(3,174,000)
Gain / (loss) recognised in:						
Net gain / (loss) from financial assets at fair value through other comprehensive income	(72,373)	(56,490)	-	-	1,444,693	1,315,830
Net gain / (loss) from financial assets at fair value through profit or loss	9,452,745	-	-	(2,737,191)	-	6,715,554
- realized loss	6,520,427	-	-	(1,090)	-	6,519,337
- unrealized gain/(loss)	2,932,318	-	-	(2,736,101)	-	196,217
Balance at 30 June 2022	421,966,926	438,010	-	31,645,280	23,002,069	477,052,285

29.2. 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 measured 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 used for liabilities.

Assets and liabilities for which fair value is presented as at 30 June 2023:

	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents (i)	4,379	58,780,195	-	58,784,574
Financial assets at amortised cost	-	-	12,039,155	12,039,155
Total financial assets	4,379	58,780,195	12,039,155	70,823,729
Financial liabilities				
Financial liabilities at amortised cost	-	-	38,121,162	38,121,162
Total financial liabilities	-	-	38,121,162	38,121,162

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29. FINANCIAL ASSETS AND LIABILITIES FAIR VALUES (CONTINUED)

29.2. Financial assets and liabilities not measured at fair value (continued)

Assets and liabilities for which fair value is presented as at 30 June 2022:

	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents (i)	1,839	33,235,756	-	33,237,595
Financial assets at amortised cost	-	-	7,626,786	7,626,786
Total financial assets	1,839	33,235,756	7,626,786	40,864,381
Financial liabilities				
Financial liabilities at amortised cost	-	-	35,001,009	35,001,009
Loans from banks	-	-	3,021,716	3,021,716
Total financial liabilities	-	-	38,022,725	38,022,725

(i) Cash and cash equivalents

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

30. MANAGEMENTUL RISCULUI FINANCIAR

The risk management activity is carried out within the Company's organizational structure and it focuses on both general and specific risks, as set forth in Law no. 297/2004, Law no. 74/2015 and NSC Regulation no. 15/2004, as further amended and supplemented, and Law no. 243/2019 regulating alternative investment funds and amending and supplementing acts of legislation.

The identification and measurement of the financial risks, as well as the measurement of the risk management ratios are carried out in compliance with the EU Directive 2011/61 regarding the alternative investment fund managers (DAFIA), EU Regulation no. 231/2013, Directive no. 2013/36 / EU on capital adequacy and EU Regulation no. 575/2013 regarding the prudential requirements for credit institutions and investment companies. The approach used by the Company in respect to the management of the financial and operational risks complies with the provisions of the EU Directive 2011/61 regarding the alternative investment fund managers, the references in DAFIA to Directive 2013/36/EU and the requirements regarding the risk management provided for by the EU Regulation no. 231/2013.

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.

30.1 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 Company is exposed to counterparty credit risk on cash and cash equivalents and other financial assets.

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30. FINANCIAL RISK MANAGEMENT (CONTINUED)

30.1 Credit risk (continued)

The credit risk related to investment activities is managed in compliance with the principles of prudential diversification of the portfolio. 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 credit 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 credit derivative financial instruments in order to reduce the credit risk related to exposure to any debtor.

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

	Rating 30 June 2023 Short/ long-term	30 June 2023	Rating 31 December 2022 Short/ long-term	31 December 2022
Cash and cash equivalents:				
BRD	F2/BBB+	55,165,207	F2/BBB+	21,704,721
ING Bank	F1/A+	1,248,827	P-1/Aa3	2,263,652
Banca Transilvania	B/BB+	1,710,500	B/BB+	21,147,177
Banca Comercială Română	F2/BBB+	620,818	F2/BBB+	2,020,728
OTP Bank	P-2/Baa1+	28,600	P-2/Baa1+	28,866
UniCredit Bank	P-2/Baa1	550	P-2/Baa1	550
Eximbank	-	820	-	220
Vista Bank	P-1/Aa3	4,873	P-1/Aa2	5,091
Total		58,780,195		47,171,005

The above assets are not impaired nor overdue, being included in Stage 1.

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.

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

30.2 Market risk and position risk

Market risk is the present or future risk of recording losses related to balance sheet and off-balance sheet items due to adverse movements in market caused by changes in share prices and 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 mainly associated with the portfolio of financial instruments listed on a regulated market, 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 both the general and specific position risk, due to short term investments made in government securities, 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 prudent 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.

30.3 Concentration risk

Concentration risk concerns 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/issuer or sector.

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

Thus, this diversifying policy implies: diversifying the portfolio by avoiding excessive exposures against the same debtor/issuer, diversifying the structure of financial risks by avoid excessive exposure against a specific type of financial risk.

In order to meet these objectives, the Company carries out an extensive process for portfolio restructuring and business policies re-modelling. At 30 June 2023, the Company's portfolio recorded significant exposures on *Banks* sector, as the main income-generating sector and on *Travel and leisure* sector, due to the historical holdings of Transilvania Investments.

Some of these significant exposures 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.

30.4 Currency risk

The Company is slightly exposed to exchange rate fluctuations, primarily in the case of the equity holdings in investment funds/Collective Investment Undertakings/Alternative Investment Funds, 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 EUR and/or USD.

The Company did not use and does not use currently 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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30. FINANCIAL RISK MANAGEMENT (CONTINUED)

30.4 Currency risk (continued)

The Company's financial assets and liabilities, held in RON and in foreign currencies, at 30 June 2023, can be analysed as follows:

	RON	EUR	GBP	USD	Total
Financial assets					
Cash and cash equivalents	58,123,070	490,642	558	170,304	58,784,574
Financial assets at fair value through other comprehensive income	644,131,980	43,416,091	-	-	687,548,071
Financial assets at fair value through profit or loss	668,200,466	-	-	-	668,200,466
Government securities measured at fair value through profit or loss	30,711,385	9,562,092	-	-	40,273,477
Financial assets at amortised cost	534,595	11,504,560	-	-	12,039,155
Total financial assets	1,401,701,496	64,973,385	558	170,304	1,466,845,743
Financial liabilities					
Financial liabilities (at amortised cost)	38,121,162	-	-	-	38,121,162
Lease liabilities	-	3,632,634	-	-	3,632,634
Total financial liabilities	38,121,162	3,632,634	-	-	41,753,796
Net currency position	1,363,580,334	61,340,751	558	170,304	1,425,091,947

The Company's financial assets and liabilities, held in RON and in foreign currencies, at 30 June 2022, can be analysed as follows:

	RON	EUR	GBP	USD	Total
Financial assets					
Cash and cash equivalents	33,078,741	105,546	555	52,753	33,237,595
Financial assets at fair value through other comprehensive income	652,323,240	23,002,069	-	-	675,325,309
Financial assets at fair value through profit or loss	691,812,733	-	-	-	691,812,733
Financial assets at amortised cost	7,615,535	11,251	-	-	7,626,786
Total financial assets	1,384,830,249	23,118,866	555	52,753	1,408,002,423
Financial liabilities					
Financial liabilities (at amortised cost)	35,001,009	-	-	-	35,001,009
Loans from banks	3,021,716	-	-	-	3,021,716
Lease liabilities	-	4,502,838	-	-	4,502,838
Total financial liabilities	38,022,725	4,502,838	-	-	42,525,563
Net currency position	1,346,807,524	18,616,028	555	52,753	1,365,476,860

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30. FINANCIAL RISK MANAGEMENT (CONTINUED)

30.5 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.

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 that 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 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 H1 2023:

Financial assets	RON		EUR	
	Interval		Interval	
	Min	Max	Min	Max
Cash and cash equivalents	4.40	6.40	-	-

The following table shows the annual interest rates obtained or offered by the Company for its interest-bearing assets and liabilities for H1 2022:

Financial assets	RON		EUR	
	Interval		Interval	
	Min	Max	Min	Max
Cash and cash equivalents	0.71	10.00	-	-

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30. FINANCIAL RISK MANAGEMENT (CONTINUED)

30.5 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.

30 June 2023	< 1 month	1 month - 3 months	3 months - 1 year	1 year – 5 years	Over 5 years	Non-interest- bearing	Total
Financial assets							
Cash and cash equivalents	58,780,195	-	-	-	-	4,379	58,784,574
Financial assets at fair value through other comprehensive income	-	-	-	-	-	687,548,071	687,548,071
Financial assets at fair value through profit or loss	-	-	-	-	-	668,200,466	668,200,466
Government securities measured at fair value through profit or loss	-	-	-	-	-	40,273,477	40,273,477
Financial assets at amortised cost	-	-	-	-	-	12,039,155	12,039,155
Total financial assets	58,780,195	-	-	-	-	1,408,065,548	1,466,845,743
Financial liabilities							
Financial liabilities (at amortised cost)	-	-	-	-	-	38,121,162	38,121,162
Lease liabilities	11,384	22,768	102,455	2,896,612	602,481	-	3,635,700
Total financial liabilities	11,384	22,768	102,455	2,896,612	602,481	38,121,162	41,756,862
Net position	58,768,811	(22,768)	(102,455)	(2,896,612)	(602,481)	1,369,944,386	1,425,088,881

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30. FINANCIAL RISK MANAGEMENT (CONTINUED)

30.5 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.

30 June 2022	< 1 month	1 month - 3 months	3 months - 1 year	1 year – 5 years	Over 5 years	< 1 month	Total
Financial assets							
Cash and cash equivalents	33,235,756	-	-	-	-	1,839	33,237,595
Financial assets at fair value through other comprehensive income	-	-	-	-	-	675,325,309	675,325,309
Financial assets at fair value through profit or loss	-	-	-	-	-	691,812,733	691,812,733
Financial assets at amortised cost	-	-	-	-	-	7,626,786	7,626,786
Total financial assets	33,235,756	-	-	-	-	1,374,766,667	1,408,002,423
Financial liabilities							
Financial liabilities (at amortised cost)	-	-	-	-	-	35,001,009	35,001,009
Loans from banks	-	-	3,021,716	-	-	-	3,021,716
Lease liabilities	69,466	138,933	323,922	3,444,901	525,616	-	4,502,838
Total financial liabilities	69,466	138,933	3,345,638	3,444,901	525,616	35,001,009	42,525,563
Net position	33,166,290	(138,933)	(3,345,638)	(3,444,901)	(525,616)	1,339,765,658	1,365,476,860

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

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

The focus was placed on the Company's ability to invest in liquid assets in a reasonable time frame, so as the Company, in accordance with its portfolio management policy, be able 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, be represented by assets with high liquidity.

The portfolio of shares held by Transilvania Investments mainly includes:

- shares held in companies listed on a regulated market, which are constantly analysed in terms of liquidity risk. At 30 June 2023, the weight of the high liquidity assets in total assets, namely those shareholdings that meet the criteria established by the Company to be considered liquid, was 43.87% (30 June 2022: 46.70%)
- other holdings (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 shareholdings in companies listed on a regulated market.

Both in the context generated by the evolution of the conflict in Ukraine, 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.

During the first half of 2023, the liquidity risk related to the managed portfolio was proactively managed through a mix of measures:

- the Company monthly analysed the liquidity of assets with a high degree of liquidity, in order to ensure the necessary liquidity related to the payment obligations due in the next 30 days;
- an asset sale program was implemented which is focused on calibrating / adapting the size of each relevant holding to the parameters of the optimal holding packages from the perspective of historical liquidity values, so that the efforts to consolidate the aggregate treasury also contribute to improving portfolio liquidity;
- the Company carried out in 2022 liquidity crisis simulations, meant to detect possible vulnerabilities regarding the liquidity risk and which can proactively highlight a possible need to implement action plans meant to avoid or manage periods of high liquidity risk. Through these actions, a wide range of scenarios for analysing liquidity crisis situations was analysed. The scenarios used included both market risk and liquidity-specific conditions recorded by the main holdings in crisis periods.

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

30.6 Liquidity risk (continued)

The table below presents the financial liabilities as at 30 June 2023 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 the 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 reporting period. The payments in foreign currency are translated using the exchange rate at the end of the reporting period.

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30. FINANCIAL RISK MANAGEMENT (CONTINUED)

30.6 Liquidity risk (continued)

30 June 2023	< 1 month	1 month - 3 months	3 months – 1 year	1 year - 5 years	Over 5 years	Without fixed maturity	Total
Financial assets							
Cash and cash equivalents	58,784,574	-	-	-	-	-	58,784,574
Financial assets at fair value through other comprehensive income	-	-	-	-	-	687,548,071	687,548,071
Financial assets at fair value through profit or loss	-	-	-	-	-	668,200,466	668,200,466
Government securities measured at fair value through profit or loss	-	-	-	-	-	40,273,477	40,273,477
Financial assets (at amortised cost)	-	-	12,039,155	-	-	-	12,039,155
Total financial assets	58,784,574	-	12,039,155	-	-	1,396,022,014	1,466,845,743
Financial liabilities							
Financial liabilities (at amortised cost)	1,420,487	36,700,675	-	-	-	-	38,121,162
Lease liabilities	11,384	22,768	102,455	2,896,612	602,481	-	3,635,700
Total financial liabilities	1,431,871	36,723,443	102,455	2,896,612	602,481	-	41,756,862
Net liquidity impact	57,352,703	(36,723,443)	11,936,700	(2,896,612)	(602,481)	1,396,022,014	1,425,088,881

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(All amounts are expressed in RON, unless otherwise stated)

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

30.6 Liquidity risk (continued)

30 June 2022	< 1 month	1 month - 3 months	3 months – 1 year	1 year - 5 years	Over 5 years	Without fixed maturity	Total
Financial assets							
Cash and cash equivalents	33,237,595	-	-	-	-	-	33,237,595
Financial assets at fair value through other comprehensive income	-	-	-	-	-	675,325,309	675,325,309
Financial assets at fair value through profit or loss	-	-	-	-	-	691,812,733	691,812,733
Financial assets (at amortised cost)	7,185,969	-	440,817	-	-	-	7,626,786
Total financial assets	40,423,564	-	440,817	-	-	1,367,138,042	1,408,002,423
Financial liabilities							
Financial liabilities (at amortised cost)	1,371,123	33,629,886	-	-	-	-	35,001,009
Loans from banks	-	-	3,021,716	-	-	-	3,021,716
Lease liabilities	69,466	138,933	323,922	3,444,901	525,616	-	4,502,838
Total financial liabilities	1,440,589	33,768,819	3,345,638	3,444,901	525,616	-	42,525,563
Net liquidity impact	38,982,975	(33,768,819)	(2,904,821)	(3,444,901)	(525,616)	1,367,138,042	1,365,476,860

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

30.7 Business environment

Globally, a number of overall developments centred around measures to manage the general inflationary context continued throughout the first half of 2023. The overall context has kept the restrictive monetary policies of most central banks at the forefront. All these developments remain dependent on the fragile balance between the trends of tempering inflationary pressures and the structural imbalances still unresolved.

The Company's investment activity has been adapted to the national and international context which is characterized by excessive volatility and a high degree of unpredictability.

The Company's management cannot reliably estimate the impact on the financial statements of some relevant factors such as future declines in financial market liquidity and financial asset quotations, due to the increased volatility of the capital and foreign exchange markets. However, Transilvania Investments 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 debts to third parties.

30.8 Operational risk

Operational risk is defined as the risk of loss caused either by using inadequate or inaccurate processes, systems and human resources that have not performed their function properly, or by external events and actions, and includes the legal risk. Transilvania Investments 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 Department, 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.

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 H1 2023, 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.

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

30.9 Capital adequacy

As regards the financial risks to which it is exposed, Transilvania Investments applied in the first half of 2023 also a capital-based approach, according to EU Regulation no. 575/2013 on prudential requirements for credit institutions and investment firms. The impact of the financial risks takes into account the size of the financial resources that are affected by the respective financial risks (calculated by dividing the level of the capital adequacy ratio by the minimum level required by law, i.e. 8%). Transilvania Investments seeks that the solvency ratio, determined as a ratio between capital requirements afferent to financial risks and own funds (financial resources) is at least two times higher than the required minimum level (resulting in a minimum capital adequacy rate of 16%). At 30 June 2023, Transilvania Investments recorded a high level of capital adequacy ratio of 52.29%.

Transilvania Investments' own funds as at 30 June 2023, calculated in accordance with the methodology laid down in EU Regulation no. 575/2013, amount to RON 831,476,262. 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.

Being a reporting prepared based on unaudited interim financial statements, and prior to a formal decision confirming the Company's final profit or loss for the financial year 2023, the calculation of own funds at the reference date 30.06.2023 does not include the amount of RON 63,726,614 (representing current result and retained earnings afferent to the year 2023).

31. CAPITAL MANAGEMENT

The Company's objectives regarding the capital management are to safeguard 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 sum 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 30 June 2023 amounted to RON 1,412,898,914 (30 June 2022: RON 1,355,853,905).

Consistent with other companies in the industry, the Transilvania Investments monitors the capital based on net asset value per unit. This value is calculated as a ratio between the net asset value and the number of the outstanding issued shares.

32. COMMITMENTS AND CONTINGENCIES

32.1. Litigations

In H1 2023, the Company continued to be involved in 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 presented in these financial statements.

During H1 2023, the existing litigations concerned the defence of the corporate rights of the Company and other patrimony rights of the later.

32.2 Contingent liabilities

At 30 June 2023 and 30 June 2022, the Company had no contingent liabilities.

32. COMMITMENTS AND CONTINGENCIES (CONTINUED)

32.3 Transfer pricing

The Romanian tax legislation has been providing rules on transfer pricing between related parties ever since 2000. The current legislative framework defines the “market value” principle in relation to transactions between related parties, as well as the methods of determining transfer prices. Thus, it is likely that the tax authorities conduct verifications of the transfer pricing to make sure 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 related parties. The Company cannot measure the result of such verifications.

33. SUBSEQUENT EVENTS

In accordance with the Resolution of the General Meeting of Shareholders of 24 April 2023, the Company allocated the net profit achieved in the financial year 2022 as follows:

Destination	Amount (RON)
Dividends	30,274,213
Other reserves – own financing sources from profit	33,447,525
TOTAL profit - achieved and allocated	63,721,738

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

This version of the financial statements 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.

STATEMENT

The undersigned, Radu-Claudiu ROȘCA -Executive President and Stela CORPACIAN – Executive Vice-President, in our capacity as legal representatives of Transilvania Investments Alliance S.A., with its headquarters in Brasov, 2, Nicolae Iorga Street, Unique Registration Code 3047687, under article 67 para. (2) letter c) of Law no. 24/2017 *on issuers of financial instruments and market operations*

We hereby give this statement on the measure in which the Interim condensed financial statements as at 30.06.2023 reflect in an accurate manner, from all significant points of view, the financial position of Transilvania Investments Alliance S.A. as at 30.06.2023 and the result of its operations completed at this date in accordance with the provisions of the Romanian accounting rules, namely the Accounting Law no. 82/1991 - republished and the F.S.A. Rule no. 39/2015 on the approval of the Accounting regulations complying with I.F.R.S., applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority from the Financial Instruments and Investments Sector.

We hereby declare that we take full responsibility for the preparation of the Interim condensed financial statements as at 30.06.2023 and we confirm that:

a) The accounting policies used to prepare the Interim condensed financial statements are compliant with the F.S.A. Rule no. 39/2015;

b) The Interim condensed financial statements as at 30.06.2023, prepared by the Company under the legal regulations in force mentioned above, provide a fair, accurate and reality-based image of the Company's assets, liabilities, financial position, profit or loss and other comprehensive income, changes in the shareholders' equity, cash flows, informative data, statement of non-current assets and of the other information included in the explanatory notes;

c) The Executive Board's Report (accompanying the Interim condensed financial statements as at 30.06.2023) comprises a correct analysis of the Company's development and achievements and describes the main risks and uncertainties specific to the activity carried out by the Company as "Other collective investment undertakings" with a diversified investment policy, set up by Articles of Incorporation;

d) The Company carries out its activity under the going concern principle.

Therefore, on behalf of the Company's Executive Board, we give this statement that will accompany the Interim condensed financial statements prepared by the Company for the half-year ended June 30, 2023.

The Interim condensed financial statements as at 30.06.2023 are not audited.

RADU-CLAUDIU ROȘCA
Executive President

STELA CORPACIAN
Executive Vice-President



**Transilvania
Investments**